

HAT

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NEWSLETTER

June 2017

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TECHNICAL UPDATE

Welcome to the Summer Newsletter of 2017. In this edition, we highlight the amendments to the PSC Notification Requirements, as a result of the amendments to the Anti Money Laundering Legislation which take effect on 26 June 2017.

I am sure you are all busy preparing FRS 102 1A Financial Statements, as the new regime comes into effect for all year ends commencing on or after 1 January 2016.

In addition, we include the results of the 2017 HAT Quiz, which was well attended with 26 teams competing and a good sociable evening.

Just to advise you all that, with effect from 1 May 2017, I now work 4 days a week, Monday to Thursday, as I reach the grand age of 60 later this month. This, to everyone's amusement, means I merit a cheaper season ticket at Southend next season!

We hope everyone has a great summer, whatever you are doing and wherever you are.

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AMENDMENTS TO PSC NOTIFICATION REQUIREMENTS

As a result of amendments to AML legislation, which will become effective on 26 June 2017, Companies House has made certain amendments to notification requirements regarding PSCs. Their [statement](#) says:

“On 26 June 2017 changes will be made to UK anti-money laundering measures to help prevent money laundering and terrorist financing. It’ll increase the transparency of who owns and controls companies in the UK. This legislation will make changes to current requirements about people with significant control (PSC) information.

Impact on companies:

From 26 June PSC won’t be updated on the confirmation statement (CS01). Instead, you’ll need to tell us on forms PSC01 to PSC09 whenever there’s a change. You’ll have 14 days to update your register and another 14 days to send the information to us.

Changes to exemptions:

DTR5 companies are exempt from requirements to hold information about their PSC. From 26 June these exemptions will change, and you may need to provide PSC information. If your company’s traded on an EEA or Schedule 1 specified market, it’s still exempt. If your company isn’t exempt, you’ll need to send PSC information to us when changes take place.

Scottish Limited Partnerships (SLP):

From 24 July, active SLPs must register PSC information with us. You must tell us about the changes within 14 days. Every year, you must confirm the details are correct. From 24 July, you need to give PSC information when registering a new SLP.

General Scottish Partnerships (SP):

From 24 July, any SPs where all the partners are corporate bodies, need to register PSC information with us. You must tell us of changes within 14 days and confirm this information every year on a confirmation statement.

Protection regime:

There will be changes to the [protection regime](#). When SPs and SLPs provide us with PSC information, the protection regime becomes available to them. You can apply for a restriction so your information isn’t disclosed on the public register. Only specified public authorities can access this information at the moment for company types in scope of PSC requirements. The new anti-money laundering legislation extends this to credit and financial institutions, as these carry out customer due diligence. Where appropriate, we’ll make protected PSC information available to them.”

AMENDMENT TO FRS 102 REGARDING DIRECTORS LOANS IN SMALL ENTITIES WITH IMMEDIATE EFFECT

The FRC have announced an amendment to FRS 102 which is effective immediately. The [Press Release](#) announcing the amendment states:

“Small entities are within the scope of FRS 102 for accounting periods beginning on or after 1 January 2016. Therefore, other than early adopters, the first small entities applying FRS 102 are those with accounting periods ending 31 December 2016. Small entities have nine months in which to file their financial statements.

FRED 67 proposes a number of amendments to FRS 102, in response to calls from stakeholders, intended to simplify it and make it more cost-effective. This includes permitting small entities to initially measure a loan from a director who is a natural person and a shareholder in the small entity (or a close member of the family of that person) at transaction price. FRS 102 currently requires such loans to be initially measured at present value, with the discount rate being a market rate of interest for a similar debt instrument.

If stakeholders agree with the proposals in FRED 67, the changes are expected to be available for early application; early indications are that the proposals relating to directors’ loans are supported by stakeholders. With finalisation of the proposals expected in December 2017 it will be too late for the first FRS 102 financial statements of small entities reporting as at 31 December 2016 and monthly immediately thereafter. However, later reporters will be able to take advantage of this simplification on first-time adoption of FRS 102. The FRC is concerned about this inequity and understands the frustrations of many small entities that our proposals to address concerns about the accounting for directors’ loans will be finalised too late to avoid implementation for one year only.

