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NEWSLETTER

June 2016

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TECHNICAL UPDATE

Welcome to the Summer Newsletter of 2016, with everyone looking forward to a great summer of sport!

I am delighted to announce that we have finally found a sixth accountant, after a one year search. Rob Shaw, currently a Senior Manager with Haslers in Loughton, will be joining us on 4 July. Rob is known to some of us as he was previously with MRI when they were a HAT firm in the late 90's and 00's. Rob will carry out file reviews, student reviews, technical update meetings and work on the Helpline. He is a Charities and Academies specialist and will take over these Manuals in due course.

My daughter, Danny, leaves HAT on 22 July to train as an accountant with FW Smith Riches. Her replacement, Ellie Creffield, joins us on 6 June so there will be an excellent handover period. We thank Danny for her contribution over the years and wish her luck in the profession. We all look forward to working with Rob and Ellie and welcoming them to HAT.

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UPDATED ICAEW GUIDANCE FOR ACCOUNTANTS' REPORTS

The ICAEW has updated their guidance on the preparation of unaudited accounts, as follows:

- [AAF 07/16 Chartered Accountants' reports on the Compilation of Financial Information of Incorporated Entities Revised March 2016 – Updates AAF 02/10](#) (Guidance on the compilation of accounts of incorporated entities i.e., prepared in accordance with the Companies Act 2006, updating AAF 02/10); and
- [AAF 08/16 Chartered Accountants' reports on the Compilation of historical Financial Information of Unincorporated Entities Revised March 2016 – Updates AAF 03/10](#) (Guidance on compilation of historical financial information of unincorporated entities for general or specific purposes, updating AAF 03/10).

The guidance states, “Professional accountants are encouraged to apply this guidance as soon as is practicable as best practice. The 2016 update has been carried out to reflect changes such as new UK GAAP but is not intended to change current best practice”.

As the wording of the Accountants' Report has been amended to reflect the title of the Technical Release, along with other minor changes to wording relating to hyperlinks included within the report, all such reports included within HAT Manuals (both pre and post FRS 102) require revision, and these have been issued to users of relevant Manuals.

ENACTMENT OF ADDITIONAL REQUIREMENTS FOR THE PSC REGISTER

A fourth commencement order has been made for provisions in the Small Business, Enterprise and Employment Act 2015 (“the Act”): [The Small Business, Enterprise and Employment Act 2015 \(Commencement No. 4, Transitional and Savings Provisions\) Regulations 2016 \(SI 2016 / 321\)](#). Some of the company law changes brought about by the Act are already in force (such as the prohibition on bearer shares and changes to the procedure when appointing directors). Another requirement of the Act is the new requirement for companies to keep a PSC (*persons with significant control*) register which came into force on 6 April 2016.

[Regulation 6](#) brings into force a number of company law changes from 30 June 2016:

- Annual filings – The requirement for companies to file an annual return each year will be replaced by a requirement to file an annual confirmation statement. The annual confirmation statement will confirm that all information required to be delivered to Companies House by the company either has been delivered or is being delivered with the annual confirmation statement. Companies will be required to make an annual confirmation statement within 14 days of the end of the "review period", which is the period of 12 months beginning on the day after the company's last annual return date in the first year and the period of 12 months beginning on the day after the company's last annual confirmation statement in subsequent years. Companies may also submit an annual confirmation statement when filing other information with Companies House during the course of the year, for example when updating director's details, and in those circumstances a new review period will begin at that point and a company need not file an annual confirmation statement for a further 12 months;

- Company registers – Private companies may elect to keep one or more of the following registers at Companies House, rather than maintaining their own registers: the register of directors, the register of directors’ residential addresses, the register of secretaries, the register of members and the new register of persons with significant control. A company which elects to keep a register at Companies House must submit a notification in the event of any change to the information required on that register; and
- Statements of capital – The requirement to include the amount paid up and unpaid on each share in a company’s statement of capital will be removed. Instead, companies will be required to include only the aggregate amount unpaid on all shares.

Separately, [The Register of People with Significant Control Regulations 2016 \(SI 2016 / 339\)](#) has been enacted setting out a number of supplementary issues, which come into force on 6 April 2016. The [Explanatory Memorandum to the Statutory Instrument](#) provides the following explanation:

“These Regulations make provisions which supplement Part 21A of the Companies Act 2006 in respect of information about people with significant control of companies:

- Part 2 of these Regulations makes provision about the scope and application of Part 21A of the Companies Act 2006, and prescribes the fee [*£12*] to be charged by companies when supplying copies of their registers of persons with significant control;
- Part 3 of these Regulations makes provision about the particulars to be noted in a company’s register of persons with significant control concerning the nature of a person’s control over the company. It also specifies characteristics of foreign limited partners in connection with determining whether a person has significant control over a company;
- Part 4 of these Regulations sets out additional information to be included in a company’s register of persons with significant control where there are no registrable persons, there is an unidentified registrable person, there are unconfirmed details of a registrable person, a company’s investigations are ongoing and where there have been failures to comply with requirements to provide information under sections 790D and 790E of the Companies Act 2006;
- Part 5 of these Regulations sets out requirements concerning notices to be issued by companies, and matters to be taken into account, when seeking to enforce the disclosure requirements of Part 21A of the Companies Act 2006;
- Part 6 of these Regulations makes provision about the protection of a registrable person’s usual residential address information. It sets out when usual address information may be disclosed by the registrar to specified public authorities and credit reference agencies, along with the process by which applications may be made to require the registrar to refrain from disclosing usual residential address information;

- Part 7 of these Regulations makes provision about the protection of a registrable person's particulars. It sets out the process by which applications may be made to require the registrar to refrain from using or disclosing those particulars, and also prescribes when companies must not use or disclose those particulars;
- Part 8 of these Regulations contains transitional provisions about applications to require the registrar to refrain from using or disclosing a registrable person's particulars and the date on which a person is deemed to have become registrable where the person was registrable on commencement of these Regulations;
- Part 8 of these Regulations also makes amendments to the Companies (Disclosure of Address) Regulations 2009 in order to more closely align the 2009 Regulation's regime for the protection of directors' residential addresses from disclosure with the related regime about the protection of a person with significant control's usual residential address information set out in Part 6 of these Regulations. The amendments also expand the grounds on which applications may be made for protection under the 2009 Regulations to include situations where a successful application has been made under Part 6 of these Regulations; and
- Part 8 of these Regulations, in addition, requires the Secretary of State to review the operation and effect of these Regulations and publish a report within the period that the Secretary of State is obliged to review and report on Part 21A of the Companies Act 2006 by section 82 of the Small Business, Enterprise and Employment Act 2015. These Regulations must then be reviewed within every five years after that. Following a review it will fall to the Secretary of State to consider whether the Regulations should remain as they are, or be revoked or be amended."

UPDATED PSC GUIDANCE

The Department for Business, Innovation and Skills ("BIS") has issued updated Guidance Booklets, which are available from their [website](#). These are:

- Company statutory guidance for the PSC register;
- PSC Guidance for Companies, LLPs and SEs; and
- Guidance for People with Significant Control.

