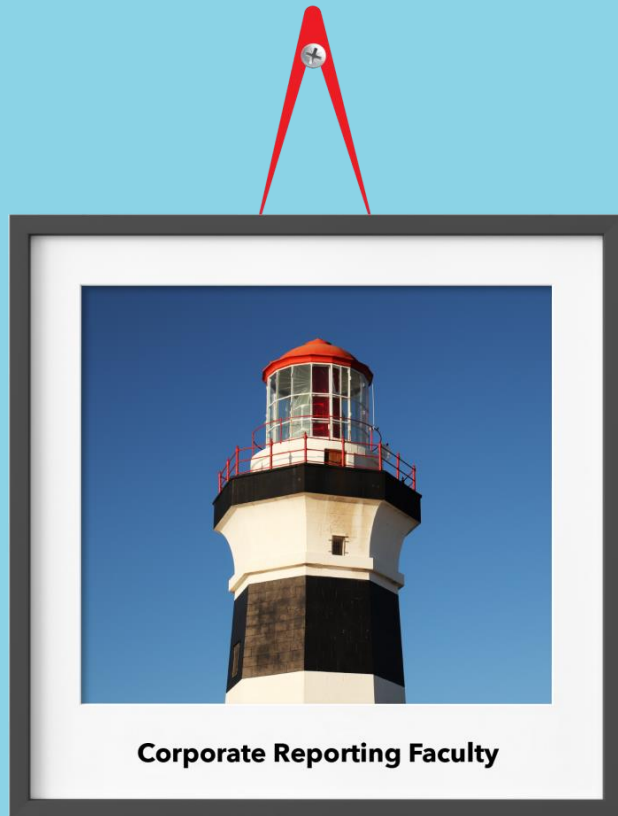




ICAEW KNOW-HOW
CORPORATE REPORTING FACULTY



2026 Briefing: Topical issues for small and micro entities' accounts

5 MAY 2026

**THIS WEBINAR WILL
COMMENCE SHORTLY**

Introduction



Amy Trappe

Technical Manager, Corporate Reporting Faculty, ICAEW

Today's presenters

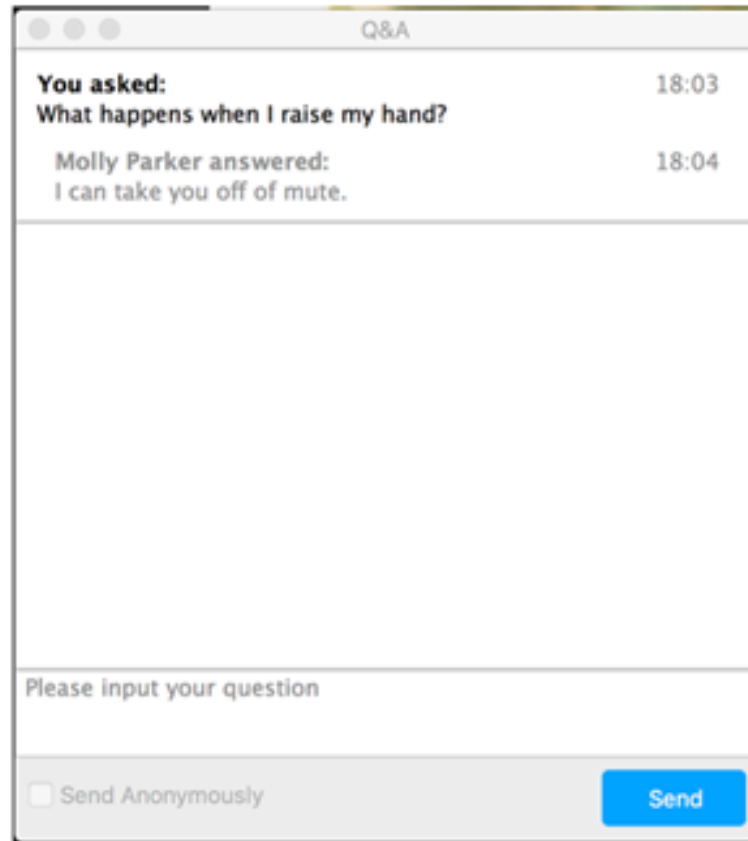


Peter Herbert
Director
Insight Training



Lee Eagling
