

## Financial Reporting Council's statement on the charities SORP (FRS 102)

The aim of the Financial Reporting Council (FRC) is to promote high-quality corporate governance and reporting to foster investment. In relation to accounting standards applicable in the UK and Republic of Ireland the FRC's overriding objective 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. In particular industries or sectors, clarification of aspects of those standards may be needed in order for the standards to be applied in a manner that is relevant and provides useful information to users of financial statements in that industry or sector.

Such clarification is issued in the form of Statements of Recommended Practice (SORPs) by bodies recognised for this purpose by the FRC. The Charity Commission and the Office of the Scottish Charity Regulator (OSCR) in their role as the joint SORP-making body have confirmed that it shares the FRC's aim of high-quality financial reporting and has been recognised by the FRC for the purpose of issuing SORPs for charities.

In accordance with the FRC's *Policy and Code of Practice on SORPs* the FRC carried out a limited scope review of the SORP focusing on those aspects relevant to the financial statements.

On the basis of its review, the FRC has concluded that the SORP has been developed in accordance with the FRC's *Policy and Code of Practice on SORPs* and does not appear to contain any fundamental points of principle that are unacceptable in the context of present accounting practices or to conflict with an accounting standard.

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Financial Reporting Council