



## Summary of the key changes to Charity Statement of Recommended Practice (SORP) 2026

This table includes the key changes that are likely to affect most PCC's annual report and accounts. For more information see the Charity Commission [Summary of Changes](#) and access the full [Charities SORP 2026](#).

Feature	Pre-2026 SORP	2026 SORP
Effective date	Up to financial yearend 31 December 2025	From financial year starting 1 January 2026
Reporting Framework (1)	<ul style="list-style-type: none"><li>Up to £250k: Receipts &amp; payment OR accruals accounting</li><li>Over £250k: Accruals accounting</li></ul>	<ul style="list-style-type: none"><li>Tier 1 – Up to £500k: Receipts &amp; payment OR Accruals accounting</li><li>Tier 2 – Between £500k and £15m: Accruals accounting</li><li>Tier 3 – Over £15m: Accruals accounting</li></ul>
Registered with the Charity Commission	All PCCs with gross annual income over £100k. By March 2031, all PCCs with income of over £5k will need to be registered.	
Cash Flow statement	Required for all charities with income over £500k	Tier 3 charities only
Trustee's Annual Report	General requirements for the report's content.	<p>Greater emphasis on the Trustees' Annual Report, with clearer reporting on activities, achievements, challenges, reserves and future plans.</p> <ul style="list-style-type: none"><li>Impact reporting is now a 'must' for all charities</li><li>Tier 1 – simplified disclosures</li><li>Tier 2 and Tier 3 – more narrative on how legacies are recognised in the accounts</li><li>Tier 3 cashflow statement and environmental, social and governance (ESG) reporting</li></ul>
Independent Examination / Auditor thresholds	Independent Examiner (2) up to £1m income or £3.26m assets; thereafter require Audited accounts	<p>(Effective for reporting periods ending after 30 Sep 2026)</p> <p>Independent Examiner (2) up to £1.5m income or £5m assets; thereafter require Audited accounts.</p> <p>The requirement for a <i>professionally qualified</i> examiner applicable at a higher threshold of £500k income, up from £250k</p>

### Notes:

- (1) Gross annual income definition: Receipts and payments accounts – gross annual income is the total receipts shown in the statement from all sources excluding the receipt of any endowment for the financial year. Accruals accounts – gross annual income is the total incoming resources shown on the Statement of Financial Activities, including any amount transferred to income funds from endowment funds to be available for spending, but excluding the receipt of any endowment.
- (2) All PCCs must have their accounts either independently examined or audited (as per charity law) regardless of income. The Church Accounting Regulations 2006, means the [£25k \(£40k from 2026\) per year threshold](#) does not apply to PCCs. If your Gross Income exceeds £250k or £500k from 2026 (but you are under the audit threshold), your examiner will need to be appropriately qualified [CC31 is a Trustees' Guide to Independent Examination](#) as shown by membership of one of the bodies listed in [Appendix 5 \(page 70\) of the CC32 Guidance document](#).