

To whom it may concern.

I am writing to respond to the research exercise on charities SORP (FRS 102)

I am a treasurer of a charity but these views are my own and not those of my organisation.

My responses are as follows

Q1. No comment

Q2 Smaller charities probably need more training support and ensure their professional advisers are up to date on requirements.

Q3 Happy

Q4 I believe the SORP should remain. Although more aligned to the commercial sectors, Charities are still a different beast and will have different disclosure needs and emphasis. What is clear is that the SORP should be set up to meet the donors, beneficiaries and charity needs and not Press needs.

Q5 No

Q6 A third tier may help some disclosure issues but not sure if this will really help. Although smaller charities have the same public responsibility the actions and impacts of the larger charities are far removed from the majority of smaller ones. However, the formers actions can have a disproportionate amount of impact on the smaller charity sector when changes are introduced to deal with their actions. The answer is probably not to have a third tier but ensure changes are appropriate to the whole sector rather than a reaction to one or two charity's issues.

Q7 This will allow future changes due to reaction in the sector to be targeted.

Q8 a) and b). Better integration and detail of reporting.

In some agreement, but must remember the finance figures are only part of the story. Too little in the report does not help but too much looses impact and understanding.

c) Key facts summary (see below)

d) Reserves. This would be helpful

Q9 These add a burden on charities and do not add any value for the reader of the accounts. Support costs are necessary for all operations and separating out support costs feeds an incorrect impression that support costs are a 'bad' piece of expenditure. The SORP making bodies need to take action.

Q10 and 11 Themes

a) Public benefit

Charities should be encouraged to consider these areas in own deliberation but should not be mandatory in the report.

b) Risk Management

This is more an area to be disclosed on an annual return rather than Trustee Report.

c) Going concern

Need to ensure there is a balance between identifying issues and making disclosure which results in them losing funding and then having to cease. Pension issues are of more concern and this area needs to be addressed at government level. The full implications are still not understood in the market place so difficult for charity trustees to adequately address this.

d) Enhanced analysis of expenditure

I reject calls for charities to break down their spending by jurisdictions This will not add value as most charities that work overseas will already be explaining their operations through narrative reporting. This will add significant bureaucracy, however, and further lengthen the SORP
With regards further details on administration and fundraising , financial disclosures are not the way to improve understanding of charities operations, encouraging and supporting charities to talk about their operations and approach to fundraising through narrative reporting would be better. The public and government need a better understanding of a modern day charity.

e) Disclosure of who funds a charity

I reject the proposal for material donors and funders to be declared

I am concerned that this will impact on the donor's right to privacy and could lead to fewer charities receiving charitable donations.

f) Disclosure of Key Facts

I reject the proposal for a Key Facts Summary There is no rationale for why this summary would improve understanding of charities, and I do not believe that there is financial information which would universally demonstrate the effectiveness of a charity. It is only likely to encourage readers not to engage with the full annual report and accounts.

Q12 SMT salary disclosure should be removed at this does not adequately reflect the situation in a small/medium charity where more people multitask. I also disagree with NCVO suggestion that all CEO salaries should be disclosed as this may impact on increasing wages at the bottom rather than reducing at the top.

Thank you for considering my response

Kind Regards

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Treasurer

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