

## **Accounting Standards Board**

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Andrew Hind, Chair, Charities SORP Committee, Charity Commission, Harmsworth House, 13-15 Bouverie Street, London, EC4Y 8DP

30 April 2008

Dear Andrew

## **Review of Public Benefit Entity SORPs**

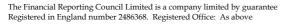
I am grateful to the Charities SORP Committee for commenting on the draft of the PricewaterhouseCoopers report on the four public benefit entity Statements of Recommended Practice (SORPs). The final version of the report has now been placed on the ASB website at <a href="http://www.frc.org.uk/asb/technical/sorps.cfm">http://www.frc.org.uk/asb/technical/sorps.cfm</a>. We hope that making the report available in this way will both inform and help SORP making bodies in taking forward their work programmes.

In reviewing the report's findings, the ASB's Committee on Accounting for Publicbenefit Entities (CAPE) was pleased to note that no GAAP departures were identified in any of the four public benefit entity SORPs. However, the report also highlights (in sections 3 and 4) a number of areas where different accounting treatments are prescribed by the different SORPs.

There may be valid reasons for some of these, reflecting the differing circumstances of the sectors to which the SORPs are addressed. However, we would ask the Charities SORP Committee to review the relevant issues and consider whether financial reporting would be improved if the Charities SORP were to require the treatment prescribed by another SORP.

In the specific context of the Charities SORP, we would highlight the treatments prescribed in the following areas:

- primary statements;
- capital grants and financing;
- designated reserves; and
- combinations.





If, as a result of its review, the Charities SORP Committee concludes that changes to the SORP are desirable, it may take the view that these issues do not require an immediate change (which would of course require an exposure draft). Instead, any changes could be dealt with as part of the next scheduled update of the SORP.

I look forward to hearing the results of your consideration of these matters. We would of course be very happy to discuss any questions you may have and, if it would be helpful, I would be happy to meet with you or attend a meeting of the Charities SORP Committee to discuss further.

I am copying this letter to Kirsty Gray, as Deputy Chair of the Charities SORP Committee.

Yours sincerely

Moreno

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