RECTIFICATION OF REGISTERED OFFICE / DIRECTOR DETAILS

Two sets of regulations in connection with procedures under the Companies Act 2006 introduced by the Small Business and Enterprise Act 2015 have been made and came into force on 6 April 2016.

Disputes as to registered office:

Section 1097A of the Companies Act 2006 allows the Registrar of Companies to change the registered office of a company on application if it is satisfied that the company is not authorised to use that address. The [Companies \(Address of Registered Office\) Regulations 2016 \(SI 2016 / 423\)](#) sets out the procedure for this. Where such an application is made, the Registrar will notify the company and will then change the registered office unless the company provides evidence that it is authorised to use the address as its registered office.

Disputes as to appointment of directors:

When a company appoints a director, it must make a statement of truth that the person has consented to become a director. Companies House then writes to every director following their appointment notifying them of it, so that they can object if they did not consent to the appointment. Under the [Registrar of Companies and Applications for Striking Off \(Amendment\) Regulations 2016 \(SI 2016 / 441\)](#), where a person who has purportedly been appointed as a director applies to have his appointment removed from the register held by Companies House, Companies House will act on that application unless the company provides evidence that the person consented to act.

AMENDMENT TO LEGISLATION TO ENABLE LLPS TO APPLY EU ACCOUNTING DIRECTIVE

[The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(SI 2016 / 575\)](#) came into force on 17 May 2016. The following are extracts from the Explanatory Note to the legislation:

“These Regulations amend the law relating to the preparation of the annual accounts of limited liability partnerships (“LLPs”) and to related matters such as the filing of their accounts. This includes the introduction of an exemption from certain financial reporting requirements for very small LLPs (“micro-entities”). The Regulations also introduce such an exemption for very small partnerships (including limited partnerships) which are “qualifying partnerships” under the Partnerships (Accounts) Regulations 2008. These Regulations extend to the whole of the United Kingdom.

Part 1 of the Regulations deals with introductory matters. Regulation 1 provides that the amended law applies in respect of financial years commencing on or after 1st January 2016, but an LLP or qualifying partnership may also choose to apply the amended law (except in one respect) to its financial year beginning on or after 1st January 2015 (but before 1st January 2016) if a copy of its accounts for that financial year has not already been delivered to the Registrar of Companies before the Regulations come into force.

Part 2 of the Regulations amends the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Those Regulations apply to LLPs, with modifications, provisions on the accounts and audit of companies contained in the Companies Act 2006 (“the 2006 Act”).”

The remainder of the [Explanatory Note](#) explains how the amendments, which already apply for limited companies, are being applied in the same way for LLPs and qualifying partnerships.

FRS 105 AMENDED FOR LIMITED LIABILITY PARTNERSHIPS

The Financial Reporting Council (FRC) has issued [Amendments to FRS 105 – Limited Liability Partnerships and Qualifying Partnerships](#). Its Press Release states:

“Following a change in legislation, which comes into force today, limited liability partnerships (LLPs) and qualifying partnerships can apply the micro-entities regime and FRS 105 *The Financial Reporting Standard applicable to the Micro-entities Regime* has been amended to reflect this.

In issuing these amendments we are reflecting a change in the law, which makes the simplified micro-entities regime that is already available to the smallest companies, also available to eligible LLPs and qualifying partnerships.

Respondents to a consultation by the Department for Business, Innovation and Skills (BIS) supported extending the micro-entities regime to LLPs and qualifying partnerships, including permitting early application from 1 January 2015. This has been reflected in these amendments to FRS 105, which are applicable for accounting periods beginning on or after 1 January 2016, with early application permitted from 1 January 2015 in conjunction with the changes in legislation. BIS estimates that approximately 3,500 LLPs might be able to benefit from these changes.”

Where appropriate, these amendments will be reflected in the HAT LLP Manual which will be updated during the summer of 2016.

FRS 102 TRIENNIAL REVIEW

The Financial Reporting Council (“FRC”) has advised the following in their latest [Corporate Reporting e-Newsletter](#):

“The FRC has decided to carry out the first triennial review of FRS 102 later than originally planned to allow more time for implementation experience to develop and provide a three-year stable platform for small entities applying FRS 102 for the first time from 1 January 2016.

Therefore any changes to FRS 102 arising from the triennial review are not expected to take effect before 1 January 2019.

In the coming months we expect to be able to release more details about the scope and timetable of the review, including areas that might be considered as part of the first triennial review. In addition to formal consultation later in the process, we will be giving stakeholders a more informal opportunity to input into the earlier stages of the process by submitting suggestions for consideration. This is expected to be launching shortly.”

REVISED ICAEW GUIDANCE FOR ATOL REPORTING ACCOUNTANTS

The ICAEW has issued [TECH 09/16 AAF](#), Revised Arrangements for ATOL Reporting Accountants Reporting to the Civil Aviation Authority (“CAA”). Additionally, the Civil Aviation Authority has also updated its [Guidance Note 10](#).

It replaces TECH 07/12 AAF, and in practical terms is effective immediately.

There are some minor amendments to financial assessments and the Small Business ATOL scheme, although the main amendments are to the Accountant’s report, and in respect of the introduction of the ATOL Reporting Accountant Scheme.

Prior to these amendments being announced, HAT had a final draft of the new HAT ATOL Assignments Manual, which will now be updated to reflect the revision to guidance issued by both the ICAEW and the CAA, and this new Manual will be issued shortly.

MAJOR PROJECTS

- The new HAT ATOL Assignments Manual will be updated to reflect the revision to guidance issued by both the ICAEW and the CAA, and this new Manual will be issued shortly;
- A detailed review will be performed on the FRC Ethical / Auditing Standards, following which amendments to HAT Audit Manuals will be identified and processed; and
- Work will commence on updating the HAT FCA Client Assets Reports Manual for the new requirements introduced by the FRC Assurance Standard, which applies for accounting periods commencing on or after 1 January 2016.

ICAEW CONSUMER CREDIT ARRANGEMENTS APPROVED BY FCA

The [ICAEW has advised](#) that their new arrangements for consumer credit came into effect on 1 April 2016, as their [DPB \(Consumer Credit\) Handbook](#) has been approved by the Financial Conduct Authority (“FCA”). This enables firms to provide consumer credit services without the need for authorisation from the FCA.

Consumer credit activities can be undertaken by a firm if it meets the eligibility criteria set out in the [DPB \(Consumer Credit\) Handbook](#) and complies with the Handbook when undertaking those activities. These arrangements are made under Part 20 of the Financial Services and Markets Act 2000, which means:

- The service may only be provided in a manner incidental to the activity of the firm generally; and
- Which arises / complementary to, another professional service (which is not itself a regulated activity) provided to a specific consumer client (as with investment business).

If a firm is authorised by the FCA, it cannot use these arrangements. It must hold the relevant FCA permissions to undertake credit-related regulated activities.

Additionally, as a consequence of these changes, the ICAEW’s existing DPB Handbook has been renamed the [DPB \(Investment Business\) Handbook](#) from 1 April 2016.

