



MEMORANDUM

To: Technical Representatives
From: Andrew Jarvis
Date: 13 February 2017
Ref: TM 02/17

HAT NOT FOR PROFIT MANUAL ~ JANUARY 2016

The HAT Not for Profit Manual ~ January 2016 Manual has been released and should be used for periods commencing 1 January 2016 onwards in conjunction with the HAT Audit or Non-Audit Assignments Manuals as appropriate. The Manual primarily covers registered societies which are governed by the Co-operative and Community Benefit Societies Act 2014 but also provides guidance on Community Interest Companies (CICs).

The principal reason for the updated Manual is to reflect the withdrawal of the FRSSE (effective January 2015). This has the following impact:

- For CICs (which are governed by Company Law) – CICs have the option of following any standard available to companies. However, it is expected that most will adopt FRS 102 (including Section 1A where appropriate). Where applicable, a CIC can also (if desired) adopt FRS 105. NB: There are no special disclosure requirements for CICs in their annual report.
- For registered societies (who are also required to prepare ‘true and fair’ financial statements) – again the most logical option is to adopt FRS 102 (including Section 1A if the society would qualify as ‘small’ if it was a company). To provide a true and fair view all relevant disclosures required by the framework adopted should be given. It is not recommended that registered societies adopt FRS 105 as it is unclear whether micro-entity disclosure would provide a true and fair view under the Co-operative and Community Benefit Societies Act 2014.

12 COCK LANE, LONDON EC1A 9BU
TEL: 020 7213 9911 FAX: 020 7213 9922
EMAIL: hat@hatgroup.co.uk
www.hatgroup.co.uk

ACCOUNTING DIRECT PLUS LIMITED . ALDER DEMAIN & AKERS LIMITED . ALWYNS LLP . APPLEBY & WOOD . ASHCROFT ANTHONY . BARRONS . BEAVIS MORGAN LLP
BIRD LUCKIN . BOURNER BULLOCK . BREWERS . CALDER & CO . CAS HOUSE LIMITED . CLB COOPERS . CMB PARTNERSHIP . CONSTANTIN . COLE MARIE & CO . COX COSTELLO & HORNE
DE VINES ACCOUNTANTS FENLEYS . FRANCIS JAMES & PARTNERS LLP . FRANK HIRTH . F.W. SMITH RICHES & CO . GEORGE HAY & CO . GIBSON MCKERRELL BROWN LLP
GRANITE MORGAN SMITH . HARWOOD HUTTON LIMITED . HHC PARTNERSHIP . HMT LLP . HURKAN SAYMAN & CO . JAMES WORLEY & SONS . JOHN CUMMING ROSS LIMITED
KAJAJINE LIMITED . KAY JOHNSON GEE . K BSP PARTNERS LLP . LAYTON TRAIN LIMITED . LEWIS GOLDEN LLP . MAGMA AUDIT LLP . MATTHEW EDWARDS & CO
MCBRIDES ACCOUNTANTS LLP . MELINEK FINE LLP . MEYER WILLIAMS . MMA PARTNERSHIP LLP . MUNSLOWS . MZ PARTNERS LIMITED . OXLADE & BOND . PKF LITTLEJOHN LLP
RA ACCOUNTANTS . R. H. JEFFS & ROWE . SAWIN & EDWARDS . SAYERS BUTTERWORTH LLP . SCRUTTON BLAND . SHELLEY STOCK HUTTER . SILVER LEVENE . SIMMONS GAINSFORD LLP
SOTERIOU BANERJI . STEIN RICHARDS . STEPHENSON SMART . TIFFIN GREEN . VENTHAMS . WALLER & BYFORD . WELLERS . WILDER COE LLP . WMT LLP

The revised Manual includes the following amendments:

- As a result of the above changes to financial reporting options and to improve the layout of the Manual the separate disclosure considerations checklist has been removed and questions transferred onto the relevant control records;
- The revised ISA (UK) and FRC Ethical Standard which are effective from periods commencing 17 June 2016;
- Formatting and other minor changes introduced in the January 2016 editions of the HAT Audit and Non-Audit Assignment Manuals.

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