

Objectives of Financial Reporting – Extracts from Standards Setters *and the Guidance Proposed by the IFR4NPO Project*

Financial Reporting Standard/ Guidance	Extract
Charities SORP FRS 102 (second edition – October 2019)	<p>The recommendations of the SORP are intended to achieve the following objectives:</p> <ul style="list-style-type: none"> • improve the quality of financial reporting by charities; • enhance the relevance, comparability and understandability of the information presented in charity accounts; • provide clarification, explanation and interpretation of accounting standards and their application to charities and to sector specific transactions; and • assist those who are responsible for the preparation of the trustees' annual report and accounts
FRS 102 <i>The Financial Reporting Standard applicable in the UK and Republic of Ireland</i>	<p>The FRC's overriding objective in setting accounting standards is to enable users of accounts to receive high-quality understandable financial reporting proportionate to the size and complexity of the entity and users' information needs.</p> <p>In achieving this objective, the FRC aims to provide succinct financial reporting standards that:</p> <ul style="list-style-type: none"> (a) have consistency with global accounting standards through the application of an IFRS-based solution unless an alternative clearly better meets the overriding objective; (b) balance improvement, through reflecting up-to-date thinking and developments in the way businesses operate and the transactions they undertake, with stability; (c) balance consistent principles for accounting by all UK and Republic of Ireland entities with proportionate and practical solutions, based on size, complexity, public interest and users' information needs; (d) promote efficiency within groups; and (e) are cost-effective to apply.

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IFR4NPO Objectives of its Draft Guidance Included in the IFR4NPO Consultation Paper	<p>To strengthen the governance and financial management of NPOs...Guidance will be developed over a five-year timeframe to meet the following three objectives:</p> <ul style="list-style-type: none"> • Objective 1: To improve the quality, transparency and credibility of NPO financial reports. • Objective 2: To support the provision of NPO financial information that is useful for decision making and accountability, balancing the needs of preparers and users. • Objective 3: To address specific NPO issues, which will promote the comparability of NPO financial reports.
International Accounting Standards Board (IASB) Extract from the Preface for IFRS for SMEs	<p>The objectives of the IASB are:</p> <ol style="list-style-type: none"> (a) to develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting Standards based on clearly articulated principles. These Standards should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the various capital markets of the world and other users of financial information make economic decisions. (b) to promote the use and rigorous application of those Standards. (c) in fulfilling the objectives associated with (a) and (b), to take account of, as appropriate, the needs of a range of sizes and types of entities in diverse economic settings. (d) to promote and facilitate the adoption of its Standards.

Financial Reporting Standard/ Guidance	Extract
<p>International Public Sector Accounting Standards Board Extract from Handbook of International Public Sector Accounting Standards</p>	<p>The objective of the IPSASB is to serve the public interest by developing high quality accounting standards and other publications for use by the public sector around the world in general purpose financial reports.</p> <p>This is intended to enhance the quality and transparency of public sector reporting by providing for better public sector decision making. In pursuit of this objective the IPSASB supports the convergence of international and national public sector standards and the convergence of accounting and statistical basis of financial reporting where appropriate; and also promotes acceptance of its standards and other qualifications.</p>