DRAFT STATUTORY INSTRUMENT REGARDING EU AUDIT DIRECTIVE

The Government has issued draft legislation to enact the requirements of the EU Audit Directive into UK legislation which, once enacted, will be known as [The Statutory Auditors and Third Country Auditors Regulations 2016](#). These are expected to come into force on 17 June 2016 (unless they are made on or after this date, in which case, they will come into force the date after they are made). The draft Explanatory Note includes the following extracts:

“These Regulations implement obligations under the Audit Directive. The Audit Regulation is directly applicable, but changes have been made to domestic law to remove inconsistencies between domestic law and the Audit Regulation. These Regulations implement the obligations of the Audit Directive and the Audit Regulation in relation to companies and building societies. For other entities subject to statutory audit, these Regulations implement some of the obligations by way of amendments to Part 42 of the Companies Act 2006. Further legislation will be made to implement the remaining obligations for the other entities.

Part 1 of the Regulations concerns introductory matters, including the application of the Regulations. Some aspects of the Regulations apply only in relation to financial years beginning on or after 17th June 2016, and these concern the controls which currently apply in relation to the sharing of audit working papers with third country competent authorities being extended to the sharing of audit investigation reports with those competent authorities. There are transitional arrangements relating to investigations and enforcement action beginning before these Regulations come into force.

Part 2 concerns the functions of the competent authority under these Regulations and the Audit Regulation. The competent authority is the Financial Reporting Council Limited.

Regulation 9 requires the competent authority to monitor the conduct of statutory audit work which relate to public interest entities (public interest entities are defined as an entity which issues securities which are admitted to trading on a regulated market, a credit institution or an insurance undertaking). The monitoring must take the form of a system of inspections which satisfy Article 26 of the Audit Regulation. Regulation 9 sets out the requirements for monitoring the conduct of statutory audit work for all other audited persons, which include having arrangements which operate independently of the persons being monitored, having adequate resourcing for effective monitoring, using suitably qualified and experienced persons to carry out inspections and avoiding conflicts of interest between those carrying out inspections and those being monitored.

Regulation 12 in Part 3 provides that any term in a contract which, in relation to the conduct of a statutory audit of an audited person, has the effect of restricting the audited person’s choice of statutory auditor to certain categories or lists of statutory auditors, has no effect (unless the audited entity is a public interest entity).

Regulation 13 gives power to the competent authority to grant to a statutory auditor, where exceptional circumstances exist, an exemption from the requirements of Article 4(2) of the Audit Regulation (which sets a limit for fees for non-audit services over a three year period of 70% in relation to the audit fees for an entity). The exemption may be granted for up to two consecutive financial years.

Schedule 3 makes amendments to the Companies Act 2006. In particular, amendments are made to Part 16 of that Act in relation to rotation and retendering for statutory auditors for public interest entities. A maximum engagement period of ten years is introduced, although this can be extended to twenty years provided that there is a selection procedure at least every ten years. There are transitional arrangements in relation to the application of the maximum engagement period.”

BIS RESPONSE TO CONSULTATION ON EU AUDIT DIRECTIVE

The Department for Business, Innovation & Skills (“BIS”) has [published its response to the consultation](#) on the implementation of the EU Audit Directive and EU Audit Regulation. The Executive Summary states:

“What are the Government’s key legislative changes and regulatory effects?”

The Regulation only applies to the audits of ‘Public Interest Entities’ (PIEs). The definition of a PIE will be restricted to entities with securities admitted to trading on a regulated market, banks, building societies, and insurers.

All PIEs will be required to put their audit out to tender at least every 10 years and change their auditor at least every 20 years.

The Directive requires all Member States to identify a Competent Authority for the regulation of statutory audits. This will be the Financial Reporting Council (FRC) in the UK. The FRC will be required to delegate tasks as much as possible to Recognised Supervisory Bodies (RSBs). The FRC will continue to be the standard setting body for auditors, and will have to conduct audit inspections, investigations and disciplinary cases in relation to PIEs.

The Regulation introduces a framework for mandatory rotation and retendering of audit engagements. It also introduces significant new controls on the provision of non-audit services by statutory auditors to their audit clients.

Limited Liability Partnerships

Our final Impact Assessment considers applying the amended Directive framework to audits of LLPs. This would continue the current approach of making LLPs subject to the same audit regulatory framework that applies to companies and other business entities, noting that those LLPs with listed debt or that offer banking or insurance services will have to be covered by the Directive and the Regulation anyway.

Our Impact Assessment indicates there would no significant additional costs resulting from applying the updated framework to LLPs, so we propose that this should be undertaken on a longer timeframe to avoid distracting from delivery of the necessary changes in the light of the nearing implementation deadline.”

COMPANIES HOUSE PRESS RELEASE ON EU ACCOUNTING DIRECTIVE

Companies House has issued the following [Press Release](#) regarding the introduction of the EU Accounting Directive, explaining the amendments:

“The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 came into force on 6 April 2015. These set out a number of changes to what companies have to do when preparing and filing their accounts.

For accounting periods that begin on or after 1 January 2016 small or medium-sized companies can’t file abbreviated accounts with us any more. The very smallest companies can prepare micro entity accounts, while other small companies can prepare a set of abridged accounts for their members, which can also be filed with us. Abridged accounts and the relevant balance sheet formats can be found in the regulations.

Some of the main changes:

1. A new statement is required to be delivered in a set of small company abridged accounts to indicate the members have agreed to the abridgement.
2. The thresholds for a company size have changed. For a small company the:
 - Turnover limit rises from £6.5m to £10.2m;
 - Balance sheet total limit rises from £3.26m to £5.1m; and
 - Total number of employees remains at a maximum of 50.
3. For a medium-sized company the turnover limit rises from £25.9m to £36m and the balance sheet total limit rises from £12.9m to £18m. The total number of employees remains at a maximum of 250.”

REVISED ETHICAL / AUDITING STANDARDS ISSUED

The [FRC has issued final drafts](#) of revised [Auditing](#) and [Ethical](#) Standards, which reflect the FRC’s own review of ethical matters, changes to legislation which, after Parliamentary Scrutiny, are intended to take effect on 17 June 2016, and developments in international standards. The FRC has introduced all of the changes in a single revision to standards to ease the process of implementation as well as reduce costs.

The changes strengthen auditor independence by applying prohibitions to a range of engagements that could result in an auditor facing a conflict of interest, and they contain some reliefs which will allow, in certain circumstances, an auditor to provide additional assistance to smaller and medium sized entities. The FRC has indicated that they have issued the final drafts now to enable companies and their auditors to familiarise themselves with the new requirements in good time.

