Summary of changes

CHARITY COMMISSION FOR ENGLAND AND WALES

OSCR Scottish Charity Regulator

The Charity Commission for Northern Ireland

The SORP is structured using modules, each of which explains the relevant accounting and reporting requirements for a particular aspect of the annual report and accounts or particular types of transactions. The table below outlines the substance of the changes made to each module in the Charities SORP 2026. Full details of the main issues considered by the SORP-making body in producing the Charities SORP 2026 can be found in Appendix 4, Basis for conclusions, SORP 2026.

Module number / title	Extent of changes	Nature of changes
Scope and application	Limited changes	The reporting requirements in the new SORP are split between 3 tiers based on the charity's level of income. A new section is included in this module to explain the criteria for each tier, how to report under the new tiering structure and interaction between the tiers in SORP and Companies Act thresholds. Other changes in the module are made to be consistent with FRS 102 and in response to stakeholder feedback
1. Trustees' Annual Report	Significant	This module includes new and enhanced disclosure requirements plus changes to the structure of the module. The new requirements include: • reporting on how a charity is responding to and managing environmental, governance and social matters; • impact reporting is now a 'must' for all charities; and • tier 2 and tier 3 charities should provide more narrative on how legacies are recognised in the accounts.
2. Fund accounting	Significant	Changes in this module arise from changes in legislation and stakeholder feedback
3. Accounting standards, policies, concepts and principles, including estimates and errors	Significant	More guidance has been included on the going concern basis of preparation. Other changes in this module are made to be consistent with FRS 102 and in response to stakeholder feedback.

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4. Statement of Financial Activities	Limited changes	In response to stakeholder feedback, tables have been included to show charities how to report if using natural classifications and to assist in the presentation of allocation of support costs.
5. Recognition of income, including legacies, grants and contract income	Significant	To reflect changes to FRS 102, guidance is included on exchange transactions, in particular, the 5-step model for income recognition. In response to stakeholder feedback, the module also provides guidance on when grant income is income from an exchange transaction or when it is income from a non-exchange transaction. Other changes to the module are to improve clarity of reporting.
6. Donated goods, facilities and services, including volunteers	Limited changes	Changes are made to be consistent with FRS 102 and to improve clarity of reporting.
7. Recognition of expenses	Significant	In response to stakeholder feedback, this module in the previous SORP has now been split with new module 10A now covering provisions, contingent liabilities and contingent assets. Some limited changes have been made to ensure consistency with FRS 102.
8. Allocating costs by activity in the Statement of Financial Activities	Limited changes	In response to stakeholder feedback, more guidance is included on the nature of support costs.
9. Disclosure of trustee and staff remuneration, related party and other transactions	Limited changes	There are some changes to disclosure requirements in this module. Also clarification of some requirements has been added, for example, to highlight that the SORP requires disclosure of transactions with former related parties when the transaction occurs in the current reporting period.
10. Balance Sheet	Significant	Changes made to be consistent with FRS 102, to include additional information to reflect the new lease accounting requirements and to assist users understanding/usability
10A. Provisions, contingent liabilities and contingent assets	New module	This module was covered as part of module 7 in the previous SORP. The new module gives preparers a clearer understanding of the meaning of provisions, contingent assets and contingent liabilities. Changes have also been made to be consistent with FRS 102.

10B. Lease accounting	New module	This module is included to explain new requirements introduced by FRS 102. The module includes a flowchart to help users navigate the parts of the module that are relevant to their circumstances and examples to assist understanding.
11. Accounting for Financial Assets and Financial Liabilities	Limited changes	Changes have been made to be consistent with FRS 102 and to assist users understanding/usability
12. Impairment of assets	Limited changes	A new section is included in this module to cover impairment of inventories. Other changes are made to be consistent with FRS 102 and to assist users understanding/usability
13. Events after the end of the reporting period	Limited changes	Changes have been made to assist users understanding/usability including some examples relevant to legacies as the SORP consultation feedback highlighted that this is an area that can cause confusion.
14. Statement of cash flows	Significant	To help smaller charities, the requirement in the previous SORP for charities with income over £500,000 to produce a cash flow statement has been changed. The SORP increases the income threshold to £15 million (tier 3). This means that only charities in tier 3 are required by SORP to produce a statement of cashflows. However, charities in tiers 1 and 2 are required by FRS 102 to prepare a statement of cash flows where they do not meet the definition of a small entity under FRS 102. Other changes in the module are made to be consistent with FRS 102.
15. Charities established under company law	Editorial and legal updates	Changes made to assist users understanding/usability and to reflect current legal requirements
16. Presentation and disclosure of grant-making activities	Editorial	Changes made to assist users understanding/usability
17. Retirement and post-employment benefits	Limited changes	Changes made to assist users understanding/usability
18. Accounting for Heritage Assets	Significant	The main change to this module relates to providing clarity on the measurement of heritage assets that have been donated. Other changes

		are made to be consistent with FRS 102 and to assist users understanding/usability
19. Accounting for funds received as agent or as holding trustee	Editorial	Changes made to assist users understanding/usability
20. Total Return (Investments) – England and Wales only	Editorial and legal updates	The module is updated for changes arising in the Charities Act 2022. Section 104AA(2) of the Charities Act 2022 and includes three new disclosures relating to this. Other changes are made to assist users understanding/usability and to reflect current legal requirements.
21. Accounting for social investments	Significant	Guidance in this module is updated to be consistent with FRS 102, to reflect current legal requirements, to provide more clarity for users and more consistency in reporting. In particular, the terms 'Mixed Motive Investments' and 'Programme Related Investments have been retired to align with the Charities Act 2011.
22. Accounting for charities pooling funds for investment	Limited changes	Changes made to reflect current legal requirements
23. Overview of charity combinations or interests in other entities	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability
24. Accounting for groups and the preparation of consolidated accounts	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability
25. Branches, linked or connected charities and joint arrangements	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability
26. Charities as subsidiaries	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability
27. Charity mergers	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability
28. Accounting for associates	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability

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29. Accounting for joint ventures	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability
Glossary	Limited changes	Changes made to be consistent with FRS 102 and to assist users understanding/usability. In particular, a definition of reserves as used in the new SORP has been included.