Senior Manager, Accounts & Audit CPD
Mercia Group

Ask a question and access resources



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- Header: Q&A
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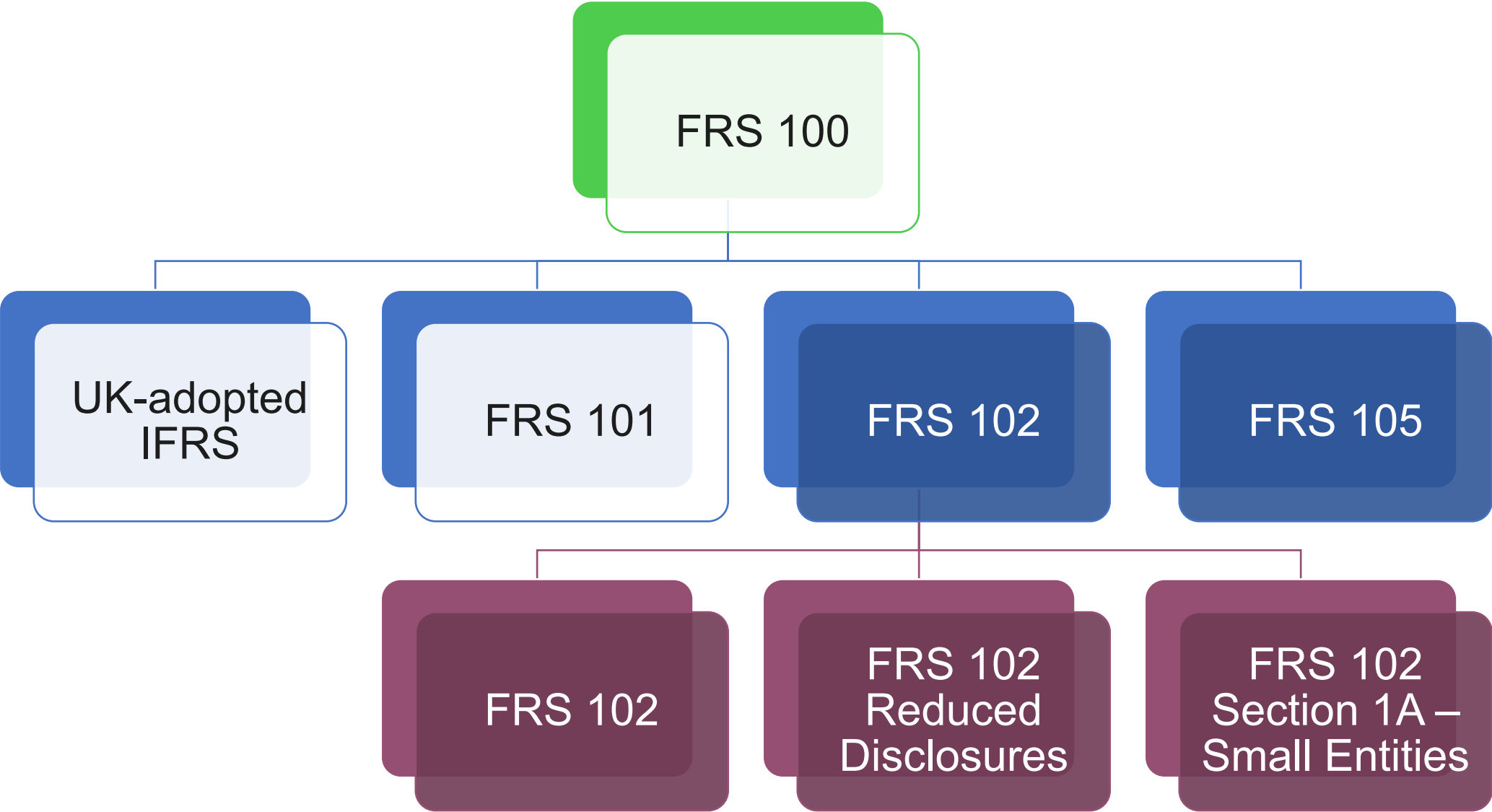
Accounts reform developments

Narrative reporting developments

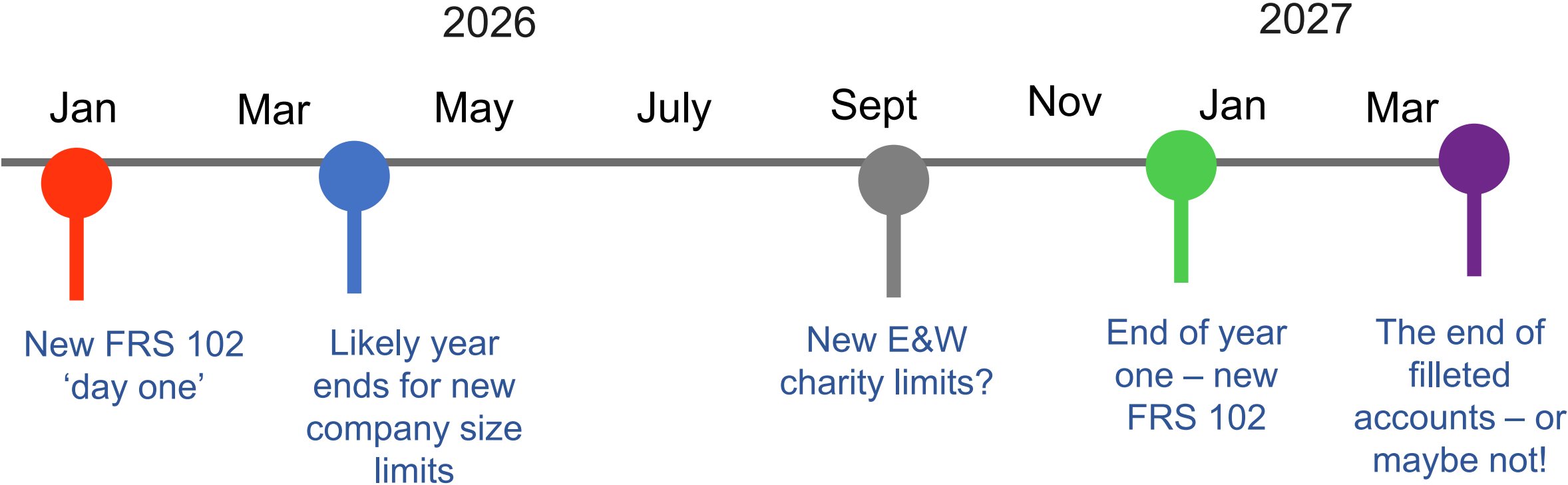


The Big Picture

The FRSs




Timeline for change ...