At the same time, the FRC has issued a Feedback Statement, which indicates that where amendments to the September 2015 proposals have been made in the final standards in response to feedback provided by stakeholders, the reasons for those changes have been included within the Feedback Statement. These are included throughout, with the main changes indicating:

- Where the audited entity the auditor will report on (the entity relevant to the engagement) is a Public Interest Entity, component auditors are required to comply with the requirements of the FRC Ethical Standard, and for all other entities the IESBA code should be applied (which is the current requirement);
- Regarding the proposed prohibition of contingent fees for the provision of tax services, the FRC has revised the standard to include a materiality consideration for listed entities below the €200 million MiFID SME capitalisation threshold, whereby the prohibition will not be applicable in situations where a contingent fee for tax services is not material in the context of the audit firm, or the remuneration or profit share of the partner or partners involved in the engagement. The FRC reiterates the importance of auditors ensuring that they address the risk posed by a contingent fee engagement that depends on an outcome that is relevant to a future audit judgement relating to a material matter. An absolute prohibition will remain in respect of larger listed entities over the €200 million threshold;

- Regarding relaxed prohibitions on the provision of non-audit services to smaller listed non-PIEs, although there was broad support for the £100 million threshold proposed in the consultation, it did generate some complexity, when an entity's entitlement to the reliefs needed to be calculated. The final standard has been amended, therefore, to refer to the MiFID II threshold of €200 million. The attraction of using this threshold is that the Standard can then refer to an existing, and well recognised definition, and that the applicability of the threshold is calculated and monitored under the MiFID II framework on a three year rolling basis;
- It is clarified that there will be a single effective date, and that will be the 17 June 2016 (or the date thereafter that the UK implementing regulations are effective). As the effective date for revised ISAs (UK and Ireland) is later than that used by the IAASB, it is proposed to permit early adoption of those ISAs amended by the IAASB following the Reporting, Other Information and Disclosures projects (this primarily facilitates global audit firms in the update of their materials);
- Finally, for clarity, the definition of a listed company in the Auditing Standards has been aligned with that used in the Ethical Standard.

A detailed review has been scheduled by HAT for July 2016 (by which time hopefully the Standards will be in final form), following which amendments to HAT Manuals will be identified and processed.

REVISION TO DATA PROTECTION REQUIREMENTS AT AN EU LEVEL

The [European Parliament has announced](#) that reforms of data protection law have been given final approval by MEPs. A [Press Release](#) accompanying this, as issued by the Information Commissioner's Office ("ICO") states:

"Today's progress marks another step toward data protection reform.

Many of the principles in the new legislation are much the same as those in the current law, but there are important new elements, and some things will need to be done differently. It will enhance the data protection rights of individuals and make organisations more accountable. The legislation will have a two year transition period for organisations to make those changes.

The ICO will be here to support that work. Our work around implementing the reforms has started in earnest, particularly around identifying the key areas we'll focus our guidance on. But there's still plenty of work to do to make sure the UK is ready for the reforms in 2018."

Organisations can begin their preparations for the new rules by reading the ICO's '[12 steps to take now](#)' booklet, with the twelve steps being:

- Awareness;
- Information you hold;
- Communicating privacy information;
- Individuals' rights;
- Subject access requests;
- Legal basis for processing personal data;

- Consent;
- Children;
- Data breaches;
- Data Protection by Design and Data Protection Impact Assessments;
- Data Protection Offices; and
- International.

FRC GUIDANCE ON GOING CONCERN

The FRC has issued guidance on going concern, and its [Press Release](#) states:

“The FRC has issued guidance for directors of companies which brings together the requirements of company law, accounting standards, auditing standards, other regulation and existing FRC guidance relating to the going concern basis of accounting. The guidance also covers, within the context of principal risks and uncertainties disclosed in the strategic report, solvency and liquidity risks.

The guidance aims to assist directors of companies that do not apply the UK Corporate Governance Code in assessing:

- The going concern basis of accounting, material uncertainties, solvency and liquidity risk;
- The periods of assessment; and
- The relevant disclosure requirements.

Clear and concise reporting is paramount and when thinking about disclosures, directors are encouraged to consider the application of materiality in providing company-specific information. The FRC also encourages companies to take a broader longer-term view of the risks and uncertainties facing their business.”

FRC APPROACH TO PUBLIC INTEREST ENTITIES (“PIE”)

The Financial Reporting Council (“FRC”) has recently held a number of “invitation only” roadshows for audit firms who will be auditing a PIE (companies listed on an EEA regulated exchange, along with certain banks / insurers), when this definition is introduced on 17 June 2016.

Their roadshow advised the following for such firms:

- To the maximum extent possible, the FRC will continue to delegate tasks to Recognised Supervisory Bodies, including:
 - Approval and registration of Statutory Auditors;
 - CPD; and
 - Non-PIE audit monitoring and enforcement.
- They intend their approach to be risk based and proportionate; and
- Their Audit Quality Review Team will visit the largest eight firms annually, with firms auditing at least one large PIE being visited every three years, with all other firms auditing a PIE being visited every six years.

UPDATED ICAEW GUIDANCE ON REALISED AND DISTRIBUTABLE PROFITS

The ICAEW has published an exposure draft of updated guidance on realised and distributable profits under the Companies Act 2006.

Although comments are sought on the draft guidance, the draft says that the guidance on the interpretation of law, in particular the guidance on the definition of a distribution and its application to intragroup loans on off-market terms, should be regarded as having immediate effect.

The key proposed changes to the guidance, which when finalised will replace the guidance in Tech 02/10, are:

- **Definition of a distribution** – The guidance states that it does not matter what label is put on a transaction, it is the purpose and substance of the transaction that matters. In particular an undervalue transaction with a shareholder or sister company is capable of being a distribution. What matters is not whether the parties explicitly intended to effect a distribution but whether the intended substance of the transaction would amount to a distribution. A distribution can also arise from the assumption of a liability if the company does not receive consideration of the same amount;
- **Distributable profits required for a distribution in kind** – Section 845 of the Companies Act 2006 requires a company to have distributable profits available before a distribution in kind. This requirement is only met by a positive balance. The guidance clarifies that the positive balance must be there immediately before the transfer of the asset but that the balance may be nil after the transfer when the asset is transferred at or below book value such as to eliminate the whole of the positive balance;
- **Intragroup loans not on market terms** – The guidance discusses the consequences of the accounting treatment of intragroup off-market loans (that is an intragroup loan that is either interest free or not at a market rate of interest). Under FRS 102 and IFRS, unless the loan is repayable on demand, the loan is recorded at fair value rather than face value. The guidance explains how the difference in value between market rates and the actual interest rate payable should be reflected in the companies' accounts. For example, an interest free loan from a parent to a subsidiary will appear in the parent's accounts as a receivable of the future cash flow (discounted at a rate of market interest), with the difference between the interest rate actually payable on the loan and the market rates being treated as a capital contribution. The guidance describes the accounting treatment for various scenarios and then addresses how this affects a company's distributable profits; and
- **Treatment of particular liabilities and assets** – The guidance addresses the treatment of deferred tax, retirement benefit schemes, what profits and losses fall to be treated as realised and an exchange of assets (or "top slicing").

The guidance has also been updated to reflect references to IFRS and FRS 102.

CONSULTATION ~ CONVERSION TO A CIO

The [Charity Commission](#) has published a consultation regarding the ability to convert to a Charitable Incorporated Organisation (“CIO”). Since 2013, over 6,500 new CIOs have been registered by the Charity Commission.

This includes draft regulations which would provide a simple process for charities that have been established with the company structure to convert to a CIO structure, and for community interest companies to become charities and adopt the CIO structure. It also sets out a provisional timetable for phased implementation, to assist the Charity Commission in managing anticipated demand for conversions, as follows:

➤ **Proposed conversion timetable for charitable companies to CIOs:**

- 1 October 2016: Charitable companies with an annual income greater than £500,000;
- 1 December 2016: Charitable companies with an annual income between £250,000 and £500,000;
- 1 February 2017: Charitable companies with an annual income between £100,000 and £250,000;
- 1 April 2017: Charitable companies with an annual income between £25,000 and £100,000; and
- 1 July 2017: Charitable companies with an annual income of less than £25,000

➤ **Proposed conversion timetable for CICs to CIOs:** 1 October 2017.

