

SORP and Financial Reporting Requirements

SORP is the Statement of Recommended Practice (SORP) on Accounting and Reporting for charities which prepare their accounts on an accruals basis.

Charities should prepare accounts at least annually. The purpose of preparing accounts is to provide useful information for the decision-making process of the board, funders and other external stakeholders. In addition, the Charities (Accounts and Reports) Regulations, which were developed by the Department for Social Development, commenced on 1 January 2016. These regulations require charities in Northern Ireland to prepare annual accounts depending on the size of the organisation. Other regulators such as [Companies House](#) also require the production of accounts by registered Companies.

If you are a registered charity you must ensure your charity accounts and reports comply with the new accounting and reporting regulations. These apply to your first full financial year beginning on or after: 1 January 2016; or the date of registration with the Commission if later than 1 January 2016. The guidance for charities in Northern Ireland is broken down by the organisation's income as follows:

Gross income up to £250k

- [Receipts and Payments Accounts](#)
- Independently examined by a proper person
- Trustees Annual Report (simplified form) and Annual Monitoring Return (Part)

Gross Income > £250 to £500k

- [Accruals Accounts – SORP](#)
- Qualified independent examination
- Trustees Annual Report (full format) and Annual Monitoring Return

Gross Income >£500K

- [Accruals Accounts – SORP](#)
- Statutory audit carried out by a registered auditor
- Trustees Annual Report (full format) and Annual Monitoring Return

Group income >£500,000

- Consolidated accounts [Accruals Accounts – SORP](#)
- Statutory audit carried out by a registered auditor.
- Consolidated Annual report must be prepared Annual Return (group) Annual Report and Accounts IE or Audit report

Please see the Commission's Guidance [Charity Reporting and Accounting: The Essentials](#).

Statement of Recommended Practice

The SORP provides a framework and sets standards for accountants preparing accounts for charities. SORP is changing, so for more information review the [Charity SORP](#) Other useful information can be found at [Sayer Vincent](#).