We have considered whether relief could be available, in order to avoid some small entities measuring directors’ loans initially at present value for one year only, if the proposals in FRED 67 are confirmed. This could be achieved by deferring, for small entities only, the implementation of this aspect of FRS 102, pending the finalisation of the proposals in FRED 67.

Therefore, as an optional interim measure, the FRC is amending FRS 102 to insert the following (inserted text is underlined):

1.15A A small entity, as an exception to paragraph 11.13, may measure a basic financial liability that is a loan from a director who is a natural person and a shareholder in the small entity (or a close member of the family of that person) initially at transaction price. Subsequently, for the same financial liability, a small entity is also exempt from the final sentence of paragraph 11.14(a).

This amendment is effective immediately with retrospective application available; it shall not be applied directly, or by analogy, to any other transaction, event or condition.

As it is an interim measure, this amendment will be deleted as part of the finalisation of FRED 67. It will then be replaced with permanent requirements based on the proposals in FRED 67 after considering the outcome of the consultation process.

Some small entities will have issued financial statements that comply with FRS 102 prior to this optional interim measure being available. In these cases the exemption will be available in any subsequent financial statements, with full retrospective application required.

Whilst it is usual for the FRC to consult formally on amendments to an extant standard, the FRC has concluded that this is not essential in this case as the amendment is only an interim measure, it merely defers for many entities the first-time application of an accounting policy of measuring such loans initially at present value and the permanent removal of this policy is already subject to an on-going consultation. The FRC has, however, carried out informal stakeholder outreach which has indicated strong support for the proposal.”

REVISED AUDIT REGULATIONS

The ICAEW has issued [Audit News 59](#), which includes confirmation that the [Audit Regulations](#) have been amended, with effect from 1 April 2017. [Audit News 59](#) explains the amendments, which primarily relate to legislative changes in Ireland, as follows:

“The Audit Regulations were last updated in June 2016 to take account of the UK’s implementation of the EU Audit Regulation and Directive 2014, and the changes required by the FRC to recognise the new regulatory framework through the delegation agreement. Ireland issued a separate interpretation of the EU legislation through SI312 (June 2016) which replaced SI220. However, most of SI220 will be carried forward and incorporated into the new regulations.

In 2014, a new Irish Companies Act was issued to replace the Act of 1990 and some these provisions were reflected in the June 2016 version of the Audit Regulations. Further amendments were identified this time round and will be incorporated.

The Irish approach to the EU reforms differs from that of the UK; powers will continue to be delegated to the RABs directly by the Irish government (rather than through IAASA as the competent authority). Only powers related to PIEs will be transferred to IAASA – they will set up their own monitoring unit to monitor Irish PIE audits.

Due to changes in the FRC’s structure and the wording of the EU reforms, the standards issued by the former ASB, (now part of the Codes and Standards Committee of the FRC) relate only to the UK and not the UK and Ireland. *[Note, however, that for the foreseeable future, Irish Auditing Standards will be derived from the FRC’s UK version, tailored accordingly for requirements in Ireland.]* The cross references to accounting, auditing and ethical standards have been amended.

We have taken the opportunity to update the quorum and membership details of the Audit Registration Committee as a result of ICAEW regulatory governance changes agreed by the ICAEW Council (December 2014). These require parity of lay members with ICAEW members in the committee and a quorum of two lay and two non-lay.

One further change noted is the appeal structure in Ireland which can be routed through the High Court. This route is not available in the UK.

On 16 February 2017 the Irish government published the general scheme for a Companies (Statutory Audits) Bill. The scheme proposes following a framework similar to that of the UK in making IAASA the ultimate competent authority and routing all relevant regulatory tasks through them to the recognised accountancy bodies (RSBs). The Bill absorbs and replaces SI312. Though this will ultimately result in further changes to the Audit Regulations, the bill will take some time to find its way through the Irish Parliament (Oireachtas) and then for IAASA to agree delegation arrangements with the RSBs. Consequently the 1 April version of the regulations noted above based on SI312 will be published and take effect as planned. Information on the bill is available on the DJEI website.”

UPDATED ICAEW GUIDANCE ON DISTRIBUTABLE PROFITS

The ICAEW has published updated guidance on realised and distributable profits under the Companies Act 2006. [TECH 02/17 BL: Guidance on Realised and Distributable Profits under the Companies Act 2006](#) replaces the previous guidance in Tech 02/10.

