



MEMORANDUM

To: Technical Representatives
From: Andrew Jarvis
Date: 9 March 2016
Ref: TM 09/16

AMENDMENT TO HAT CHARITY SORP DISCLOSURE CHECKLIST (FRS 102)

HAT Technical Memo 03/16 (which can be obtained from www.hatgroup.co.uk/documentstore.php) explained that the Charity Commission has released Update Bulletin 1. Following this we have now updated our disclosure checklist in the HAT Charities Manual – January 2015 to reflect the changes made in Update Bulletin 1.

There are no significant changes to the questions in the checklist. However, the guidance has been amended as follows:

- It is clarified that the Charities SORP (FRSSE) is not available for periods commencing on or after 1 January 2016;
- The checklist explains that the definition of a ‘larger charity’ is amended from one which is below the audit threshold (as defined by the Charities Act 2011) to one which has income of less than £500,000 for periods commencing on or after 1 January 2016, or sooner if Update Bulletin 1 is early adopted;
- It is explained that a Statement of Cash Flows is not required for charities with income of less than £500,000 for periods commencing on or after 1 January 2016, or sooner if Update Bulletin is early adopted.

The amended checklist is date ‘03/16’. HAT TM 03/16 explains in detail the changes in Update Bulletin 1. If any provisions are early adopted all must be.

Important note for charitable companies:

When a charitable company adopts the Update Bulletin and an audit opinion is given under the Companies Act 2006 (as opposed to charity law) it will be necessary for the auditor to provide an explicit opinion as to whether the trustees’ report (including Directors’ Report and Strategic Report) complies with company law. The FRC has not yet issued guidance regarding this and therefore the Charities Manual does not currently cover this point. We will issue further guidance regarding this in due course.

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