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CHARITY KNOW-HOW

APRIL 2026



Welcome to the first edition of our [Charity Know-How](#) e-shot, a quarterly update sharing key insights and developments across the sector.

The charity sector continues to face increasing expectations around transparency, governance and financial reporting. Alongside ongoing funding pressures, organisations are being asked to provide clearer insight into how they operate, how decisions are made and the impact they deliver.

The latest developments under the [Charities SORP](#) reflect this shift. Reporting is no longer just about compliance. It is about providing meaningful, consistent and well-structured information that supports accountability and builds trust with stakeholders.

In this edition, we focus on some of the areas where challenges continue to arise in practice – including reserves, narrative reporting and common SORP pitfalls – and what organisations can do to strengthen their approach.

Supporting this, we work closely with trustees and management teams throughout the year, helping organisations strengthen their finance functions, meet funder requirements and navigate an increasingly complex landscape. This includes support across [outsourced business services](#), [grant audit and assurance](#), [ESG and sustainability](#), and [specialist tax and VAT](#) matters.

As expectations continue to evolve, a more proactive and integrated approach is becoming essential to improving governance, managing risk and supporting long-term sustainability.

[Our charity and not-for-profit team](#) works closely with trustees and management across a wide range of organisations, providing specialist audit, advisory and finance support tailored to the sector. With a strong understanding of the regulatory environment and the practical challenges charities face, we support clients throughout the year, not just at reporting deadlines.

In this edition, we share some of the key insights emerging across the sector, alongside areas where focused support can help organisations strengthen their approach.

As always, if you would like to discuss any of the issues raised, or explore how these developments may affect your organisation, please contact us on ☎ [03330 910411](tel:03330910411) or visit [Not for Profit - Menzies](#).

Key Insights



Recurring challenges under the Charities SORP

While expectations continue to increase, many of the same reporting issues persist in practice. Fund classification, income recognition, narrative reporting and related party disclosures remain common areas of difficulty. These challenges are rarely due to technical complexity alone, but more often reflect weaknesses in process and a tendency to treat reporting as a year-end exercise rather than an ongoing activity.

👉 [Read our article: Five mistakes charities keep making under the SORP and how to avoid them.](#)

The SORP raises expectations for trustees

The revised SORP reflects a broader shift towards greater transparency, governance and insight-driven reporting. Trustees are expected to move beyond oversight and engage actively in the reporting process, ensuring it provides a fair, balanced and coherent account of performance, strategy and decision-making. This includes aligning narrative reporting with the financial statements and ensuring consistency throughout.



👉 [Read our article: Key changes to the Trustees' Annual Report – more than a compliance exercise.](#)



Trustees' Annual Report – a shift in focus

Changes to the Trustees' Annual Report signal a move from structure to substance. There is greater emphasis on narrative quality, requiring charities to clearly link activities to impact, outcomes and long-term objectives. Enhanced disclosures around reserves, future plans and sustainability mean organisations must strengthen internal processes and begin preparation earlier in the reporting cycle.

👉 [Read our article: The new Charities SORP raises the bar – are trustees ready?](#)

Reserves: from compliance to strategy

Reserves continue to be widely misunderstood, often treated as a simple disclosure rather than a core element of financial strategy. A more effective approach is risk-based, focusing on financial resilience and the organisation's ability to respond to uncertainty. Trustees must understand what reserves represent, why they are held and how they support long-term sustainability.



👉 [Read our article: Why charity reserves are still being misunderstood – and why that matters.](#)



FRS 102 Technical Update

Ahead of the upcoming changes to FRS 102, we've developed a series of webinars focused on the charity sector to help you understand the key updates and their practical implications. You can access these on demand below:

- 👉 [Navigating FRS 102: Financial Reporting Changes for Membership Subscriptions](#)
- 👉 [Navigating FRS 102: Charity SORP Changes](#)
- 👉 [Navigating FRS 102: Charities Income Recognition](#)
- 👉 [Navigating FRS 102: Lease Accounting](#)

We are also hosting a series of in-person FRS 102 update sessions across our Manchester, Cardiff, Woking and Solent offices.

These sessions will build on the webinar content and explore key areas in more depth, including lease incentives, contracts with both service and lease elements, sub-leasing, warranty treatment under the new revenue model, agent vs principal considerations, contract modifications, and the sectors most impacted by these changes.

👉 [Sign up for an in-person session here](#)

CFG Northern Conference 2026 – Manchester

We're delighted to be hosting the [Charity Finance Group \(CFG\) Northern Conference 2026](#) at our Menzies LLP Manchester office on **Thursday 14 May**.



This event brings together charity finance professionals for a focused morning of insight, practical learning and peer connection.

Through a mix of expert panels, interactive sessions and real-world case studies, the conference will explore key themes such as financial benchmarking, collaboration and partnerships, and how to maximise the use of AI and technology when resources are limited.

👉 [Find out more and register here](#)

Service-line Focus

Outsourced Business Services (OBS)

Strong finance functions are critical in a challenging environment. Our OBS team works alongside charities to provide flexible, scalable support – from day-to-day finance operations through to strategic insight – helping organisations improve efficiency and decision-making.

👉 [Find out more here](#)

ESG and sustainability

Sustainability and ESG considerations are becoming increasingly important across the charity sector. Through our work with Grain Sustainability, we support organisations in understanding their environmental and social impact, strengthening reporting and embedding sustainability into long-term strategy.

👉 [Find out more here](#)

Grant audit and assurance

With increased scrutiny from funders, robust grant audit processes are essential. We support charities in meeting compliance requirements, strengthening internal controls and providing confidence to stakeholders around the use of funds.

👉 [Find out more here](#)

Brighter Thinking with Menzies LLP

Menzies LLP is a **Top 24 UK business advisory and accountancy firm**, as recognised by Accountancy Age, proudly independent and partner-led. We have over 1,100 colleagues, 80+ partners and 11 locations across the UK, supporting clients nationally and internationally across a wide range of sectors.

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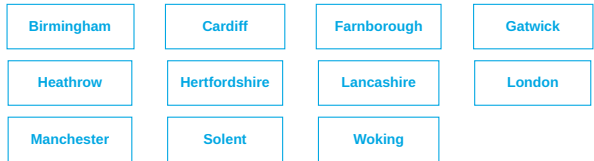


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It helps recognise the team locally and supports others in understanding the service we provide and value to this sector.

You can leave a review for your local office here:



Stay informed

For more updates, expert commentary, and business insights, visit [menzies.co.uk](https://www.menzies.co.uk)



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