The key changes to the guidance compared to that in Tech 02/10 include:

- **Definition of a distribution** – The guidance says 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. There is a new section on intragroup transactions that may involve a distribution, including intragroup loans and guarantees; and
- **Intragroup loans** – An intragroup loan which is either interest free or not at a market rate of interest may also involve a distribution and the guidance sets out how such loans should be treated for accounting and distribution purposes.

The guidance covers the treatment of an interest free loan from parent to subsidiary, an interest free loan from subsidiary to parent and an interest free loan between two subsidiaries, as well as loans at above market rate and loans which are repayable on demand. The guidance notes that this will also be relevant to loans made to or from shareholders (who may also be directors) in their capacity as shareholders.

CHARITY COMMISSION “ACCOUNTS TEMPLATE” FOR SMALL CHARITABLE COMPANIES

The Charity Commission, in partnership with Companies House has issued a “time saving” accounts template for small charitable companies, with income of less than £500,000. The [Press Release](#) accompanying the launch of this template states:

“The new charitable company accounts templates are the product of a close partnership between Companies House and the Charity Commission to ensure that the templates reflect the regulatory requirements, current guidance and best practice.

Both the Charity Commission and Companies House committed to making it easier for charities to comply with their accounting obligations while making it easier for the public and donors to view charities accounting information.

Charities of this size make up around 77% of the charitable companies on the Commission's register and these templates make it easier for charities to ensure their accounts are prepared in the correct format and to a good standard. The Commission's recent research into charity accounts found that when charities used templates provided by the Commission they were much more likely (71%) to have followed the accounting standards.

These templates join 2 other sets of accounts templates for charities provided by the Commission: templates for non-company charities with incomes of less than £500,000 and Trustees' annual report templates. These are available on GOV.UK."

REPORTING MATTERS OF MATERIAL SIGNIFICANCE TO CHARITY REGULATORS

The Charity Commission has issued enhanced guidance, setting out matters which must be reported to them by auditors and independent examiners of charities. The [Press Release](#) accompanying the guidance states:

"The revised list of matters of material significance is intended to assist auditors and independent examiners in meeting their reporting requirements to the charity regulators.

The new guidance adds 2 new areas for reporting:

1. If an auditor has concerns regarding a charity's accounts and issues a modified audit opinion report or qualified independent examiner's report; and
2. Where an auditor has concerns that conflicts of interests or related party transactions have not been properly managed or declared.

The list has been published by the Office of the Scottish Charity Regulator (OSCR), the Charity Commission for England and Wales (CCEW) and the Charity Commission for Northern Ireland (CCNI). In all 3 jurisdictions, auditors and examiners have a legal duty to report matters of material significance to the regulator. In order to assist them in this duty there was previously a list of matters which had been prepared jointly by OSCR and CCEW. Recognising that a number of years had passed since the original list was developed and also that the regulator in Northern Ireland was now also in operation, a decision was taken to refresh the list, considering carefully the regulatory experience to date."

The [updated list](#), which applies for accounting periods commencing on or after 1 May 2017, can be viewed on GOV.UK.

CHARITY COMMISSION FINDINGS INTO PUBLIC BENEFIT DISCLOSURES

The Charity Commission has undertaken research into the level and quality of public benefit disclosures in the financial statements of registered charities. The [Press Release](#) accompanying its findings states:

“The Charity Commission has published the findings of its work to scrutinise charity accounts, finding that 54% of those reviewed did not meet the public benefit reporting requirement. The regulator says these charities are missing a vital opportunity to tell their story and explain their impact.

As part of its regular programme of charity accounts scrutiny, the regulator analysed a random sample of 107 charity accounts against 2 criteria:

- How charities are reporting on the public benefit requirement; and
- Whether the accounts meet readers’ needs.

Separately, the Commission scrutinised a random sample of 109 accounts of charities with incomes of under £25k to examine their overall quality.

Public benefit:

The Commission found that 54% of charities (58) did not meet the public benefit reporting requirement. Out of these charities, 13 failed the requirement as they did not describe the difference that their charity had made; 21 charities did not include the statement that they had complied with the public benefit requirements and read our guidance and 24 charities did not do either.

The report includes an example case study from the sample, demonstrating that it can be easy for trustees to get this right and explain succinctly and clearly how their work benefits the public and the difference that they make.

Do charity annual reports and accounts meet the reader’s needs?