CHARITY COMMISSION REVIEW OF SMALL CHARITY ACCOUNTS

The Charity Commission has published three reports looking at the quality of charity annual reports and accounts and at how well charities are meeting their public benefit reporting requirements. Their [Press Release](#) states:

“Small charities not up to scratch:

The research showed that just under half of the annual report and accounts that were provided to the Commission by small charities met a minimum, basic standard. Many small charities do not appear to be aware of their reporting obligations - 1 in 5 sent some other form of report, 1 in 6 did not send the Commission any form of report at all, and several small charities only sent their annual report and accounts after the Commission had provided further explanation of the requirements to them.

However those charities that use both the Commission’s annual report and accounts templates showed a significant improvement on the others, with 71% producing reports and accounts of acceptable quality.

Larger charities are improving:

The larger charities report shows their accounts are improving. It tells a more positive story, with over three quarters of charities producing sets of accounts that met a minimum basic standard in 2013-14, up from just over half in 2011-12. Looking at the documents that make up a set of accounts:

- 90% of annual reports covered either the charity's purposes and its activities to carry them out or its reserves policy: most included both;
- 90% of independent scrutiny reports were of the correct type, either audit or independent examination, for the charity's size; and
- 93% of accounts met a basic integrity standard and all of the charities that were required to prepare accruals accounts had done so.

But some larger charities continue to produce accounts with major flaws, such as a chairperson's statement instead of an annual report, an accountant's report instead of an independent examiner's report, or accounts that don't balance. They also file annual reports that look well-presented but are not transparent about what the charity does, or about how the trustees are dealing with financial risks shown in the accounts.

More charities are talking about the public benefit that their activities provide - but not nearly enough:

The public benefit report showed that whilst the number of charities meeting the public benefit requirement has improved, the numbers still need to improve significantly. Meeting this requirement is more than just discussing a charity's activities. It also requires an assessment of how a charity's activities have led to benefit for its beneficiaries and a statement that the trustees have had regard to the Commission's guidance on public benefit."

CONSULTATION ON IMPROVING THE CHARITY SORP

The Charity Commission has issued a [Press Release](#) announcing a review of the Charities (FRS 102) SORP, which states:

"With the experience of preparing the trustees' annual reports and accounts for 2015 under the new Charities Statement of Recommended Practice fresh in practitioners' minds, the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator, who together are the SORP-making body, are seeking your views on how the SORP can be further improved. This is your opportunity to influence the future direction of charity reporting and accounting.

The SORP research exercise launched today focuses on the Charities SORP (FRS 102). This is because the Charities SORP (FRSSE) does not apply for reporting periods (financial years) beginning on or after 1 January 2016. The consultation closes for comment on 11 December 2016. The extended consultation period is intended to allow users of charity reports and accounts and users of the SORP every opportunity to take part and share their views.

Your views are sought on:

- The SORP's structure, format and accessibility;
- Implementation issues that require improvements to the SORP;
- SORP Committee members' suggestions for changes to the SORP;
- Charity regulator themes for making changes to the SORP; and
- Your ideas for items to remove, change or add to improve the SORP.

The consultation document can be viewed via the dedicated [SORP micro-site](#). It is anticipated that the Financial Reporting Council (FRC) will review the FRS 102 standard next year. The revised FRS 102 is anticipated to take effect from 2019. Any changes to the FRS 102 standard will in turn require a new SORP. The SORP research will therefore inform the development of the next Exposure Draft of the SORP. The Exposure Draft of the next SORP is likely to be consulted upon in 2018.

The SORP-making body anticipates that the results of the SORP research exercise will be published by mid 2017 on the dedicated micro-site.”

REPORTING MATTERS OF MATERIAL SIGNIFICANCE TO CHARITY REGULATORS ~ CONSULTATION

The Charity Commission for England and Wales and the Office of the Scottish Charity Regulator previously published a single list of matters to be reported to the regulators by Auditors and Independent Examiners which was consistent for England, Wales and Scotland. They are proposing a new list of material matters to be reported to the regulators, and they are [consulting](#) on revision to their current guidance. The consultation runs until 11 September 2016.

The [consultation document](#) includes the following as the key changes:

“The proposed changes will mean we have increased the matters of material significance from eight to ten in England and Wales and Scotland. It is important to note that this is not intended to require the auditor or independent examiner to report matters that they would not reasonably be expected to come across during the audit / independent examination and the additional items added are intended to help auditors and independent examiners meet their duties.

The new matters are areas where regulators have an interest and where it has been found that reports are not always made or in the case of a modified audit opinion or qualified independent examination report it provides early notification of the matter ensuring a more timely intervention. It is hoped that by including these extra matters auditors and independent examiners will be clearer in the areas they should be reporting.”

IMPLEMENTATION ON NEW CHARITIES ACT

The Government has set out a [provisional timetable](#) for implementation of the [Charities \(Protection and Social Investment\) Act 2016](#) (“the Act”), and the fulfilment of other commitments made during its passage through Parliament. The aim is to provide the Charity Commission with its new powers as quickly as possible whilst giving charities (and others that will be affected by the Act) time to properly prepare for any changes that will affect them.

The Charity Commission has [created a blog](#), which summarises the five main ways in which the Act will affect charities, and it states:

“The Cabinet Office has published a timetable that explains when the different sections of the new Charities Act are going to take effect. Largely these are broken down into three separate phases – July 2016, October 2016 and April 2017.

Many of the Act’s provisions help to address gaps in the Charity Commission’s protective powers and will only affect a relatively small number of charities and individuals. However, it also makes a few significant changes – most notably on disqualification – of which all charities will need to be aware. The timetable gives trustees sufficient time to take any action that is needed.

Further updates and information about the provisions will be issued in the coming weeks and months – look out for the next edition of Charity Commission News and updates on Twitter and on the Charity Commission website:

1. Consultations on how we use our new powers to disqualify and administer official warnings:

The Charity Commission is going to be consulting about how they use their power to disqualify individuals from being trustees and holding senior management functions, including seeking views on an updated version of last year’s policy document which set out how it is planned to use the power and the factors that will affect the length of the disqualification. The consultation will last three months.

There will also be a consultation on how to use the official warning power that will be available to the Charity Commission from October. That consultation is likely to start in late June and will be publicised widely.

2. Power to make social investments:

The Charity Commission is going to be updating their investment guidance in time for the introduction in July of this power which allows trustees to invest their charity’s money to get a financial return (even if it’s below a commercial rate) and, at the same time, further its charitable purposes.

3. Other protective powers:

In July, a number of protective powers will come into force including the power to direct a charity to wind up and the power to direct charities to not take a particular action. Some of these powers can only be used when a statutory inquiry has been opened. As such, most charities and trustees will not be affected but these powers will improve the Charity Commission’s ability to resolve cases with a better regulatory outcome when they do use them.