Useful resources

ICAEW KNOW-HOW
CORPORATE REPORTING FACULTY



PLANNING FOR THE 2025/26 REPORTING SEASON

GUIDE

12 December 2025

Aimed at reporters preparing accounts under either IFRS® Accounting Standards or FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* and those applying the UK's non-financial reporting requirements in the annual report, this guide focuses on common areas of relevance for the current reporting season.

The guide also highlights new reporting requirements and signposts to further resources. The relevance of points noted will depend on the size and nature of the business.

<https://www.icaew.com/technical/corporate-reporting/corporate-reporting-resources/guides-and-technical-releases/planning-for-the-2025-to-2026-reporting-season>

More to come?!

Introducing the Modernisation of Corporate Reporting

Author: Sally Baker, Head of Corporate Reporting Strategy, ICAEW
Published: 19 Feb 2026



<https://www.icaew.com/technical/corporate-reporting/corporate-reporting-resources/by-all-accounts/articles/2026/introducing-the-modernisation-of-corporate-reporting>



Recent changes to size limits

New Size Thresholds - Companies

	Micro	Small	Medium
Old thresholds	Turnover ≤£632k Gross assets ≤£316k Employee numbers ≤10	Turnover ≤£10.2m Gross assets ≤£5.1m Employee numbers ≤50	Turnover ≤£36.0m Gross assets ≤£18.0m Employee numbers ≤250
New thresholds (from p/c 6 April 2025)	Turnover ≤£1.0m Gross assets ≤£0.5m Employee numbers ≤10	Turnover ≤£15.0m Gross assets ≤£7.5m Employee numbers ≤50	Turnover ≤£54.0m Gross assets ≤£27.0m Employee numbers ≤250

<https://www.legislation.gov.uk/ukxi/2024/1303/contents/made>

Scenario

A Ltd incorporates on 1 January 2022. Results for its five periods ending on 31 December are:

	2022	2023	2024	2025	2026
Turnover	£8.5m	£9.0m	£11.0m	£12.2m	£13.5M
BS total	£4.0m	£6.5m	£6.4m	£6.6m	£7.0M
Employees	40	45	46	47	49

Is A Ltd eligible to apply small company accounting exemptions and audit exemption for 31 December 2025 & 2026?

Poll question

Is A Limited a small company in 2026 based on the thresholds?

a) Yes

b) No

c) Not sure

What about this one?

A Ltd incorporates on 1 January 2019. Results for its 8 periods ending on 31 December are:

	2026	2025	2024	2023	2022	2021	2020	2019
Turnover	£13.5m	£16.2m	£11.0m	£17.0m	£14.9m	£16.1m	£14.7m	£13.0m
BS total	£7.0m	£8.6m	£6.4m	£9.5m	£6.9m	£6.2m	£6.9m	£5.9m
Employees	49	47	46	49	52	52	52	49

Is A Ltd eligible to apply small company accounting exemptions and audit exemption for 31 December 2026?

Don't forget charities

Requirements (England & Wales)	Currently	Incoming
Accounts must be independently examined	Income over £25K	Income over £40K
Audit – primary threshold	Income over £1M	Income over £1.5M
Audit – secondary threshold	Income over £250K & Assets over £3.26M	Income over £500K & Assets over £5.0M

Requires secondary legislation
Exact implementation date unclear



Periodic Review 2024

Poll question

Which areas of the Periodic Review 2024 amendments are you most concerned about?

- a) Leases
- b) Revenue
- c) Small company disclosures
- d) Other

Background

Updated editions of UK and Ireland accounting standards issued in September 2024

Effective p/c 1 January 2026

Main changes relate to revenue and leases....

Impact is broader than that!