The Commission also examined whether the charities’ accounts meet basic user needs, based on a range of criteria, including whether the annual report explains the activities the charity had carried out during the year to meet its purposes and whether the accounts had been appropriately scrutinised in an audit or independent examination.

This work found that 75% of the accounts were of acceptable quality in meeting the basic needs of readers. There were some areas of particular strength; for example, all of the charities that required an audit had filed an audit report. However, 25% (27 charities) did not meet the basic standard, for example because the accounts were inconsistent or not transparent.

Small charity accounts:

The Commission found that of the 109 small charity accounts scrutinised, 55% were of acceptable quality, indicating a possible slight improvement in the quality of reporting (47% was achieved in the previous 2 years).

The regulator found a range of reasons for some charities falling short of requirements; for example, 5 charities provided incomplete accounts that did not include information on their assets and liabilities.

The report finds that those charities that use the accounts templates often present accounts of a much higher quality, and is encouraging smaller charities to make use of the available templates.

The Commission says it has provided guidance to the trustees of the charities that did not submit accounts of acceptable quality and will be using opportunities, such as its quarterly newsletter CC News, to share the key lessons arising from its account scrutiny work with other charities.”

The [full reports](#) are available on the Charity Commission website.

DATA PROTECTION CONSIDERATIONS WHEN USING OWN HARDWARE

The Information Commission has released a [Press Release](#) following a case relating to a lawyer who kept confidential personal information on their home computer. It says:

“A senior barrister who failed to keep clients’ sensitive personal information secure has been fined £1,000 by the Information Commissioner’s Office (ICO).

Information belonging to up to 250 people, including vulnerable adults and children, was uploaded to the internet when the barrister’s husband updated software on the couple’s home computer.

Some 725 unencrypted documents, which were created and stored on the computer, were temporarily uploaded to an internet directory as a back up during the software upgrade.

They were visible to an internet search engine and some of the documents could be easily accessed through a simple search.

Six of those files contained confidential and highly sensitive information relating to people who were involved in proceedings in the Court of Protection and the Family Court.”

MAJOR PROJECTS

- Work continues and will be finalised on updating specialist HAT Manuals for the new requirements introduced by ISA (UK), which apply for accounting periods commencing on or after 17 June 2016; and
- For users of HAT’s Ireland Audit / Non-Audit Assignments Manuals, these will be finalised to filter through the amendments made in the January 2016 update of the UK versions. The Companies (Accounting) Act 2017 was signed into law by the President on 17 May 2017, although the timing of the Irish update remains dependent upon publication of the legislation and the commencement order, after which the finalisation of the update can be scheduled.

PROPOSED REVISION TO PRACTICE NOTE 15

The FRC has launched a consultation, which runs until 30 June 2017, on proposed revisions to Practice Note 15: The Audit of Occupational Pension Schemes in the United Kingdom. The [Press Release](#) accompanying the consultation document states:

“The Practice Note has been significantly revised to reflect the updated regulatory landscape, the implementation of FRS 102 and the implementation of revised ISAs (UK) in 2016. In doing so we have also removed material which was duplicative of the ISAs and where no additional application guidance was required. The revised Practice Note now takes account of mastertrusts which are not specifically addressed in the current version, and includes updated material for the auditor’s responsibilities for statements of contributions and on liaising with scheme actuaries. The changes are summarised in the consultation paper. We have also used the revision to prompt enhanced auditor scepticism when making an assessment of going concern in respect of a scheme that is subject to audit.

The proposed changes help to ensure that the Practice Note will continue to support the delivery of high quality audit for pension schemes. Subject to consultation, the FRC will issue a final version of the revised Practice Note in the autumn, and at the same time will withdraw Practice Note 22 – *The Auditors’ Consideration of FRS 17 – Retirement Benefits – Defined Benefit Schemes*. Necessary guidance is now included in auditing standards issued by the FRC.

In the consultation, the FRC has included a question seeking stakeholder views as to whether the guidance in the Practice Note needs to be expanded to cover any additional issues, in a sector which is of significant public interest.”

Given the timescale for finalisation of the revision to Practice Note 15, an updated HAT Pensions Manual (applicable for accounting periods commencing on or after 17 June 2016) will be issued in the summer, to enable audit assignments to be performed in accordance with ISA (UK). Once Practice Note 15 has been finalised, it will, at that time be considered whether any further amendment is required to this Manual.

