HAT Group
The White Chapel Building, 10 Whitechapel
High Street, London, E1 8QS
hatgroup.co.uk

YOUR COMPLIANCE PARTNER

Updates and Insights

Issue 5.2026
Edited by Simon Kettlewell

Welcome

Welcome to the latest edition of HAT Updates and Insights.

As we approach the mid-point of the year, attention is beginning to turn to the upcoming changes to FRS 102, with just over six months remaining until the first set of financial statements will be affected. To support firms and their clients, we have developed a practical guide outlining the key updates, click here for more information.

For those looking for a concise overview, a recording of our recent FRS 102 course is now available to purchase, providing a clear summary of the principal changes. In addition, for firms with particular concerns around the revised approach to revenue recognition, we are offering a dedicated public course.

We also offer tailored FRS 102 training, which can be delivered in-house for both firms and their clients. Please get in touch to discuss how we can support you.

Simon

Simon Kettlewell - Technical Director

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Upcoming Courses and Events

Our website provides details of all our current courses.

Courses for 2026 include:

Course	Presenter	Date	Location
Being an Effective R.I	Kate McCaffrey	14 July 2026 9.30am – 12.30pm	In person
Revenue Recognition under FRS 102: Critical Changes You Can't Ignore	Andrew Jarvis and Vimbai Mahoya	15 July 2026 9.30am – 12.30pm	In Online
Effective Audit Review	Adam Loake	12 November 2026 9.30am – 4.30pm	In person
AML Compliance: A guide for Senior Management	Simon Kettlewell	12 November 2026 2.00pm – 4.00pm	Online
FRS 102: What You Need to Know	Kate McCaffrey	24 November 2026 9.30am – 12.30pm	Online
Audit Planning Workshop	Kate McCaffrey	26 November 2026 9.30am – 12.30pm	In person

A recording of our recently held 'FRS 102: What You Need to Know', SRA Accounts Rules 2026 Update' and 'Charities Update 2026, including FRS 102 changes' courses are available. Contact us for more details.

Address: The White Chapel Building, 10 Whitechapel, High Street, London, E1 8QS

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Career Development Courses

Our popular Career Development course programme covers the skills needed for trainees and newly qualified staff. Full details are provided below.

Course	Date	Venue
Advanced Accounting	22 – 23 June 2026	London
Practical Auditing	6 – 10 July 2026	Residential – Ipswich
Kickstart Your Career	28 August 2026	London
Introduction to Accounting	14 – 18 September 2026	London
Introduction to Auditing	21 – 25 September 2026	London
Becoming an Effective Audit Senior	5 - 9 October 2026	Residential – Norwich
Being an Effective Manager	18 - 19 November 2026	London
Becoming an Effective Supervisor	9 – 13 November 2026	Residential – Eastbourne

Further information

Full details of the Career Development courses can be found on the HAT website here.

Please see the HAT website www.hatgroup.co.uk for our full range of courses and further details such as pricing. Bookings can be made via our website or please email hat@hatgroup.co.uk or call 020 7213 9911 for more details.

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Updates To The Hat Methodologies

The following updates have been released in past few months:

Reference	Date	Content
TM 01/26	9 February 2026	HAT Charities Methodology – 2025 Update
TM 02/26	25 February 2026	HAT Pension Schemes Methodology: 2025 Update
TM 03/26	25 February 2026	HAT Not For Profit Entities Methodology: 2025 Update
TM 04/26	25 February 2026	HAT RSHP's methodology: 2025 Update
TM 05/26	27 February 2026	FRS 102 (Sept 2024) Disclosure Checklists
TM 06/26	16 March 2026	HAT Practice Assurance Framework: 2026 Update
TM 07/26	3 June 2026	HAT FCA CASS Reporting methodology: 2026 Update

Summaries of the changes to our methodologies in the above updates are available here.