4. Fundraising agreements – new terms, new accounting requirements:

October will see the introduction of changes to fundraising agreements, following last year's concerns about charities' fundraising activities. They will require, in addition to existing requirements already in force, agreements with commercial fundraisers to be clear about certain standards, how they protect the public (including vulnerable members of the public) and how the charity monitors their compliance. They will also require auditable charities to include statements about these matters in their annual report.

Look out for more information about these requirements in the updated version of the Charity Commission's fundraising guidance (due in June) and in their updated accountancy guidance.

5. Automatic disqualification changes:

Next April will see some badly needed strengthening of the list of reasons that will automatically prevent someone from being a trustee and will include, for example, unspent convictions for terrorism or money laundering, or individuals who have been convicted of certain sexual offences. It's also going to mean that all the automatic disqualification provisions (including the existing ones covering bankruptcy, individual voluntary arrangements, convictions for dishonesty and deception related offences) will cover senior managers such as those in chief executive and finance director positions.

The Charity Commission will be issuing more information to help charities identify if these disqualification provisions will affect them. The start date, April 1 2017, is a long way away but charities will want to prepare in good time. Those who are disqualified will need to stop acting in these positions or apply for a waiver, which will be decided upon on a case by case basis. A timetable and more information on this will be issued soon.

The overall timetable that has been published will help the Charity Commission plan and prepare to use the new powers they have been given. It will also give charities and trustees the opportunity to plan for any changes that they need to make as a result of some of the new provisions.”

UPDATED SRA ACCOUNTS RULES

The Solicitors Regulation Authority (“SRA”) has issued [Version 16](#) of their Handbook, which includes the SRA Accounts Rules.

There are no changes from Version 15 of the SRA Accounts Rules, although the [“Resources” tab on the SRA Accounts Rules home page](#) helpfully provides a single source of guidance for Reporting Accountants, which includes the following:

- Guidance on completing the annual accountant's report (AR1 form);
- Exemption to the requirement to obtain an accountant's report;
- Download AR1 - Accountant's Report form; and
- On-demand webinar: Exemptions and changing arrangements for the Reporting Accountant requirements (recorded 15 October 2015).

The “Exemption to the requirement to obtain an accountant’s report” includes worked examples as to how to determine the average client account balance during the accounting period ~ by taking the aggregate of twelve month end reconciliations and dividing this amount by twelve. It also states that, “it should be noted that where a firm has an accounting year that runs for 18 months then totals should be averaged accordingly (divided by 18); the same principle applies to where the firm carry out a weekly reconciliation”.

REMINDER ~ “MODERN SLAVERY” DISCLOSURES

As a reminder, the new reporting requirement in the [Modern Slavery Act 2015](#) takes effect for financial years ending on or after 31 March 2016. This requirement (in [section 54](#)) for commercial organisations is designed to encourage transparency in supply chains in relation to slavery and human trafficking.

It applies to any commercial organisation carrying on business in the UK, wherever incorporated, if it supplies goods or services and has a total turnover on a group basis of £36 million or more. Any such organisation must report on the steps that it has taken in the relevant financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business.

Organisations should publish their slavery and human trafficking statement on their website as soon as reasonably practicable after their year-end and within six months after the relevant financial year end.

HM TREASURY ACTION PLAN FOR ANTI-MONEY LAUNDERING

The Government has [released an action plan](#) for anti-money laundering (AML) and counter financing of terrorism (CFT), announcing an intent to work more closely with the private sector on this issue, as well as improving law enforcement and supervisory capabilities.

As part of this, HM Treasury has issued a [call for information](#) in relation to the AML and CFT supervisory regime, as it has previously identified that there are weaknesses in the UK’s overall AML / CFT regime, one of which is inconsistency in supervision.

HM Treasury has committed to undertake a review of the UK’s AML / CFT Supervisory Regime and examine options for reform that will address those inconsistencies and build a more effective system. This review represents an important step towards ensuring that the UK’s regime is proportionate and meets the standards set by the Financial Action Task Force (FATF), ahead of the UK’s FATF Mutual Evaluation in 2017/2018.

ACADEMIES ACCOUNTS DIRECTION

The [Education Funding Agency \(“EFA”\)](#) has published the [Academies Accounts Direction 2015 – 16](#). This applies to all financial statements of academies for accounting periods ending 31 August 2016.

The EFA have updated their [Guide to the Charities SORP 2015](#) for academy trusts. Although there is detailed guidance, both on transition, and via the supporting Coketown financial statements, the guide states that the following are likely to be the main transitional issues for academies to consider:

- “Revisiting and revising their accounting policies as appropriate;
- The need for restating comparatives for the year ended 31 August 2015, together with the opening balance sheet figures at 1 September 2014, within their financial statement for the period ended 31 August 2016;
- Revising the format of the statutory accounts, ensuring that the trustees are aware of, and understand, the changes. The Accounts Direction for the period ending 31 August 2016 provides model financial statements (the ‘Coketown model’) based on SORP 2015, covering most situations;
- Whether the trust’s accounting systems will be able to accommodate the changes;
- The impact on timetables for preparing, auditing and approving the financial statements. The trust’s management team should plan and discuss this with the trustees, professional advisers and auditors as appropriate
- Whether specialist assistance is needed to identify transitional issues; and
- Whether finance staff need training on the changes to the SORP.”

Important Note

With regards to the technical articles in this newsletter, every care has been taken by HAT in the preparation of these articles, HAT does not guarantee the accuracy or veracity of any information or opinions. No responsibility for loss occasioned to any person acting or refraining from acting as a result of material contained within these articles can be accepted by the editor, HAT, its officers or employees.

TECHNICAL MEMORANDUMS

Here is a list of Technical Memorandums issued this year; please let us know if you have not received any of them.

Memo	Date	Subject
01/16	15 January 2016	IFRS Disclosure Checklists
02/16	25 January 2016	SRA Accountants’ Reports Requirements
03/16	15 February 2016	Revision to the FRS 102 Charity SORP
04/16	15 February 2016	HAT Registered Social Housing Providers Manual – January 2015
05/16	17 February 2016	HAT Not for Profit Manual – January 2015
06/16	29 February 2016	HAT Pension Schemes Manual – January 2015
07/16	29 February 2016	Excel Version of the HAT Audit Manual – January 2015

08/16	1 March 2016	Micro-Entities (FRS 105)
09/16	9 March 2016	Amendment to HAT Charity SORP Disclosure Checklist (FRS 102)
10/16	22 March 2016	FRS 102 Section 1A Disclosure Checklist and Associated Documents
11/16	19 April 2016	ACCOUNTANT'S REPORT
12/16	20 May 2016	HAT SRA ACCOUNTS RULES 2011 MANUAL ~ MAY 2016

HAT MANUALS

Manual	Last Updated	Additional information
SRA Accounts Rules 2011 Manual	May 2016	The whole manual is referenced May 2016
Anti Money Laundering Procedures Manual	October 2013	The whole manual is referenced October 2013
FCA Client Assets Reports Manual	March 2015	The whole manual is referenced March 2015
Property Agents' Client Money Assignments Manual	March 2013	The whole manual is referenced March 2013
Groups Manual	October 2012	The whole manual is referenced October 2012 *
Groups Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Registered Social Housing Providers Manual	October 2014	The whole manual is referenced October 2014
Registered Social Housing Providers Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Pensions Manual	November 2012	The whole manual is referenced November 2012 *
Pensions Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Charity Manual	March 2014	The whole manual is referenced March 2014