PROPOSED WITHDRAWAL OF PRACTICE NOTE 16

The FRC is proposing to withdraw Practice Note 16 (Bank Reports for Audit Purposes in the United Kingdom), and has issued a consultation on updating guidance on obtaining bank reports for audit purposes, which is accompanied by the following [Press Release](#):

“The FRC has issued a paper inviting stakeholder comments on proposals to update guidance on obtaining bank reports for audit purposes. This will involve the withdrawal of Practice Note 16, and its replacement with additional application material in ISA (UK) 330 – *The Auditor’s Responses to Assessed Risks* and ISA (UK) 505 – *External Confirmations*.

The proposed changes which are minor in nature would apply to the audit of financial periods beginning on or after 15 December 2017. They do not change the requirements on auditors, but are intended to reduce the amount of guidance in issue, and to better integrate that guidance with auditing standards.”

PROPOSED REVISION TO PRACTICE NOTE 11

The FRC has launched a consultation on proposed revisions to Practice Note 11: *The Audit of Charities in the United Kingdom*. The [Press Release](#) accompanying the consultation document states:

“The Practice Note, has been significantly revised to reflect the updated regulatory landscape, the implementation of FRS 102 and a new Charities SORP, and the implementation of revised ISAs (UK) in 2016. Charities have also been the subject of extensive press, public and Parliamentary interest of late, and this revision of the Practice Note seeks to incorporate lessons learned, particularly with respect to going concern and the auditor’s responsibility to report to charity regulators. The changes are summarised as:

- **Legislative and Regulatory Framework:** this section has been updated to reflect changes across the different jurisdictions in the United Kingdom. In addition, Appendix 1 (now Appendix 2) – *Charity accounting and audit regulations in the United Kingdom* has also been amended and updated to incorporate the material in Appendix 6 – *Legislative background to auditor’s reports on charities’ financial statements*;
- **Reporting matters of material significance to Charity Regulators:** a separate section has been included in the PN covering content previously included in ISA (UK) 250 Section B and Appendix 5 – *The duty of the auditor to report matters of material significance to CCEW and OSCR*. This material has been updated to reflect anticipated changes in the Charity Regulators’ guidance on matters of material significance;
- **Special features of charities:** the material in this section has been incorporated, where relevant, into ISAs (UK) 250, 315, 330 and 600. ISAs (UK) 315 and 330 have been updated to reflect changes in the charity accounting framework and best practice where appropriate. To avoid duplication a new appendix has been inserted into the PN (new Appendix 1 – *Conditions and events that may indicate risks of material misstatement*) which sets out conditions and events which may give rise to a risk of material misstatement specific to charities;
- **Materiality:** the section on ISA (UK) 320 has been updated to provide further guidance about judgments about materiality and both the size and nature of misstatements;
- **Going concern:** the section on ISA (UK) 570 has been expanded and updated to provide more guidance to auditors;
- **Other information:** the section on ISA (UK) 720 has been updated to provide guidance on how the revised standard applies to the trustees’ report.

The proposed changes help to ensure that the Practice Note will continue to support the delivery of high quality audit for charities. Subject to stakeholder comments, the FRC will issue a final version of the revised Practice Note later in 2017.”

AMENDMENTS TO COMPANIES ACT 2006 REGARDING AUDITORS

The Statutory Auditors and Third Country Auditors Regulations 2017 (SI 2017 / 516) have been laid before Parliament. These primarily affect the audit of public interest entities, other than in two areas:

The first area relates to the wording of the audit report. Companies Act 2006, section 495 (4) (which applies for accounting periods commencing on or after 17 June 2016) is being amended with effect from 1 May 2017. Regulation 12 (15) additionally makes reference to “conditions” as well as “events” regarding material uncertainties. However, this wording is already included in the pro-forma audit report issued by the FRC (as incorporated into the HAT Audit Manual ~ January 2016), and as such, it appears as though this may be a correction to the original drafting of the legislation.

The second area which may affect audit firms which do not audit public interest entities relates to the transfer of audit working papers to a competent authority outside of the European Economic Area when a UK entity is the subsidiary of a listed company elsewhere in the world.

