**Guidance: How to use the modular SORP**

## 1 Introduction

1.1 The development of an on-line SORP is a departure from previous practice where a simple PDF file of the SORP book was available for downloading. The new e-format has been developed to allow trustees or charity staff or their professional advisors in preparing the accounts (financial statements) to select only that content required.

1.2 To support preparers and users navigate the on-line SORP it is proposed to develop some free standing guidance. The guidance will take the preparer through the steps of identifying:

- the form of accounts prepared (cash based or accruals);
- the choices open if preparing accruals accounts; and
- the mechanism for selecting the modules that apply to their circumstances

1.3 The term accounts is commonly used in the sector and is the term used in company and charity law. Accounting standards issued by the ASB use the phrase financial statements instead. To assist lay users the term accounts is used with the distinction drawn that when referring to accruals accounts the term financial statements is also used.

## 2 Additional charity specific issues to be addressed

2.1 The guidance will provide an initial reference point and an alternative gateway to the web pages for accessing the on-line SORP.

2.2 The guidance will be posted on the SORP landing page. Behind the SORP landing page will be a sequence of steps that will tie in as embedded links to the flowchart option. This will support two routes through the on-line SORP.

2.3 Two routes are planned because expert users will want to have a short cut to the self selected content and will therefore want to access directly the relevant page and content.

2.4 The Commission will be leading on the development of the on-line SORP. The public consultation on the draft SORP will provide a live test environment to assist in developing and refining the on-line navigation in time for the launch.

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**Question:**

   **1 Does the Committee have any comments on the draft guidance?**

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