MEMO 03/26

To: Subscribers of the methodology
From: Andrew Jarvis
Date: 25 February 2026

UPDATE TO THE HAT NOT FOR PROFIT ENTITIES METHODOLOGY: 2025 UPDATE

The HAT Not for Profit Entities Methodology, which covers assignments for Registered Societies (under the Co-operatives and Community Benefit Societies Act 2014) and Community Interest Companies has been updated as part of the annual update cycle.

As the core methodologies are now updated at least annually, this update has resulted in a change in the naming convention. This methodology has been re-named to be "Not for Profit - 2025 Update". This change aims to give clarity to users that they are using the most up to date version.

There are no significant accounting standard or ISA changes affecting accounting periods commencing on or after 1 January 2025 (so typically 31 December 2025 year ends). Therefore, this update simply reflects changes made during 2025 to our Corporate Audit and Non-Audit assignments methodologies.

Ethical considerations (Ac2) have been updated in line with the revised FRC Ethical Standard.

There are a number of other minor changes throughout the methodology.

Left hand footers now just refer to "Not for Profit". Where the documents have been amended in this update, the right hand side footer states 02/26.

The updated methodology should be used for any accounting period commencing on or after 1 January 2025.

Users should download the Methodology IN FULL from the members area of our website.

We are always pleased to receive feedback on our methodologies; if you have any comments, please email andrew@hatgroup.co.uk