At present, the Companies Act 2006 (section 1253D (2)) only permits, subject to various requirements having been met, audit working papers to be released to:

- The Australian Securities and Investments Commission;
- The Canadian Public Accountability Board;
- The Certified Public Accountants and Auditing Oversight Board of Japan;
- The Financial Services Agency of Japan;
- The Federal Audit Oversight Authority of Switzerland;
- The Public Company Accounting Oversight Board of the United States of America; and
- The Securities and Exchange Commission of the United States of America.

With effect from 1 May 2017, this list also includes (Regulation 13 (5)):

- The Comissão de Valores Mobiliários of Brazil;
- The Dubai Financial Service Authority of Dubai International Financial Centre;
- The Registrar of Companies of Guernsey;
- The Finance Professions Supervisory Centre of Indonesia;
- The Isle of Man Financial Services Authority;
- The Jersey Financial Services Commission;
- The Audit Oversight Board of Malaysia;
- The Independent Regulatory Board for Auditors of South Africa;
- The Financial Services Commission of South Korea;

- The Financial Supervisory Service of South Korea;
- The Financial Supervisory Commission of Taiwan; and
- The Securities and Exchange Commission of Thailand.

REPORTING ON PAYMENT PRACTICES ~ LLP'S

[The Limited Liability Partnerships \(Reporting on Payment Practices and Performance\) Regulations 2017 \(SI 2017 / 425\)](#) have been enacted.

These Regulations came into force on 6 April 2017, and apply requirements in the [Reporting on Payment Practices and Performance Regulations 2017 \(SI 2017 / 395\)](#) to large limited liability partnerships for accounting periods commencing on or after 6 April 2017.

CHANGE TO REQUIREMENTS WHEN AN RSHP DISPOSES OF LAND

The Charity Commission has clarified that there are new requirements when a registered social housing provider (RSHP) disposes of land or grants a mortgage.

Its [Press Release](#) summarises that, as of 6 April 2017, English RSHPs no longer have to obtain consent from the Homes and Communities Agency, or Welsh ministers in relation to land in Wales, to dispose of land and grant mortgages. As a result, RSHPs which are registered charities will generally now need to comply with sections 117-121 of the Charities Act 2011 when they dispose of land, and with section 124 when granting mortgages over land.

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 |
|-------------|------------------|---|
| 01/17 | 31 January 2017 | FRS 102 Section 1A Example Financial Statements |
| 02/17 | 13 February 2017 | HAT Not for Profit Manual – January 2016 |
| 03/17 | 2 March 2017 | HAT LLP Manual – January 2016 |
| 04/17 | 24 March 2017 | Updates to HAT Manuals – January 2016 |
| 05/17 | 28 March 2017 | HAT Audit Procedures Manual – March 2017 |

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|-------|---------------|--|
| 06/17 | 28 March 2017 | HAT Practice Assurance Manual – March 2017 |
| 07/17 | 9 May 2017 | Amendment to FRS 102 (May 2017) Directors Loans – Optional Interim Relief for Small Entities |

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 | January 2016 | The whole manual is referenced January 2016 |
| Property Agents' Client Money Assignments Manual | June 2016 | The whole manual is referenced June 2016 |
| ATOL Assignment Manual | September 2016 | The whole manual is referenced September 2016 |
| 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 |
| Groups Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016 | January 2016 | The whole manual is referenced January 2016 * |
| 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 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 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 |

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| 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 |
| Non Charitable Not for Profit Entities Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016 | January 2016 | The whole manual is referenced January 2016 |
| 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 |
| LLP Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016 | January 2016 | The whole manual is referenced January 2016 |
| 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 |
| Audit Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016 | January 2016 | The whole manual is referenced January 2016 * |
| Academies Audit Manual | August 2016 | The whole manual is referenced August 2016 |
| Audit Procedures Manual | March 2017 | The whole manual is referenced March 2017 |
| Practice Assurance Manual | March 2017 | The whole manual is referenced March 2017 |
| 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 |
| Non – Audit Assignment Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016 | January 2016 | The whole manual is referenced January 2016 * |

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|---|---------------|--|
| 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 | January 2016 | The whole manual is referenced January 2016 |
| Non Audit Assignment Manual Gibraltar | January 2016 | The whole manual is referenced January 2016 |
| Anti Money Laundering Gibraltar | December 2012 | The whole manual is referenced December 2012 |
| Audit Procedures Manual Gibraltar | March 2017 | The whole manual is referenced March 2017 |

*** Please note these Manuals had minor adjustments implemented by Technical Memo 04/17. This TM should be referred to when using the Manual.**

Please note that Manuals relating to accounting periods commencing before 1st January 2015 are no longer included in the above lists. Please refer to the January 2017 Newsletter if you require any of the earlier Manuals.

