

eNews

13 OCTOBER 2020

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

## POSTPONED VAT ACCOUNTING COMING SOON

With effect from 1 January 2021, goods imported into the UK from the EU will be subject to VAT. Previously such goods were treated as EU acquisitions and not subject to VAT. In order to stop VAT being due at the time of entry, with the attendant cashflow disadvantage, [postponed accounting for import VAT is being introduced](#). This will see import VAT being accounted for through the entity's quarterly VAT return with HMRC issuing monthly online statements of postponed import VAT to include within the VAT return. Please contact [Stephen Patey](#) if you require further advice or assistance.



## FILING TAKING LONGER

[Companies House has announced](#) that it is taking it longer than usual to process paper documents due to the reduced numbers in its offices as a result of COVID-19 guidance. Accounts that are filed on paper are manually checked whilst those that are filed online are subject to inbuilt checks to help avoid errors. Accordingly, where possible, Companies House is encouraging the use of online filing. However, limited liability partnerships cannot use the online service.

## NO DEDUCTION BY INSURERS FOR GOVERNMENT GRANTS

The [Economic Secretary to the Treasury, John Glen, has written](#) to the Association of British Insurers (ABI), outlining HM Treasury's expectation that the value of Government grant schemes intended to support businesses during the COVID-19 pandemic should not be deducted from business interruption insurance settlements.



### GLOBAL SUSTAINABILITY STANDARDS CONSULTATION

The International Financial Reporting Standards (IFRS) Foundation is consulting on whether there is a demand for global sustainability standards and how it might assist in developing and promoting said standards. [The consultation paper](#) sets out three possible options: maintaining the status quo, assisting existing initiatives or creating a Sustainability Standards Board (SSB). The Foundation believes that for the SSB to be successful it needs, inter alia, support from the authorities and market participants, to work with regional initiatives to achieve global consistency and, reduced complexity in reporting. The consultation includes ten questions on which the Foundation is asking for responses by 31 December 2020.

### QUALITY OVER QUANTITY?

The Financial Reporting Council (FRC) has [issued a discussion paper](#) proposing a future for corporate reporting based on a principles-based framework. The paper addresses a common criticism that annual reports are now too long and information is difficult to access. The proposals include: splitting the current reports into interconnected reports; applying a common set of reporting principles; objective driven reports that address wider interests and not a single set of users; using technology to improve access; and a model that is flexible and responsive to changing demands and circumstances. The paper is open for comments until 5 February 2021.



### INSOLVENCY PROTECTION MEASURES EXTENDED

The Government has [extended the measures from the Corporate Insolvency and Governance Act](#) which were introduced to protect businesses from insolvency and which were due to expire on 30 September. The temporary measures include: the ability to hold AGMs virtually until 30 December 2020; restrictions on statutory demands and winding-up petitions until 31 December 2020 to protect against aggressive creditor action; the continuing prohibition of clauses stopping supplies whilst a company goes through a rescue process until 30 March 2021; and extension of the temporary moratorium rules until 30 March 2021.

### AGMS IN A COVID-19 WORLD

The FRC has [reviewed how FTSE 350 companies](#) have engaged with shareholders at annual general meetings (AGMs) during the COVID-19 pandemic. The review found that the best organised and executed meetings increased participation but those companies that held closed meetings with retail shareholders unable to participate or vote on the day had disenfranchised shareholders. Over 80% of companies had held closed meetings with voting being required in advance. The FRC found shareholder rights were best served with clear communication before, during and after the AGM and also recommends shareholders, wherever possible, should be able to vote after board presentations.



### COMMUNICATING WITH VIDEO

The FRC's Financial Reporting Lab has published a report, [Video in Corporate Reporting](#), which considers how companies can use video technology to communicate with their investors and stakeholders. The report identifies video being used by companies in four main ways: news, often connected with the reporting cycle; insights, to provide more detail about a certain aspect of the company; aspirational, to communicate ambitions for the future; and narratives, to tell a story about the company such as its history. Apart from including practical examples the report also provides guidance on effective virtual AGMs.

### HMRC COVID-19 GRANT NUDGE LETTERS: ACT NOW, DEADLINE 20 OCTOBER

HMRC have issued over 20,000 'nudge' letters to employers in respect of the Coronavirus Job Retention Scheme. Employers should review their claims and where any errors are identified they must be corrected as set out in the following article. Ignoring a 'nudge' letter or not advising HMRC of any errors may result in a detailed enquiry. For further guidance please read our article [here](#), or contact [Danielle Ford](#) or [Nick Bustin](#).



### AND FINALLY... NIGHTMARE ON SPREADSHEET

The Government's recent embarrassment regarding errors in under reporting COVID-19 cases, due to spreadsheet errors, is not the first time that mistakes in spreadsheets have created headlines, as these [errors reported by the European Spreadsheet Risks Interest Group](#) attest. However, they are a salutary reminder regarding the damage that can be done when risks are not taken seriously. The ICAEW has previously issued twenty principles for good spreadsheet practice, which are aimed at reducing errors in spreadsheets. These principles can be found [here](#).

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