Small company – additional disclosures

Provisions
and
contingencies

Revenue

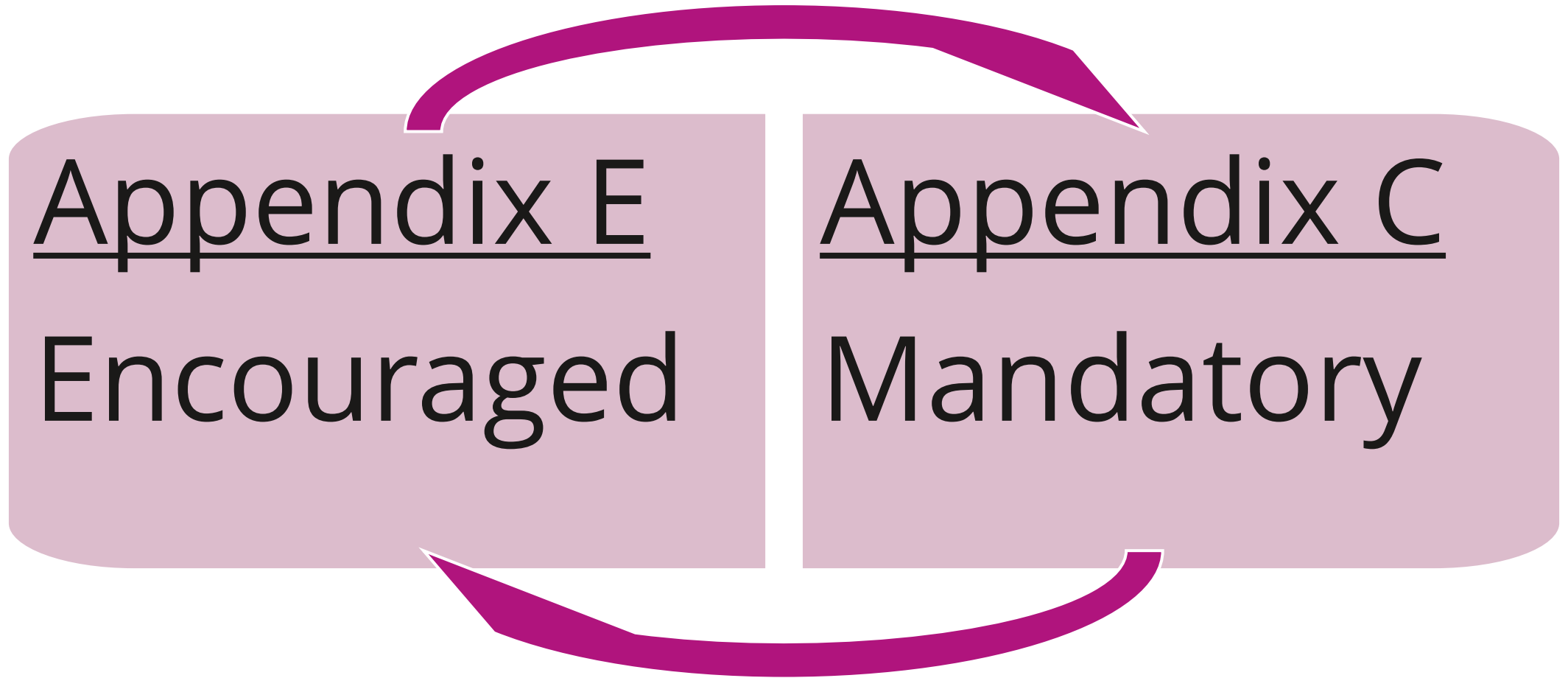
Leases

Deferred tax
and tax
reconciliation

Share-based
payments

Related party
transactions

Small company disclosures



Related party disclosure - current

s413 – Directors' advances, credits and guarantees

Nothing else (FRS 105)

MICRO

s413 Directors' advances, credits and guarantees
