

Accounting and Reporting by Charities: Statement of Recommended Practice Charities SORP 2005

(2nd edition — May 2008)

Threshold changes

Accounting and Reporting by Charities: Statement of Recommended Practice (the SORP) was reprinted in May 2008 and all legislative references contained in the document are to legislation applying at that date.

The Charities Acts 1992 and 1993 (Substitution of Sums) Order 2009 (SI 2009 No 508) introduces new accounting and reporting thresholds, which **apply only in England and Wales** for accounting periods ending on or after 1 April 2009. The key changes are:

- the threshold for requiring accounts to be externally examined is raised from £10,000 to £25,000;
- the threshold for the preparation by non-company charities of accruals accounts is raised from £100,000 to £250,000;
- the assets element of the audit threshold is raised from £2.8m to £3.26m and the lower income trigger for this is raised from £100,000 to £250,000; and
- the threshold for registered charities to submit their annual accounts and Trustees Annual Reports to the Charity Commission is raised from £10,000 to £25,000.

These threshold changes should be noted when referring to the following references in the SORP:

Page V, The Charities Statement of Recommended Practice: Small charities and the SORP

The asset threshold for audit is increased from £2.8m to £3.26m.

The income threshold at which non-company charities must prepare accrual accounts is increased from £100,000 to £250,000.

Page 4, Table 1. Legislative Framework for Charity Accounts in the UK

The threshold for filing Trustees' Annual Reports and accounts with the Charity Commission is increased from £10,000 to £25,000.

Page 98, Appendix 4: Thresholds, paragraph 3.1

The threshold at which non-company charities must produce accrual accounts is increased from £100,000 to £250,000 (The Charities Acts 1992 and 1993 (Substitution of Sums) Order 2009 - SI 2009 No 508).

Page 98, Appendix 4: Thresholds, paragraph 4.1

The asset threshold for audit is increased from £2.8m to £3.26m. The income threshold at which the asset threshold applies is also increased from £100,000 to £250,000 (The Charities Acts 1992 and 1993 (Substitution of Sums) Order 2009 - SI 2009 No 508).

Page 99, Appendix 5: Accounting for Smaller Charities, paragraph 5.1.2

The income threshold at which non-company charities may opt to prepare receipts and payments accounts is increased from £100,000 to £250,000.