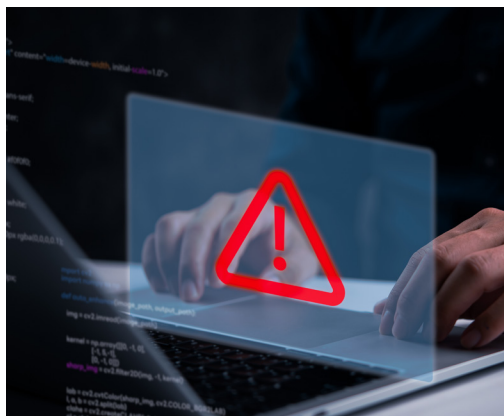
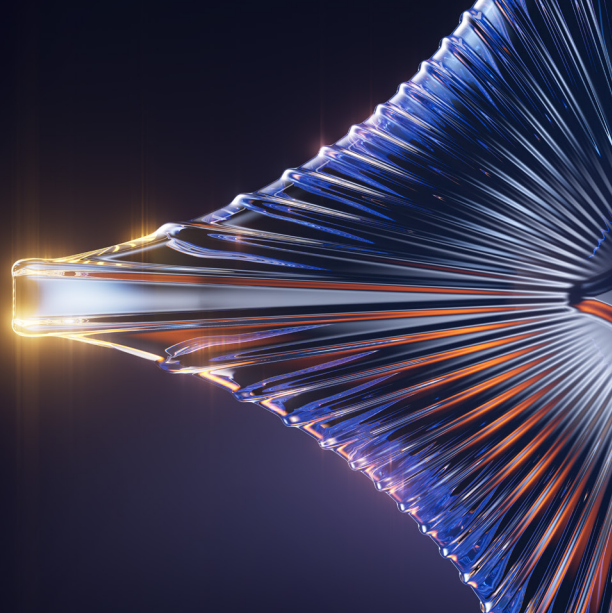


16 April 2026

Corporate and private client eNews



Web filing suspended for three days

Last month a serious security flaw was found in **Companies House's WebFiling system** which allowed logged-in users to potentially access and edit other companies' confidential dashboards simply by using the browser's back button. The vulnerability exposed sensitive director data, including home addresses, emails and dates of birth, for over five million companies, and enabled potential unauthorised filings. The issue led Companies House to shut down WebFiling between 13 and 16 March while it investigated. Although now fixed, the agency has alerted the ICO and NCSC and urged all companies to review their filings for irregularities.

Ignorance can be bliss

A long-established **flower-growing partnership** has **successfully appealed** against a £43,438 VAT penalty after HMRC failed to publicise a key rule change to the Agricultural Flat-Rate Scheme (AFRS). The 2020 Spring Budget introduced a £230,000 turnover threshold and required farmers to notify HMRC and exit the scheme if taxable supplies exceeded this limit. However, the partners and their accountant were unaware of the change until 2023 when they promptly registered for VAT and agreed to pay arrears of £500,000. Although HMRC raised the penalty for the failure to notify liability, the First Tier Tribunal ruled the penalty was invalid because the update was so poorly communicated it provided a reasonable excuse for the partners.



Greater details on directors' loan accounts proposed

HMRC has **launched a consultation** proposing significantly expanded reporting requirements for transactions between close companies and their participators, including directors' loan accounts. The proposals aim to reduce the £14.7bn small business corporation tax gap and are part of the government's wider anti-avoidance strategy. Close companies would be required to report granular details of loans, repayments, releases, write-offs, dividends, asset transfers and other value movements to participators, potentially on an annual basis aligned with CT600 filings. HMRC argues that blurred boundaries between company and personal finances facilitate error and evasion. The consultation closes on 10 June 2026, with changes expected to follow quickly.

Audit committees made easy

ICAEW has published a guide, aimed particularly at first-time directors and those in smaller listed companies, to help them understand their responsibilities when serving on audit committees. The guide covers directors' and audit committees' roles and responsibilities, the external audit process and the growing importance of non-financial reporting and risk management. Drawing on interviews with audit committee chairs and auditors, it highlights that effective governance goes beyond technical compliance to culture, judgement and long-term value creation. It addresses common pitfalls, stresses the importance of strong relationships with auditors and helps directors navigate increasing regulatory complexity and stakeholder scrutiny.



HMRC to insist on online filing of amended company tax returns

HMRC is intending to stop amendments to company tax returns by letter in favour of requiring amended tax returns to be filed online from 1 April 2027. HMRC is consulting on exemptions from online amendments which include those: arising from periods under enquiry; joint amended returns under simplified arrangements for group relief; HMRC publicised service unavailability; and filing in Welsh. The consultation closes on 2 June 2026.

