

To whom it may concern,

I am writing to respond to the research exercise on charities SORP (FRS 102). I believe that it is important for the charities SORP making-bodies to take into account the views of finance professionals in the charity sector. I know that having an effective reporting framework is in the interests of not only the public but the charity sector itself. I therefore urge the charities SORP making-bodies to listen to organisations such as the Charity Finance Group, which have undertaken an extensive consultation with finance professionals, including via roundtable discussions and an online survey.

In particular, I would urge the SORP making-bodies to:

**1. 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 misunderstandings that already exist in the public consciousness about fundraising effectiveness in particular. The difference in ratios for charities with huge legacy bases (e.g. cancer) and those with different objectives (e.g. homelessness) is already a problem that needs explanation not exacerbation

**2. Reject the proposal for material donors and funders to be declared**

This will impact of the donor's right to privacy and could lead to fewer charities receiving significant charitable donations. I also do not believe that declaring funders, such as local councils, would improve the public's understanding of the effectiveness of a charity.

**3. Abolish the separate accounting of support costs**

A charity incurs expenditure for the benefit of beneficiaries. The categorisation of 'support' costs plays into the hands of those who want to damage the charity sector.

Regards

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