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 Members Section of 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.

2017 COURSE PROGRAMME

| Course | Date / Venue | Subject |
|-----------|---|--|
| AB Course | 8 – 9 June 2017 Central London | Advanced Bookkeeping |
| C Course | 12 – 16 June 2017 Ipswich | Advanced Audit |
| D Course | 31 July – 4 August 2017 Holiday Inn Norwich | Becoming an Effective Senior |
| A Course | 14 – 18 August 2017 Central London | Introduction to Bookkeeping |
| B Course | 21 – 25 August 2017 Central London | Introduction to Auditing |
| GA Course | 7 – 8 September 2017 * Swan Hotel, Lavenham | Senior Managers Effective Team Management |
| CA Course | 13 – 15 September 2017 Central London | A Practical Introduction to UK GAAP |
| C Course | 25 – 29 September 2017 Ipswich | Advanced Audit |
| E Course | 31 October – 3 November 2017* Hydro Hotel Eastbourne | Becoming an Effective Supervisor |

* Delegates are normally invited to meet for dinner on the evening before the start of the course.

CPD COURSE PROGRAMME

The following CPD Courses are running in 2017

| Course | Speaker | Date |
|---|--------------|------------------------|
| Anti Money Laundering – Practical Guidance on what is reportable NEW COURSE 10am – 12pm | Matthew Shaw | Tuesday 27 June 2017 |
| Charities Update 9.30 – 1.00pm | Matthew Shaw | Wednesday 28 June 2017 |
| Introduction to Charities 9.30 – 1.00pm | Matthew Shaw | Wednesday 5 July 2017 |

| | | |
|--|------------------|----------------------------|
| The future of Small Company Financial Reporting (excluding Micro Entities) 9.30 am – 1.00pm | Matthew Shaw | Tuesday 29 August 2017 |
| Micro Entity Accounting and FRS 105 2.00pm – 3.30pm | Matthew Shaw | Tuesday 29 August 2017 |
| Audit Planning Workshop 9.30am – 4.30pm | Simon Kettlewell | Wednesday 29 November 2017 |
| LLP – Introductory/Refresher Course (including the new FRS 102 LLP SORP) 9.30 am – 1.00pm | Matthew Shaw | Tuesday 5 December 2017 |
| Effective Audit Review 9.30 am – 4.30pm | Simon Kettlewell | Wednesday 6 December 2017 |
| Introduction to Pension Schemes / A Practical Guide 9.30am – 4.30pm | Andrew Jarvis | Wednesday 28 February 2018 |
| Introduction to SRA Accounts Rules Assignments 9.30am – 4.30pm | Matthew Shaw | Wednesday 7 March 2018 |
| Introduction to Charities 9.30am – 1.00pm | Matthew Shaw | Wednesday 14 March 2018 |

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

All of the above courses can be run at your office if it is more cost effective.

In addition, we also offer the following courses:

Skills Courses

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

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:

5 June 2017
3 July 2017
7 August 2017
4 September 2017
2 October 2017
6 November 2017
4 December 2017

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 £105 plus VAT per delegate for General Practitioner Members. (Non-members will be charged at £140 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 £80 plus VAT per delegate will apply to Members.

(Non-members will be charged at £110 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 Ellie 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:

12 June 2017
10 July 2017
14 August 2017
11 September 2017
9 October 2017
13 November 2017
11 December 2017

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 £75 plus VAT for Members and £105 plus VAT for Non Members.

2017 Dates:

| | |
|-----------|-------------------------------------|
| Quarter 2 | 22 June 2017 |
| Quarter 3 | 20 July 2017 & 21 September 2017 |
| Quarter 4 | 16 November 2017 & 14 December 2017 |

Additional office quarterlies will be arranged subject to demand.

All Course Bookings can be made by telephoning 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 2016). 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 folder, please contact Ellie in the HAT office (ellie@hatgroup.co.uk).