+
(from FRS 102 1A):
Material Related Party Transactions

1) with 3 'classes' of Related Party

+
2) 'not concluded under normal market conditions'

SMALL

s413 Directors' advances, credits and guarantees
+
(from FRS 102):
Key Management Personnel compensation

Five 'classes' of Related Party

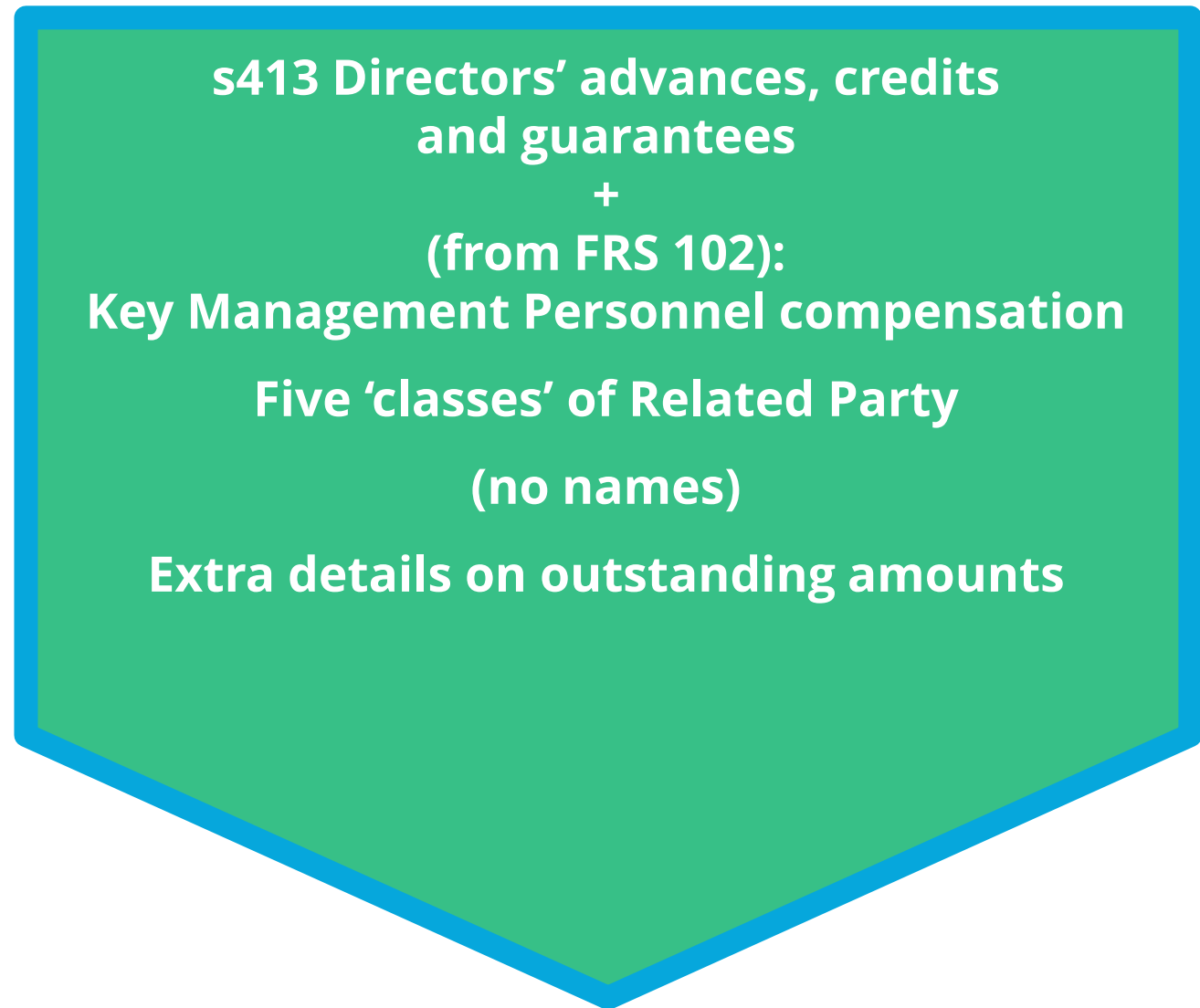
(no names)
Extra details on outstanding amounts