A summary of our current methodology and compliance pack including details of effective dates can be obtained by logging into the members' area of the HAT website. Remember, key elements of our audit and non-audit methodology are available from our partners, CaseWare and MyWorkPapers. For full details of the availability of our documentation within these platforms please contact us.

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Auditing / Ethical / Assurance Standards

FRC Consultation

The Financial Reporting Council ("FRC") has issued a consultation document and its Press Release includes:

"Narrow-scope amendments to ISA (UK) 620 and ISAE (UK) 3000:

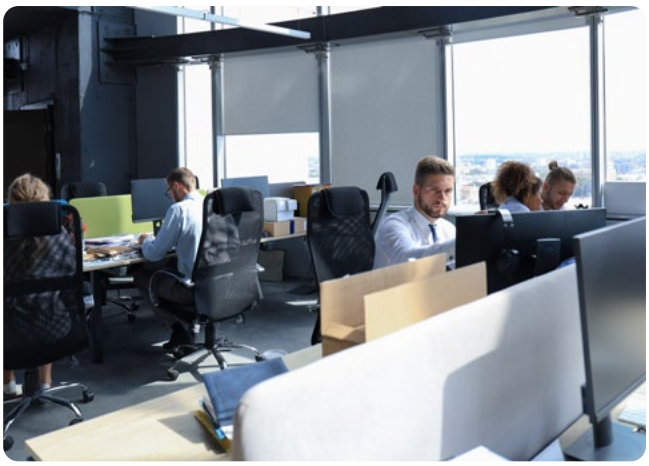
To maintain UK alignment with international standards, the FRC has launched a consultation on "Using the Work of an Auditor's Expert", seeking stakeholder views on narrow-scope amendments to ISA (UK) 620 and ISAE (UK) 3000.

Stakeholders are invited to share their views on the FRC's proposed key changes to ISA (UK) 620 and ISAE (UK) 3000. These include:

- Aligning definitions and responsibilities for evaluating an external expert's competence, capabilities and objectivity; and
- Targeted revisions to requirements and application material in ISA 620 and ISAE 3000, which clarify practitioner responsibilities when using the work of an external expert.

The proposed amendments respond to the International Ethics Standards Board for Accountants ("IESBA") recently approved revisions to its Code of Ethics for Professional Accountants, which introduced explicit ethical requirements for using the work of external experts in audit and assurance engagements."

Comments are requested by 10 July 2026, with the amendments being proposed to apply to accounting periods commencing on or after 15 December 2026.



Accounting Standards

Annual Amendment To FRS 101

The FRC has issued 'Amendments to FRS 101 Reduced Disclosure Framework – 2025/26 cycle' and its Press Release includes:

"FRS 101 is intended to enable cost-effective financial reporting within groups, particularly those applying IFRS Accounting Standards in their consolidated financial statements. FRS 101 plays an important role in supporting entities to deliver proportionate financial reporting.

The FRC consulted on the 2025/26 annual review cycle of FRS 101 in Financial Reporting Exposure Draft ("FRED") 88, which proposed no amendments after considering the developments in IFRS Accounting Standards during the relevant year. The final amendments align with the FRED 88 proposals, making no changes to FRS 101 in respect of new IFRS pronouncements.

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Limited drafting changes are however made to improve clarity and better articulate certain aspects of FRS 101, and for consistency with 'Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 105 The Financial Reporting Standard applicable to the Micro entities Regime – Adapted formats' (issued in February 2026)."

HAT RESPONSE

As there is no impact on FRS 101 arising from this annual review, no amendment is required to the FRS 101 Disclosure Checklist.

UK Adoption Of IFRS 19

The UK Endorsement Board has published IFRS 19 Subsidiaries without Public Accountability: Disclosures. Their Press Release states:

"IFRS 19 was issued by the IASB in May 2024, and formally adopted by the UKEB, for use in the UK, on 8 May 2026. IFRS 19 is a voluntary reduced disclosure IFRS Accounting Standard. It permits eligible subsidiaries to apply the recognition, measurement and presentation requirements of IFRS Accounting Standards but with reduced disclosure requirements.

