HaysMac

14 November 2025

Social Purpose eNews

Release of Charities SORP 2026

The Charities SORP 2026 was officially published on 31 October 2025, with key changes including a tiered reporting system, new accounting rules for income and lease arrangements, and updates to Trustee's Annual Report requirements. These latest amendments aim to simplify reporting for smaller charities, while enhancing transparency for larger ones. Further details on the full changes can be found **here.**

New audit thresholds

The Department for Culture, Media and Sport (DCMS) announced that the charity audit threshold in England and Wales would rise from £1m to £1.5m, potentially saving the sector £47m annually. The Independent Examination Threshold also increased from £25,000 to £40,000, easing burdens on smaller charities. The thresholds were adjusted to reflect economic changes since the last update in 2015. You can find more information on the thresholds by following the link **here**.

New Charity Governance Code

The new Charity Governance Code, which aims to exemplify good governance and help charities reach their goals, was released earlier this month. The updated code emphasises practical, forward-looking governance to help boards navigate political shifts, funding pressures, and increased scrutiny. Read more about the new code **here**.

Making difficult decisions to ensure long term financial sustainability

Charity Finance's November 2025 issue focused on how charities are navigating tough financial decisions, including service cuts, redundancies, and strategic restructuring.

The article highlighted:

- Income volatility: Charities reported unpredictable donation patterns, with some experiencing sharp drops in regular giving and grant income.
- Cost inflation: Rising operational costs, especially energy, rent, and insurance have strained budgets, forcing many organisations to reassess their financial models.
- Demand surge: Social and economic pressures have increased demand for services, particularly in food banks, mental health support, and housing assistance.

Charity boards struggling to build inclusive cultures, research finds

Despite growing confidence in governance, many charity boards continue to struggle with fostering inclusive and open cultures. According to new research released by NCVO during Trustees' Week 2025, trustees increasingly report feeling assured about their organisations' strategic oversight and regulatory compliance, yet acknowledge ongoing struggles around transparency, diversity of voice and psychological safety in boardrooms. Read the full report **here** to find out more.

Paying trustees could risk creating a 'two-tier system'

At the Festival of Trusteeship webinar, leaders from the Charity Commission, Association of Chairs (AoC), and Board Racial Diversity UK warned that paying trustees could create a "two-tier system,", disadvantaging charities unable to afford remuneration. They argued that well-resourced charities might be able to attract and pay trustees, while smaller organisations could be left at a disadvantage, potentially widening existing inequalities in the sector. Follow this **link** to read the full overview from the event.

And finally... don't miss our event on "Rethinking Charity Mergers: Shifting Mental Models"!

Curious how charities can collaborate, merge, or team up for maximum impact? Join us in our office at 9.30am on Thursday 27 November with Bates Wells for a lively, interactive morning exploring all the ways organisations can work together, from MOUs to full mergers and exciting joint ventures. We're joined by guests panellists, Magic Breakfast's very own Lindsey MacDonald, and Sarah Marks from Money Ready. We'd love to see you there. Grab some breakfast, join the conversation, and leave inspired! **Sign up here.**

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