

HAT

Group of Accountants

MEMORANDUM

To: Technical Representatives
From: Andrew Jarvis
Date: 16 March 2015
Ref: TM 02/15

UPDATE TO HAT CHARITIES MANUAL ~ MARCH 2014

The Government has published two statutory instruments which have the effect of increasing the gross income threshold over which an audit is required under the Charities Act 2011 from £500,000 to £1m for accounting periods ending on or after 31 March 2015. There will not, however, be any increase in the gross income threshold where gross assets exceed £3.26m – this remains at £250,000. The legislation also has the effect of increasing the gross income threshold over which consolidated financial statements are required to £1m. These changes do not affect charities registered in Scotland.

We have now released a ‘patch’ to the HAT Charities Manual ~ March 2014. You can either download this patch, or an updated Manual with the amended schedules as indicated below. All updated schedules are dated ‘03/15’ in the right hand footer but the Manual remains dated ‘March 2014’. All updated schedules now cover the rules for periods ending both before and on or after 31 March 2015.

The following documents have been updated to reflect the revised thresholds:

- Chapter 1 – Section 4 of the text;
- Chapter 4 – Section 2 of the text;
- Appendix 4.1a – Letter of engagement where accruals accounting is used;
- Appendix 4.1b – Letter of engagement where receipts and payments accounting is used;
- Appendix 4.2 – Independent Examiner’s work programme – amendment to the relevant thresholds;
- Documenting whether an audit or independent examination is necessary checklist.

We value feedback on all of our Manuals. If you have any questions or comments please email andrew@hatgroup.co.uk

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