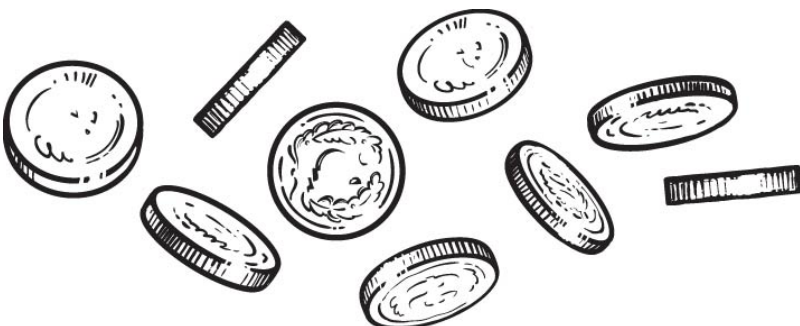
FRC updates comply or explain guidance

The Financial Reporting Council (FRC) has issued updated guidance on "comply or explain" reporting, warning that boilerplate disclosures are re-emerging as companies fear that departures from the UK Corporate Governance Code will be viewed negatively by investors. The FRC stresses that a well-reasoned and transparent explanation for non-compliance is not a governance failure but often evidence of thoughtful, company-specific governance. Problem areas identified included weak explanations for departures from Provision 9 (chair independence) and inadequate disclosure around audit committee and external audit requirements under Provisions 25 and 26. With the 2024 Code now effective, the FRC urges clearer, more tailored reporting.



ICAEW's guidance of failure to prevent fraud

The ICAEW has published advice outlining steps that accountants can take to ensure that they do not fall foul of the corporate offence of failure to prevent fraud under the Economic Crime and Corporate Transparency Act 2023. The ICAEW's guidance does not replace official guidance issued by the Home Office, but offers a complementary and practical framework to help organisations consider fraud prevention and to assist in demonstrating that they have taken reasonable steps to manage fraud risk.



FRC looks to support small business growth

After sustained criticism that UK audit standards are overly complex for smaller companies, the FRC has **published audit guidance** on applying auditing standards in a proportionate and effective manner relative to the size and complexity of the business that is being audited. The FRC has also agreed to engage with stakeholders on the international Less Complex Entities audit standard. However, the FRC continues to resist simplifying ISAs (UK) and rejects the view that auditing standards are not scalable. Professional bodies, including ICAEW and ACCA, have welcomed the proposed consultation, believing it overdue.



Mandatory 60-day payment period proposed

The Government **plans to introduce a mandatory 60-day maximum payment term** on invoices from large businesses and compulsory interest on late payments at 8% above the Bank of England base rate. The measures are expected to take effect from April 2027 at the earliest and will apply to large companies meeting turnover, balance sheet or employee thresholds. The Small Business Commissioner will gain powers to investigate poor payment practices, adjudicate disputes and levy substantial fines. Boards and audit committees of persistent offenders will be required to explain poor payment performance publicly. The reforms aim to address the significant economic damage caused by late payments to small businesses.

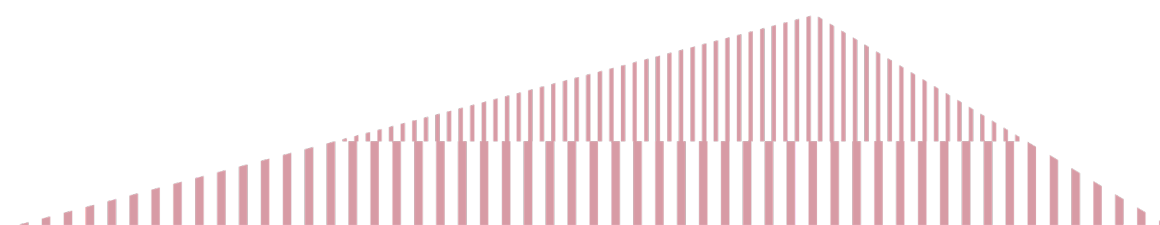
Treasury to review the 45p AMAP rate

The **Treasury has announced** that it will review the Approved Mileage Allowance Payments (AMAP) which has not changed since 2011. The current rate, of 45p per mile, is no longer considered to reflect the true cost of motoring, with the AA estimating a rate closer to 67p to be required just to keep pace with inflation. Treasury ministers have acknowledged the review is “well overdue”, highlighting the impact on workers who rely on their cars for work, particularly lower-paid care workers. A consultation will take place ahead of a future Budget.



And finally..... (A + C) > (B + D) equals the answer for Marshmallows!

In our April 2025 eNews we told readers that the Court of Appeal had sent the Giant Marshmallow case back to the First Tier Tribunal (FTT) concluding that earlier hearings had not asked the right question in determining their VAT status, namely whether they were normally eaten with the fingers. The **FTT has now found** they are typically roasted and eaten using skewers or as part of s'mores, not by hand, and therefore should be zero rated summarising the decision with the above formula (A, B, C and D being different ways of consumption). HMRC is considering an appeal. Please contact **our VAT team** for assistance with your VAT issues without any formulae.



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