Charity Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Non Charitable Not for Profit Entities Manual	August 2014	The whole manual is referenced August 2014
Non Charitable Not for Profit Entities Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
LLP Manual	October 2012	The whole manual is referenced October 2012 *
LLP Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Audit and Accountancy Manual	September 2013	The whole manual is referenced September 2013 *
Audit Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Academies Audit Manual	August 2015	The whole manual is referenced August 2015
Audit Procedures Manual	July 2012	The whole manual is referenced July 2012
Practice Assurance Manual	April 2014	The whole manual is referenced April 2014
Non – Audit Assignment Manual	March 2014	The whole manual is referenced March 2014
Non – Audit Assignment Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Audit & Accountancy Manual Ireland	September 2013	The whole manual is referenced September 2013
Audit & Accountancy Manual Ireland THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Non Audit Assignment Manual Ireland	January 2015	The whole manual is referenced January 2015
Anti Money Laundering Manual Ireland	December 2012	The whole manual is referenced December 2012

Audit Procedures Manual Ireland	July 2012	The whole manual is referenced July 2012
Audit & Accountancy Manual Gibraltar	September 2013	The whole manual is referenced September 2013
Audit & Accountancy Manual Gibraltar	January 2015	The whole manual is referenced January 2015
Anti Money Laundering Gibraltar	December 2012	The whole manual is referenced December 2012
Audit Procedures Manual Gibraltar	July 2012	The whole manual is referenced July 2012

* Please note that the Audit reports in these Manuals were subsequently updated by Technical Memo 15/13, and the attachments to this Memo should have been dropped in to the Manual. Therefore the date of the Audit report will be 11/13, whereas the rest of the Manual will be dated as above.

DUE TO THE LARGE NUMBER OF UPDATES CURRENTLY BEING PROCESSED: TO ENSURE THE MANUAL YOU ARE USING IS COMPLETELY UP TO DATE, YOU CAN DOWNLOAD AT ANY TIME FROM THE HAT WEBSITE THE CURRENT VERSION OF THE RESPECTIVE MANUAL.

If you would like a copy of any of the manuals please contact HAT. Full Member firms receive all manuals free. Members of the General Practitioners Scheme receive the Audit and Accountancy Manual free and all of the other manuals at a substantial discount.

A full price list is available from HAT and is also published on our Website.

Please note Irish & Gibraltarian Manuals are only sent out if requested and are free to all Full Members. Full prices are available on request from Roger.

HAT COURSES

If you feel that any of these courses may be relevant to your professional development, please talk to your training partner. Bookings can be made through any member of the HAT team.

2016 COURSE PROGRAMME

Course	Date / Venue	Subject
F Course	7 – 10 June 2016 Shendish Manor, Apsley	Managers Course
C Course	13 – 17 June 2016 Holiday Inn, Ipswich	Advanced Audit & Accountancy
AB Course	14 – 15 July 2016 Central London	Advanced Bookkeeping
D Course	8 – 12 August 2016 Holiday Inn Norwich	Seniors Course
A Course	15 – 19 August 2016 Central London	Introduction to Bookkeeping
B Course	22 – 26 August 2016 Central London	Introduction to Auditing

CA Course	14 – 16 September 2016 Central London	A Practical Introduction to UK GAAP
E Course	18 – 21 October 2016 Hydro Hotel Eastbourne	Supervisors Course
C Course	31 October – 4 November 2016 Belstead Brook Hotel Ipswich	Advanced Audit & Accountancy

CPD COURSE PROGRAMME

The following CPD Courses are running in 2016

Course	Speaker	Date
A Practical Guide to FRS 102 – What Does it Mean for Me?	Matthew Shaw	Tuesday 7 June 2016
Future of Small Company Reporting	Matthew Shaw	Tuesday 21 June 2016
A Practical Guide to FRS 102 – What Does it Mean for Me?	Matthew Shaw	Tuesday 27 September 2016
Audit Planning Workshop	Simon Kettlewell	Wednesday 30 November 2016
LLP Introductory / Refresher Course including the new FRS 102 LLP SORP	Matthew Shaw	Tuesday 6 December 2016
Micro Entities and FRS 105	Matthew Shaw	Tuesday 13 December 2016

The Full 2016/17 CPD Course Programme will be issued in September.

Please see the HAT website www.hatgroup.co.uk for new courses as they are released.

The following additional courses can be run at your office:

Skills Courses

Staff Appraisals
Presentation Skills
Effective Business Writing
Interviewing Skills
Meetings and Facilitation
Leadership Skills

Audit Courses

Audit Efficiencies
Audit File Review
Using the Audit Programmes Efficiently and Effectively
Effective Analytical Procedures
Auditing Stock Effectively
Getting Audit Evidence Right
Audit Planning
The Audit of the Profit and Loss Account
Effective Management Letters
Fraud and Error

The cost of these courses:

Half Day (all courses except Leadership Skills) £1,095 plus disbursements, plus VAT

Whole Day £1,995 plus disbursements, plus VAT

AUDIT MANUAL AND ANTI MONEY LAUNDERING INDUCTIONS

HAT Audit Manual and Anti Money Laundering Inductions are held on the first working Monday of each month at the HAT Office. The Audit Manual Inductions run from 9.30am to 1.00pm and the Anti Money Laundering from 2.00 to 4.00pm. The dates for these courses are as follows:

6 June 2016
4 July 2016
1 August 2016
5 September 2016
3 October 2016
7 November 2016
5 December 2016

Manual Inductions - These courses are designed for all audit staff joining your practice who will not attend the HAT B Course. Please note that it is mandatory under Audit Regulations for new staff to be properly inducted into the audit system used.

These courses are free to Full Members and cost £100 plus VAT per delegate for General Practitioner Members. (Non-members will be charged at £135 plus VAT, per delegate). Each course will be held at our office from 9.30 am - 1 pm.

Anti Money Laundering Training - These courses are designed for **all** new staff irrespective of their role, including support staff, unless they are due to attend the HAT B Course. It will run between 2.00pm and 4.00pm and is free if the delegate is a trainable head; otherwise a charge of £75 plus VAT per delegate will apply to Members.

(Non-members will be charged at £105 plus VAT per delegate). **Please note that it is a criminal offence not to train all staff in this area.**

Numbers on these courses are limited, so please contact Danny when someone new joins your practice and she will make the relevant bookings.

If you are unsure whether or not you are entitled to free courses, please email roger@hatgroup.co.uk

Caseware Automated Audit System Induction Courses:

11 July 2016
12 September 2016
10 October 2016
14 November 2016
12 December 2016

The Courses will be free to Full Members and the course will run from 9.30 – 4.00pm

OFFICE QUARTERLY MEETINGS

Two Office Quarterlies are now run every three months to ensure all Members of our General Practitioners Scheme have the opportunity to be personally updated.

