

# CHARITY REGULATION UPDATE

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**In TEN MINUTES!**

# CHARITIES SORP 2026

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Published 31<sup>st</sup> October 2025

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Start date – accounting periods commencing 1<sup>st</sup> January 2026 – so first year ends affected 31/12/26

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Watch out for shortened accounting dates

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Major changes on leases and income recognition

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Changes in Trustees Annual Report

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Three tiers - £500k, £15m

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Lower tier under review

# DCMS: Thresholds consultation

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Response issued 31<sup>st</sup>  
October 2025

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Possible start date (but  
unclear what this means)  
1<sup>st</sup> October 2026

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Some very significant  
changes

# INDEPENDENT EXAMINATION

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Lower level currently £25k new £40k

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Qualified IE (ACIE/ICAEW/ACCA etc)  
currently £250k new £500k

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Upper limit where audit starts  
currently £1m new £1.5m

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Asset related test for audit where  
income above £500k (£250k) :  
Currently £3.26m new £5m

# STYLE OF ACCOUNTS

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Receipts and payments  
accounts

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Income level increases from  
£250k to £500k

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DCMS/CCEW Working on  
standard format of R&P as  
well as reviewing IE guidance

# THOUGHTS

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ACAT training on SORP being provided

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Review legal status if limited company charity—and if income lower than £500k (R&P limit) avoids much of the SORP except for TAR

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Watch out for cross border issues (ie: with Scotland) where audit threshold increasing to £1m at a date unspecified but then returns to being lower than E&W limit