



Hello, each month we'll bring you a short CPD training video, our blog, technical updates and FAQs from courses and reviews. Whatever the size of your business, Insight Training offers finance and management development programmes for business professionals just like you. Click here to find out more.

Latest vlog

In October's vlog Peter Herbert discusses audit ethics with real life scenarios.



Latest blog

Our <u>blog</u> covers the essential skill of Commercial Awareness focusing on junior staff.



Hot Topics in October

Lots of business owners have had a hard time over the pandemic and want out, or have had time to take stock and decided that now's the time to retire. However, business valuation is much more complex as the last two years' figures are most likely not representative of the business in normal trading times. Plus there is huge uncertainty for many about the future trading position. So, deals are really complex – many being based on earnouts. The tax treatment is more complex and is critical for both buyer and seller to understand the impact on the price they will ultimately pay or receive. There's a lot of expectation management needed and lots of deals are falling through. Added to that is the worry that the legislation (e.g., capital gains etc.) might change in the budget.

Join Ros Martin for <u>The Tax Issues of Buying and Selling Businesses</u> on 18th October to discuss these issues in detail.

Ros is also running a **Budget Update** session on 4th November.

Upcoming courses

Our upcoming live public CPD courses are detailed below. Bookings can be made directly on our <u>website</u>.

Date - Course - Presenter

- 8 Oct 9.30-12.30 Financial Statements Update John Selwood
- 11 Oct 9.30-12.30 MTD Update Rebecca Benneyworth
- 13 Oct 9.30-12.30 <u>Practice Regulation Update</u> Peter Herbert & Edward Rands
- 18 Oct 9.30-12.30 Tax Issues of Buying and Selling Businesses Ros Martin
- 21 Oct 9.30-12.30 Commercial Awareness for Audit Seniors Nicky Clough & Richard Hemmings
- 2 Nov 9.30-11.30 20 FAQs on Charity Accounts Disclosures Peter Herbert
- 3 Nov 9.30-12.30 Autumn Audit Update Peter Herbert
- NEW COURSE 4 Nov 12.30-1.30 Budget Update Ros Martin
- 9 Nov <u>Small Company Accounting in Difficult Times</u> 9.30-12.30 Richard Hemmings
- 11 Nov What Makes a Good Audit Senior? 9.30-11.30 Clare Jones
- 11 Nov Audit Sampling 12.30-1.30 Clare Jones

AML E-Learning Programme now available to <u>purchase</u> for on demand viewing.

For details of all courses in our Autumn series, please click here

"Delivery ideal as very practical. Good explanation of the course content and very willing to answer questions whilst on the course and afterwards" Delegate, Spring 2021

FAQs from recent courses

Charities

A charity that we act for has cancelled events due to COVID. What are the disclosure implications here?

Income received in advance for charity events sits in deferred income until the event takes place, at which point it is released to the SOFA. The accounting treatment in the event of a cancellation depends on what the customer has chosen to do:

- If they've requested a refund, amounts received in advance will become creditors pending repayment;
- If they've chosen to donate the payment to the charity, the deferred income balance is transferred to donations in the charity SOFA; or
- If they've chosen to transfer to a different event, the amount concerned remains in deferred income.

This all sounds straightforward in practice but charities will need a good system for tracking individual amounts and decisions. This will be a key area for auditors and examiners at the current time no doubt.

For illustrative disclosures check out the example charity financial statements on the charity SORP committee website. These have recently been updated to reflect the consequences of the pandemic. The 'Arts Theatre Trust' example deals specifically with the issues faced by charities that organise events that have been cancelled. Charities SORP (charitysorp.org)

Peter Herbert presents 20 FAQs on Charity Accounts Disclosures on 2nd Nov.

Financial Reporting

What are the accounting implications where a company takes advantage of 'pay as you grow' on a bounce back loan?

'Pay as you grow' allows a business to extend a bounce back loan for up to 10 years at the same fixed interest rate of 2.5%, to reduce its monthly payments for up to 6 months by paying interest only and to take a repayment holiday of up to 6 months.

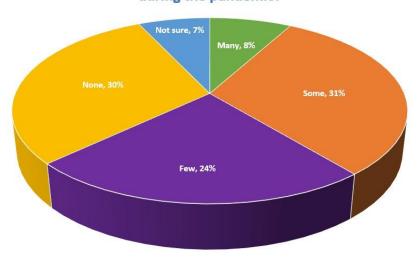
We suggest that anyone preparing accounts for a company in this situation looks at the most likely situation based on the company's intentions at the year end. It will then be a question of creating a loan repayment table in excel and mapping out the numbers accordingly. Remember that interest should be spread over the entire repayment period so as to achieve a constant rate of charge on the outstanding amount. The 'goal seek' function in excel is useful for this.

Also, don't forget to split the liability between amounts falling due within and in more than one year in the year end financial statements.

Join Richard Hemmings for <u>Small Company Accounting in Difficult Times</u> on 9th Nov.

In a recent poll - Financial Reporting

How many clients have taken advantage of rent waivers during the pandemic?



This question crops up frequently in the context of the accounting treatment for rent waivers. Concessions provided by the FRC (UK GAAP) and the IASB (IFRS) have recently been extended so that a relatively simplistic approach to accounting can be adopted on waivers provided in respect of payments due on or before 30 June 2022. Our polls suggest that landlords have generally been more inclined to defer than waive payments over the last 18 months though – so the concessions are not as relevant to as many organisations as some might think.

For further information on any of our services, please contact

us at enquiries@insight-training.co.uk

Kind Regards, Liz







Insight Learning Solutions Ltd t/a Insight Training 1 Castleton Road, Hazel Grove, SK7 6LB Registered in England and Wales at the above address. Registered number 09245127.

You are receiving this email because you have previously attended our courses or we believe you may be interested in our news and events.