

Hello

I write to respond to the invitation to comment on Draft SORP FRS 102 Update Bulletin 2.

I make this submission as:

- A sole practitioner who has been preparing accounts and conducting independent examinations for 10 years for charities with incomes ranging from £26k to £400k.
- The trustee/treasurer of 4 charities, subject to independent examination and audit, during the last 14 years.

The one point I would like to make is that I disagree with the introduction of para 3.49 on comparative information; the impact will be to significantly increase the length of accruals accounts. What value does this add when a user can download the prior-year accounts from the Charity Commission website?

Whilst the Bulletin's ethos is consistency with FRS102, charity accounts are generally far more detailed than small company filed accounts. A small company can elect not to file a copy of the profit and loss account and/or the directors' report with Companies House. Certainly for smaller charities, proportionality thus seems to be missing when it comes to comparative information.

I would like to see comparatives disclosure return to the SORP 2005 requirement - which gave an overview comparison with the previous year.

If para 3.49 is not amended, then it could drive these potential trends:

- Giving less voluntary disclosure in the financial statements - meaning shorter accounts with less comparative information.
- Non-company charities filing accruals accounts and with income below the receipts and payments threshold will have an extra incentive to switch to receipts and payments accounts.

Frank Learner DChA, FCIE
Principal, Greengage Associates

4 April 2018

This e-mail has been scanned for all viruses by Star. The service is powered by MessageLabs. For more information on a proactive anti-virus service working around the clock, around the globe, visit:
<http://www.star.net.uk>