MEDIUM / LARGE

New



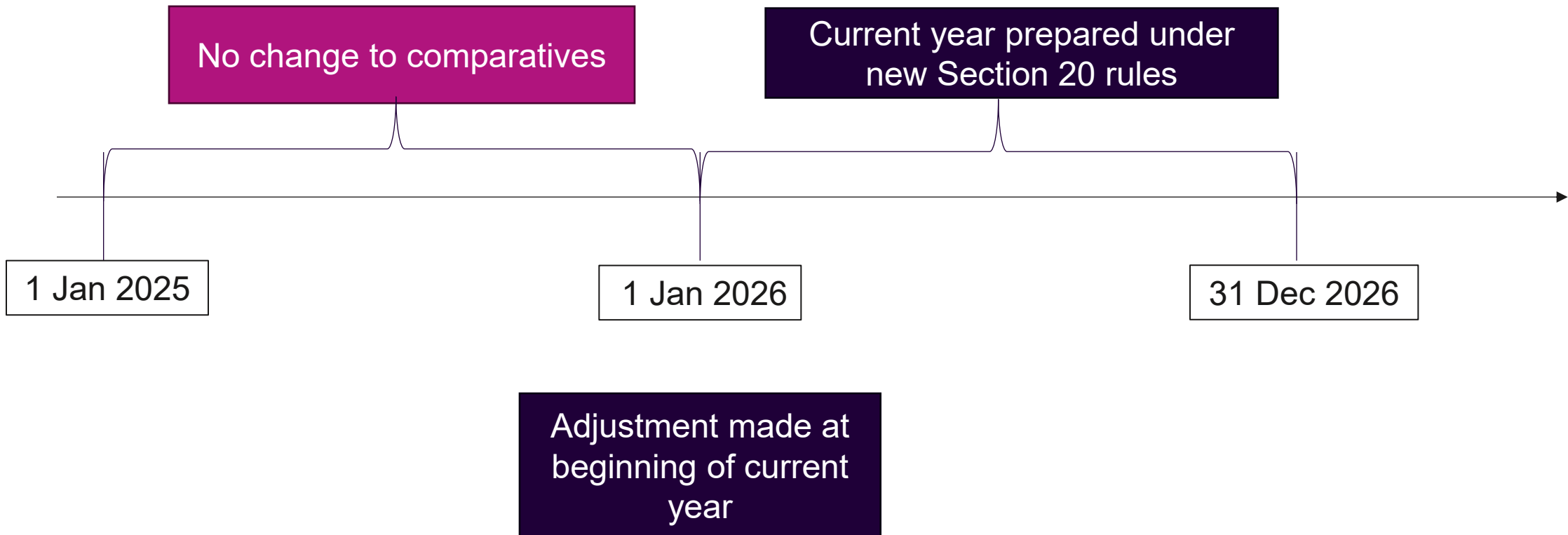
MICRO



SMALL / MEDIUM / LARGE

Leases – initial application

- No choice
- Modified retrospective approach is mandatory



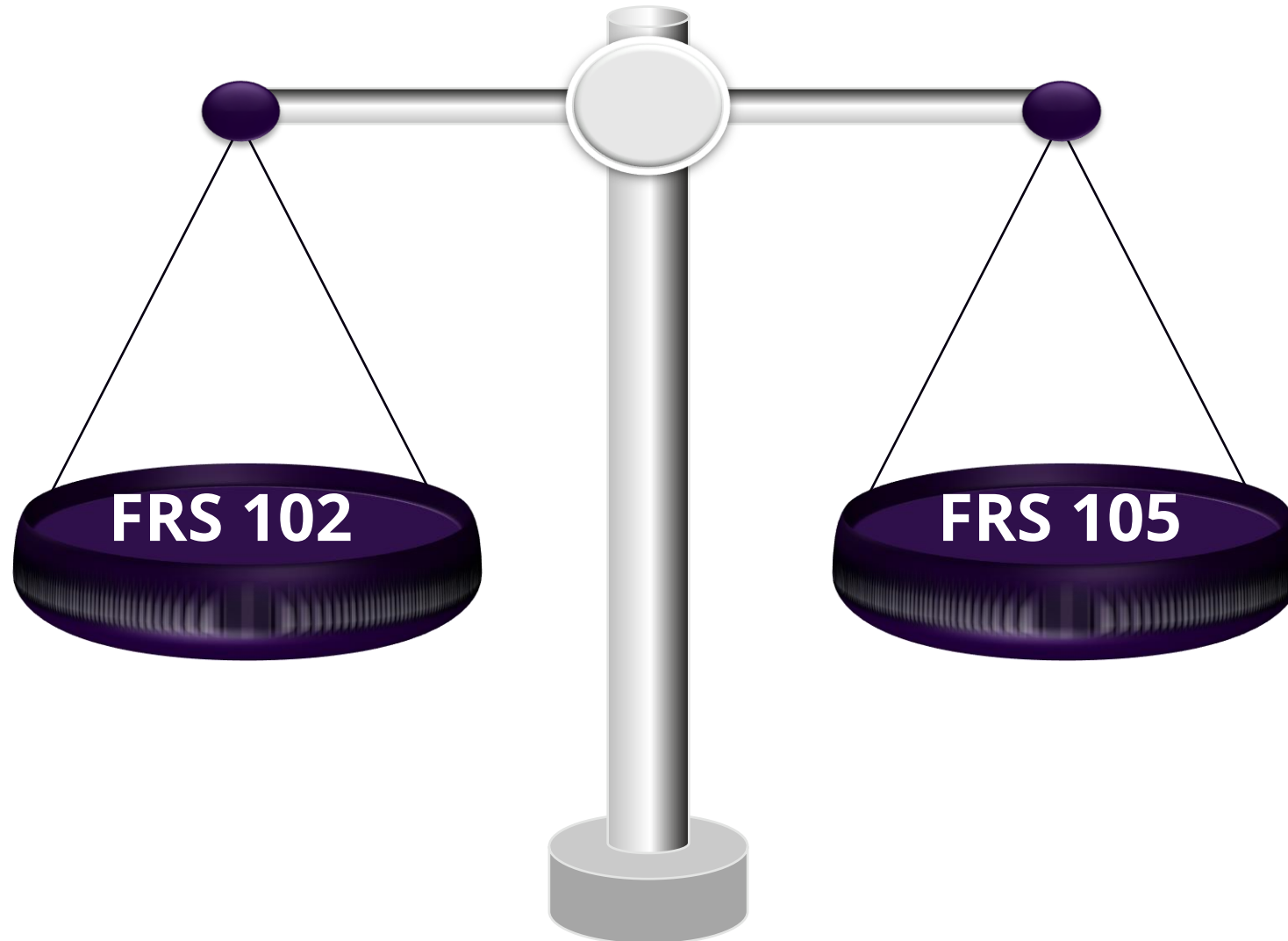
Revenue – initial application

FRS 102

FRS 105



Time to re-evaluate?