The Standard, which includes the amendments published in May 2024, December 2024 and August 2025, is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

The text of the new Standard, part of UK-adopted international accounting standards, can be found the UK Endorsement Board's website."

HAT RESPONSE

HAT will perform a detailed review to determine whether to include an IFRS 19 checklist in addition to an FRS 101 checklist in the 2027 Update to the HAT Corporate Methodology.

Anti-Money Laundering

Amendment To Russia Sanctions Legislation

The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2026 (S.I. 2026 / 543) came into force on 20 May 2026.

Although these changes are fairly extensive, the Explanatory Note summarises that the primary impact relates to shipping, oil / liquified natural gas / uranium and construction services.

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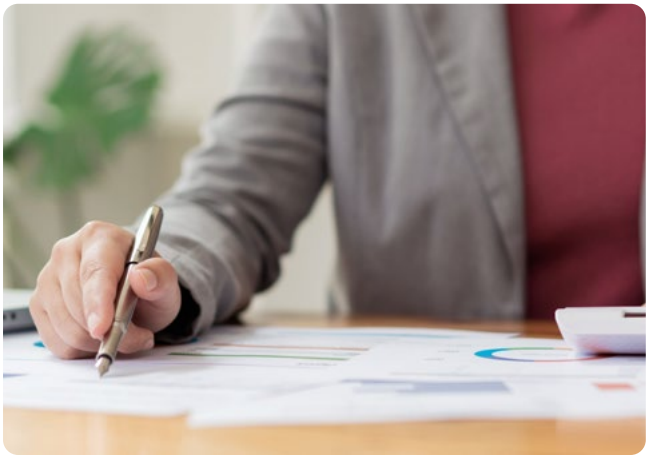

ICAEW / ACCA / Regulatory

ICAEW Guidance On Audit Firm Names

There have been recent instances where press reports confused two audit firms with similar names, raising the risk of potential reputational damage to the firm with no connection to the reported issue. ICAEW has launched new guidance for audit-registered firms to help ensure that their name is not mistaken for that of another audit firm and this includes:

"Existing guidance on firm names, which applies to all firms, makes it clear that a practice name should not be misleading. Examples of names that might be considered misleading include:

- Where a member firm with very few offices describes itself as 'international' merely on the grounds that one of them is overseas;
- If a sole practitioner were to add the suffix 'and Associates' to the name of their practice unless formal arrangements were agreed with two or more consultants or firms; and
- If there was a real risk that it could be confused with the name of another unconnected firm, even if the member(s) of the practice could lay justifiable claim to the name.

To help firms determine if their chosen name would be appropriate, the guidance includes useful examples. A name would be considered sufficiently similar in one or more of the following circumstances.

- It contains two or more identical words, not including "audit", "services", "LLP", UK, Ltd, "partnership", "and/& Co/Company", "and" or "the". For example, "Fred's Excellent Audit Services" could be considered to be sufficiently similar to "Fred's Excellent Audit and Assurance Services";
- The difference is one of punctuation or the use of a character;
- Names are spelled differently but sound the same;
- The name would, if shortened or abbreviated, be likely to confuse the public.

The guidance does not apply to firms in the same group or ownership structure, or firms that are otherwise connected. This only applies where firms are completely unrelated. It is also only for firms applying to be audit registered or audit firms changing their name. Existing audit firms do not need to go back and look retrospectively at their chosen name."

Although this guidance has been issued by ICAEW, it applies to any audit firm registered for audit in the UK by ACCA and ICAS, as the potential for confusion applies to any Statutory Auditor included on the Register of Statutory Auditors.

ACTION FOR FIRMS

This does not change anything for an existing firm but is relevant for any proposed audit firm name in the future (whether arising as a result of restructuring, merger, demerger or for a new firm).

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