EXAM RESULTS

ICAEW Professional Stage March 2017

Papers passed

AA & FAR

| Student | Firm |
|----------------|--------------------|
| Andrew McKeown | Rickard Luckin |
| Amalina Zakri | Jeffreys Henry LLP |

TC

| Student | Firm |
|------------------|--------------------|
| Emma Dixon | Rawlinson & Hunter |
| Diana Koloyanova | Bourner Bullock |
| Michael Nash | Simmons Gainsford |
| Samuel Toomey | Rickard Luckin |

BPT

| Student | Firm |
|-------------------|-------------------|
| George Green | Lewis Golden LLP |
| Christian Kneller | Rickard Luckin |
| Korin Nandhra | Beavis Morgan LLP |
| Andrew Norris | Rickard Luckin |
| Kerthana Prakash | WMT LLP |
| Sara Rix | Rickard Luckin |

BPT & FM

| Student | Firm |
|----------------|----------------|
| Rachel Lanham | Rickard Luckin |

BS

| Student | Firm |
|----------------|--------------------|
| Zeubain Patel | Rawlinson & Hunter |

FM

| Student | Firm |
|------------------|-------------------|
| Jonathan Downton | Beavis Morgan LLP |

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

Professional Stage December 2016

AA – Edgar Aperghis of F.W. Smith Riches (£250 prize)
FAR/TC – Bryony Hall of WMT LLP (£250 prize)
BPT/BS/FM - Madeleine England of Simmons Gainsford LLP (£250 prize)

Advanced Stage November 2016 Ellie Budd of Wilder Coe Ltd (£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 Ellie, in order to include them in the newsletter.

FIRMS NEWS

We would 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 Ellie@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 24 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 26 October 2017 | HAT Bowling Night | Finsbury Leisure Centre |
|--------------------------|-------------------|-------------------------|

Details will be sent to all social representatives approximately two months before each event by Ellie.

The 28th Annual HAT Quiz took place on Thursday 20 April at Balls Brothers Wine Bar in the City. Lewis Golden retained the John Lawson Memorial Trophy, beating Simmons Gainsford by 8 points into 2nd place and Wilder Coe by 9 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 | 126 |
| 2 | Simmons Gainsford 1 | 118 |
| 3 | Wilder Coe 1 | 117 |
| 4 | FW Smith Riches 1 | 116 |
| 5 | Rickard Luckin | 115 |
| 6 | CMB Partnership | 112 |
| 7 = | FW Smith Riches 3 | 110 |
| 7 = | FW Smith Riches 2 | 110 |
| 9 | Sayers Butterworth 3 | 109 |
| 10 | Shelley Stock Hutter 1 | 107 |
| 11 | Lewis Golden 2 | 98 |
| 12 | Wilder Coe 2 | 97 |
| 13 | Stein Richards | 94 |
| 14 = | Cox Costello & Horne 2 | 93 |
| 14 = | Carter Backer Winter 1 | 93 |

| | | |
|------|------------------------|----|
| 16 | Kaplan | 92 |
| 17 = | Simmons Gainsford 2 | 91 |
| 17 = | Simmons Gainsford 4 | 91 |
| 19 | Sayers Butterworth 2 | 89 |
| 20 = | Cox Costello & Horne 1 | 84 |
| 20 = | Sayers Butterworth 1 | 84 |
| 22 | Shelley Stock Hutter 2 | 82 |
| 23 | Carter Backer Winter 2 | 75 |
| 24 | Shelley Stock Hutter 4 | 71 |
| 25 | Simmons Gainsford 3 | 66 |
| 26 | Shelley Stock Hutter 3 | 61 |

HAT NEWSLETTER QUIZ

The winner of the £100 prize for our Spring Flowers Quiz was Peter Stevens of George Hay.

The answers were as follows:

1. HYACINTHS
2. MAGNOLIA
3. CROCUS
4. ANEMONES
5. NARCISSI
6. FORSYTHIA
7. PRIMULA
8. CAMELLIA
9. VIOLAS
10. HELLEBORES

For our latest quiz and the £100 prize, we thought with the onset of the World Athletics & Para Athletics in London this summer, the questions should be based on this. Simply name the nationality of the following athletes & para athletes likely to be competing.

1. ANITA WLODARCZYK
2. RENAUD LAVILLENIE
3. LEILA ADZHAMETOVA
4. CHARL DU TOIT
5. KENENISA BEKELE
6. JASON SMYTH
7. WAYDE VAN NIEKERK
8. DAVID BLAIR

