

eNews

10 JANUARY 2023

Welcome to haysmacintyre's regular 'e-news alert' for corporates and private individuals.

A happy New Year to our readers

With this edition of eNews being the first of 2023, we would like to say thank you to all our readers for their support during 2022 and to wish you all a happy, healthy and prosperous New Year.



FRC issues draft updated FRS 102

The Financial Reporting Council (FRC) has [issued FRED 82](#) which sets out its proposed changes to FRS 102 and other FRSs. The principal changes are a new revenue recognition model in FRSs 102 and 105 and a new lease accounting model in FRS 102. If approved, the changes will more closely align the accounting for leases and revenue with IFRS. Consultation on FRED 82 is open until 30 April 2023 and it is proposed to be effective for accounting periods beginning on or after 1 January 2025 with early adoption being permitted. The FRC has also published [various supporting materials](#) which readers might find useful.

Ban on auditing services to Russia

On 15 December 2022, the Government issued new regulations that extended the existing prohibition on certain professional services to Russia to include "auditing services", subject to certain limited exemptions. The regulations took effect from 16 December 2022. The ICAEW has issued an [Insight](#) that is helpful in understanding the extent of the prohibition which is a criminal offence to contravene.

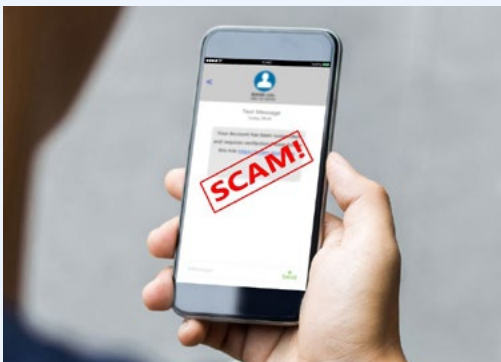


What makes good annual reporting

The FRC has published a report on "[What makes a Good Annual Report and Accounts](#)" which sets out good examples that the FRC has identified from its work. The FRC considers that a high quality annual report will demonstrate compliance with the relevant accounting standards, laws and regulations, be responsive to the stakeholders' needs and demonstrate the principles on corporate reporting and effective communication characteristics set out in the report. The corporate reporting principles are: Accurate; Connected and consistent; Complete; On-time; Unbiased; Navigable; and Transparent (ACCOUNT). The FRC uses the 4Cs for effective communication: Company specific; Clear, Concise and understandable; Clutter free and relevant; and Comparable.

OTS reports on hybrid working implications

The Office for Tax Simplification (OTS) has published its [report concerning hybrid-working](#) which calls for a change to the tax treatment of employee work place rules to help reflect current working practices. Whilst only recommendations, the Government will need to consider what changes to the legislation should be made to enable the UK to remain competitive in the current labour market. Please contact our [Employment Tax](#) team for assistance with employment tax matters.



Companies House warns on scams

Companies House has [warned of a spate of suspicious](#) emails, as well as scam telephone calls, it has been made aware of claiming to be from the Registrar. The scams have been varied and include seeking immediate payment of late filing fees, authentication codes and directors' details. Companies House has said it will never make contact by email asking for secure or sensitive information and has asked for suspicious emails to be sent to phishing@companieshouse.gov.uk before deleting them.

NAO reports on HMRC's compliance effectiveness

The National Audit Office (NAO) has [published its report on HMRC's tax compliance](#) effectiveness following the pandemic. Amongst its findings was a £9 billion decline in the revenue raised by HMRC's compliance work across the two pandemic years compared with the historical average. With HMRC recruiting and training new staff to increase compliance staff by 10% in the coming year, we expect to see an increase in tax enquiries as a consequence. Please contact your usual haysmacintyre adviser or [Danielle Ford](#), Head of Tax Disputes and Resolutions, if you require assistance.



FRC's three year plan

The FRC has published its [draft three year plan for 2023-26](#) which sets out its priorities and resources it will require over this period. The delay in the creation of the FRC's successor, the Audit, Reporting and Governance Authority (ARGA), which is now expected to commence in 2024 has caused its work to be re-prioritised. Later this year the FRC expects to issue its Draft Minimum Standard for Audit Committees for FTSE 350 audit committees, adoption of which will be voluntary before becoming mandatory under ARGA, and to revise the UK Corporate Governance Code. The plan also notes the FRC's intention to act decisively when it identifies systematic issues in an audit firm, including removing registration in the most serious cases.

FRC's 2023/24 focus

The FRC has [announced that it will focus](#) on going concern, fraud risks and climate related issues in the next cycle of audit inspections. It will also prioritise the following sectors which it considers to be at a higher risk of poor auditing due to economic pressures: travel, hospitality and leisure; retail and personal goods; construction and materials; and industrial transportation.



Late tax payment interest rates increase

Following the latest increase in bank rate, HMRC has [announced that the late payment interest rate](#) will increase to 6% from 6 January 2023. The repayment interest rate will also increase at the same time to 2.5%.

And finally... tax return or turkey?

Although nearly 3,300 [tax returns were filed on Christmas Day](#), an increase of over 400 on 2021, the period from 24 to 26 December only saw 22,060 online submissions compared to over 31,000 the previous year. The deadline to file and pay any tax owed for 2021/22 is 31 January 2023.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



2021: Best auditor
2020: Best outsourced finance service



Winner: Audit Team of the Year



Top 15 auditor to quoted companies in Adviser Ranking Listing



An eprivateclient top accountancy firm 2022