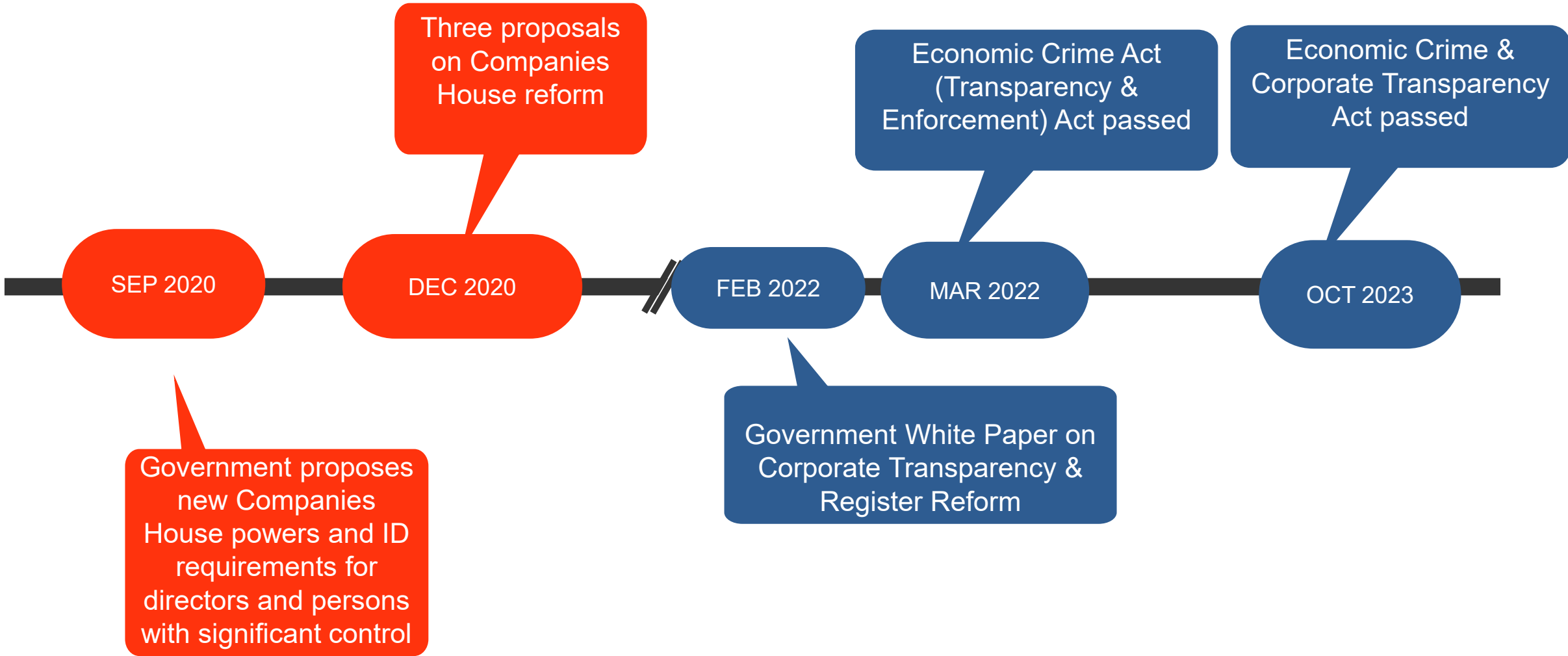




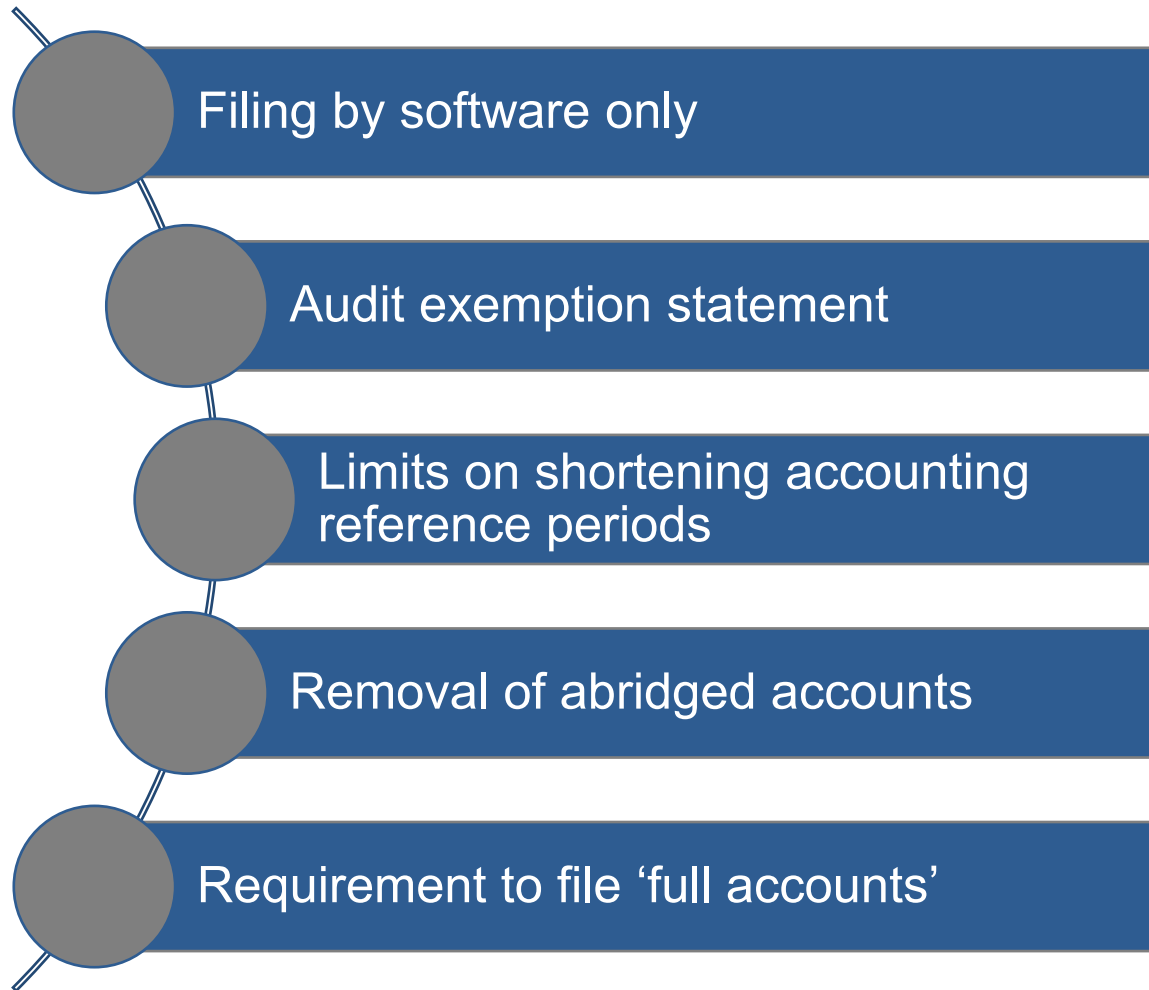
Accounts reform developments

ECCTA

The long and winding road ...!



Accounts reform changes



Changes to small company filing options

From 1 April 2027, we're also streamlining the accounts filing options for small and micro-entity companies.

Micro-entities will be required to file a copy of their balance sheet and profit and loss account.

Small companies will be required to file a copy of balance sheet, directors' report, auditor's report (unless exempt) and profit and loss account.

Companies will no longer be able to prepare and file 'abridged' accounts.

...and then...

Changes to accounts

The measures set out in the Economic Crime and Corporate Transparency Act will improve transparency by making more financial information available to the public.

