



MEMORANDUM

To: Technical Representatives
From: Andrew Jarvis
Date: 17 February 2016
Ref: TM 05/16

HAT NOT FOR PROFIT MANUAL ~ JANUARY 2015

The HAT Not for Profit Manual has been updated bring it into line with other HAT Manuals. The Manual primarily covers Registered Societies (governed by the Cooperative and Community Benefit Societies Act 2014) and Community Interest Companies. As the Manual does not deal with disclosure in detail, the changes from the previous version are minor. These changes include:

- Ensuring the Manual is consistent with other HAT Manuals, for example in the wording and format of the letter of engagement and letter of representation; and
- Amending references to the FRSSE (effective April 2008) and old UK GAAP to FRSSE (effective January 2015) and FRS 102 respectively.

Registered Societies are required to prepare true and fair financial statements. However, there is very little guidance in terms of what this means in practice. It is accepted that societies must follow the recognition and measurement principles of 'UK GAAP' and therefore with the withdrawal of the FRSSE (effective January 2015) societies will need to consider the impact of FRS 102 for periods commencing 1 January 2016 (1 January 2015 if they would not qualify as small if incorporated under the Companies Act 2006). In terms of detailed disclosure, the Manual encourages users to consider disclosure with reference to an appropriate disclosure checklist, whilst noting that historically disclosures provided by registered societies have been fairly limited.

We are always pleased to receive feedback on our manuals. If you have any comments on this Manual then please email andrew@hatgroup.co.uk

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