The Courses run from 9.30 – 11.00 a.m. and costs £65 + VAT for Members and £95 + VAT for Non Members

2016 Dates:

Quarter 2	19 May 2016 & 16 June 2016
Quarter 3	21 July 2016 & 22 September 2016
Quarter 4	17 November 2016 & 15 December 2016

Additional office quarterlies will be arranged subject to demand.

All Course Bookings can be made by telephoning, faxing or e-mailing HAT.

MANN OF MOORGATE EXAMPLE WORKING PAPERS

We have updated our example working papers case study ‘Mann of Moorgate Limited’ to reflect the updated HAT Audit Manual (January 2015). Although the case study is primarily designed to demonstrate how to use the HAT audit documentation rather than how to evidence the adoption of FRS 102, the revised case study does of course incorporate the requirements of FRS 102 where appropriate. It also provides completed examples of the updated HAT forms regarding team discussions, sample size calculation, going concern and subsequent events.

‘Mann of Moorgate’ can be downloaded free of charge by members by logging into the members area at www.hatgroup.co.uk and opening the ‘Example Working Papers (Mann of Moorgate)’ folder. If you have any problems accessing this please contact Danny in the HAT office (danny@hatgroup.co.uk).

EXAM RESULTS

Congratulations to the following students who have recently passed exams.

ICAEW Professional Stage March 2016

Students who have now completed the Professional Stage

Student	Firm
Daniel Ben-Eliezer	Beavis Morgan LLP
Tom Palmer	Beavis Morgan LLP
James Doyle	Jeffreys Henry LLP
Edward Symington	Lewis Golden LLP
Tamzin James	Rickard Luckin
Sean Powell	Rickard Luckin
James White	Rickard Luckin
Jamie Kerr	Simmons Gainsford LLP
Holly Lockyer	Simmons Gainsford LLP
Jonathan Borchardt	Wilder Coe LLP
Ellie Budd	Wilder Coe LLP
Ashley Daly	Wilder Coe LLP
Isabel Yau	Wilder Coe LLP
Craig Cumming	WMT LLP
Nicola Keenan *	WMT LLP

* 2 CBA's to complete

Papers passed

AA & FAR

Student	Firm
Joseph Ben-Aderet	Rickard Luckin

FAR & TC

Student	Firm
William Mooney	KBSP Partner LLP

BPT

Student	Firm
Alex Rowlands	Cox Costello & Horne
Zoe Agar	Venthams

BS

Student	Firm
Joe Clifford-Doyle	Beavis Morgan LLP
Thomas Bembridge	KP Audit

FAR

Student	Firm
Rebecca Attwood	DeVines Accountants
Sam Lord	Kay Johnson Gee LLP
Kerthana Prakash	WMT LLP

FM

Student	Firm
Peter Thompson	Beavis Morgan LLP
Anuj Somaiya	Leigh Carr
Kirsten Walmesley	Rawlinson & Hunter
Philippa Goodall	Simmons Gainsford LLP

TC

Student	Firm
Madeline Hillman	Simmons Gainsford LLP

Congratulations to the following students who won HAT awards at the recent Student Committee Meeting:

Professional Stage December 2015

AA – Olivia Flowerday of Rawlinson Hunter (£250 prize)
FAR/TC – Angharad Williams of Sayers Butterworth LLP (£250 prize)
BPT/BS/FM - Beth Brooks of Shelley Stock Hutter LLP (£250 prize)

Advanced Stage November 2015 Chandni Sachdev of Sayers Butterworth LLP (£500 prize)

ACCA Results

Please note that HAT do not receive these results and, due to the variety of tutors used, it is very difficult to tabulate all results.

We ask all students to send their results to Danny, in order to include them in the newsletter.

FIRMS NEWS

We would also like to extend a warm welcome to all of our new clients.

ROOM HIRE AT HAT OFFICES

Member Firms will be able to hire either the large or small meeting room at the HAT Offices by contacting Danny@hatgroup.co.uk

The Small Room, which holds 6 people Board Room style, can be hired by members for £35 per hour, £95 per half day or £190 per full day.

The Large Room, which holds up to 15 people Board Room style can be hired by members for £70 per hour, £190 per half day, £380 per full day.

Both rates include tea, coffee and biscuits. Lunch can be arranged at cost price.

SOCIAL EVENTS

FORTHCOMING SOCIAL EVENTS

Thursday 29 September 2016	HAT Bowling	Rowans Leisure Centre Finsbury Park
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Details will be sent to all social representatives approximately two months before each event by Danny.

The 27th Annual HAT Quiz took place on Thursday 16 April at Balls Brothers Wine Bar in the City. Lewis Golden retained the John Lawson Memorial Trophy, beating Simmons Gainsford by a clear 10 points into 2nd place and Wilder Coe by 13 points into 3rd place. Many thanks to all the firms who supported the event, it was good to see so many represented and to have some new faces there.

Full results were as follows:

Position	Team Name	Score
1	Lewis Golden 1	130
2	Simmons Gainsford 1	120
3	Wilder Coe 1	117
4	FW Smith Riches 1	110
5	Cox Costello Horne 1	105
6	Sayers Butterworth 3	104
7	Shelley Stock Hutter 1	100
8	Lewis Golden 2	99
9	FW Smith Riches 2	98
10	Wilder Coe 2	87
11	Kaplan	83
12	Sayers Butterworth 2	81
13	Simmons Gainsford 2	79
14	Sayers Butterworth 1	77
15	Shelley Stock Hutter 4	76
16	Cox Costello & Horne 2	74
17	Simmons Gainsford 3	67
18	Stein Richards	66
19	Simmons Gainsford 4	65
20 =	Shelley Stock Hutter 3	59
20 =	Carter Backer Winter	59
22	Shelley Stock Hutter 2	55

HAT NEWSLETTER QUIZ

The winner of the Historic Buildings Quiz £100 prize was Terry Novis of Rickard Luckin.

The Answers were:

1. FRAMLINGHAM CASTLE
2. QUEBEC HOUSE
3. FOUNTAINS ABBEY
4. CARISBROOKE CASTLE
5. CHARLECOTE PARK
6. KEDLESTON HALL
7. WADDESDON MANOR
8. MONTACUTE HOUSE
9. KINGSTON LACY
10. LINDISFARNE CASTLE

THIS MONTH'S QUIZ FOR A SPECIAL £200 PRIZE:

With the UEFA 2016 EUROS taking place shortly, this quiz is quite simple even for non-football fans!

Just predict the winner, runner up and the two losing semi finalists (as there is no 3rd and 4th Play Off Final this time) in this year's tournament . The winner will be the person closest; points will be awarded for a correct position and also for naming a top four country.

For those of you who are not sure, here are the 24 competing countries:

FRANCE	ROMANIA	ALBANIA	SWITZERLAND
WALES	SLOVAKIA	ENGLAND	RUSSIA
TURKEY	CROATIA	POLAND	N. IRELAND
GERMANY	UKRAINE	SPAIN	CZECH REP.
REP IRELAND	SWEDEN	BELGIUM	ITALY
AUSTRIA	HUNGARY	PORTUGAL	ICELAND

Please e-mail ian@hatgroup.co.uk or send your answers in by 5pm on **Friday 10 June**.

GOOD LUCK !

