



CHARITY COMMISSION
FOR ENGLAND AND WALES

OSCR
Scottish Charity Regulator

CIPFA

Mrs Jenny Carter - Director of UK Accounting Standards
Financial Reporting Council
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Sent electronically to ukfrsreview@frc.org.uk

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Dear Jenny,

Feedback on FRS 102 to inform its future development

The Charity Commission for England and Wales and the Office of the Scottish Charity Regulator act together as the joint SORP-making body for UK charities, and this response to your invitation is made in that capacity.

The invitation for comments on stakeholder experiences of implementing FRS 102 was considered by our SORP Committee at its last meeting. Our response incorporates the views and advice we have received from this committee but our submission excludes the feedback from the SORP research exercise which is currently underway and does not conclude until 11 December.

We are concerned that the requirement for FRS 102 comparatives, unless otherwise stated in the standard, has resulted in excess disclosures in financial statements to little benefit for the users of the accounts. Initial feedback from the Charities SORP Committee indicates that strict compliance with paragraph 3.14 of section 3 of FRS 102 has substantially increased the length of charity reports. This appears to be in contradiction to the FRC's aim to reduce 'clutter' in annual reporting. From the perspective of charity accounting, many figures in the accounts are specific to the current reporting period, for example fund movements. When these are provided as comparative figures, they are of little value to the users understanding of the reporting period under review. We would therefore welcome the SORPs having greater discretion to limit the requirement for comparative disclosures to do with sector specific disclosure not required by the standard itself. We can then tailor these disclosures to the requirements of sector specific users of the report and accounts.

We look forward to the opportunity to engage in further consultations as part of the first triennial review of UK and Ireland accounting standards. The committee's current [research exercise](#) will identify implementation issues that require improvements to the SORP which will be fed into future consultation responses.

Yours sincerely,



Nigel Davies
Joint Chair of Charities SORP Committee
Head of Accountancy Services
Charity Commission for England and Wales



Laura Anderson
Joint Chair of Charities SORP Committee
Head of Enforcement
Office of the Scottish Charity Regulator