Changes to accounts filing will not be introduced in April 2027. The reforms are still under review and a final decision will be announced shortly. Companies will receive at least 21 months' notice to prepare.

<https://changestoukcompanylaw.campaign.gov.uk/changes-to-accounts/>

Authorised Corporate Service Providers (ACSPs)

By no earlier than November 2026

Companies House should be able to:

- make identity verification of the presenters a compulsory part of filing any document
- require third party agents filing on behalf of companies to be registered as an ACSP



Narrative reporting developments

Current requirements

	Basic directors' report	Basic strategic report	Carbon reporting	S.172 statement	TCFD
Micro					
Small	✓				
Medium	✓	✓			
Large	✓	✓	✓*	✓	
Very large	✓	✓	✓	✓	✓

* Note differing size criteria and exemptions available

Other potential changes

Changes to directors' report from 6 April 2025

- Streamlining of requirements (for example employment of disabled employees)

Regulation Action Plan

- Directors' report will be scrapped entirely (but some content will be reported elsewhere instead)
- Medium companies will not need a strategic report
- Wholly owned subsidiaries of UK parents included in the parent's group reporting will not need a strategic report
- No timescales provided yet

Modernisation of Corporate Reporting

- Wide-ranging consultation covering every element of annual report and accounts

The progression of sustainability reporting

IFRS S1 &
S2 (ISSB)

Adapt

Consult

UK SRS

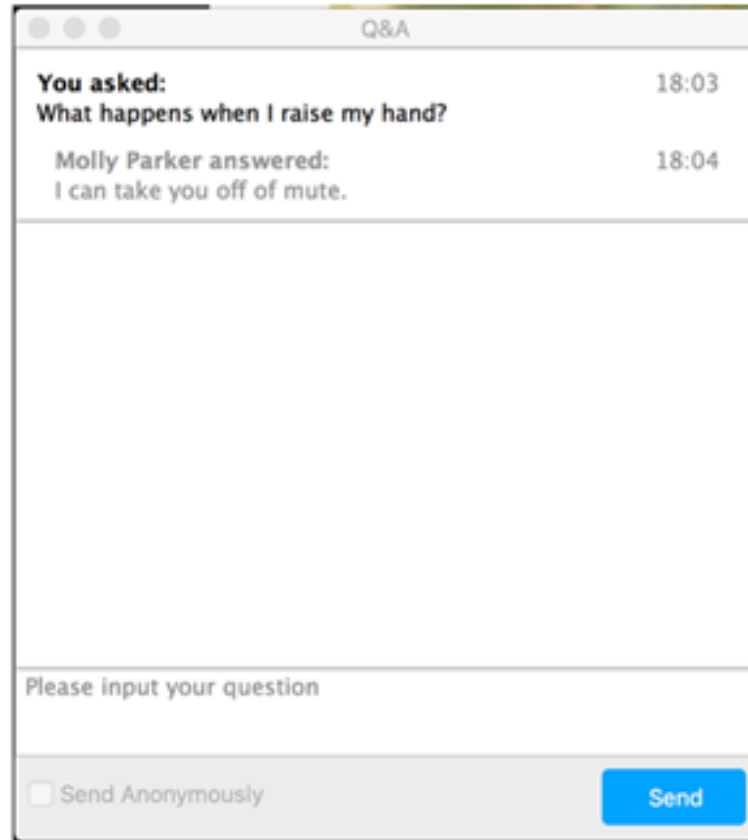
Poll question

Is sustainability reporting of interest or a concern for you?

a) Yes

b) No

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Factsheets and other online guidance



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By All Accounts - news features and articles

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ICAEW resources

Online resource hubs:

- [Small and micro-entity reporting](#)
- [UK regulation for company accounts](#)
- [Economic Crime](#)

Factsheets:

- [Preparing and filing UK small entity accounts](#)
- [Preparing and filing micro-entity accounts](#)
- [FRS 102 Periodic Review 2024 amendments](#)

Helpsheets:

- [FRS 102 amendments – section 1A](#)
- [Is a company micro?](#)

CPD courses:

- [Small and micro entity accounting](#) – 21 May
- [UK GAAP developments](#) – June, October, December



Questions



Peter Herbert
Director
Insight Training



Lee Eagling
Senior Manager, Accounts & Audit CPD
Mercia Group

Thank you for attending



- Please take the time to fill out our short survey.



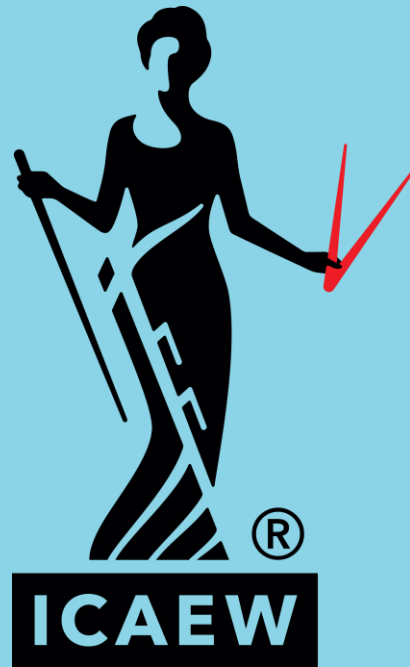
- Contact the Corporate Reporting Faculty.
- Tel: +44 (0)20 7920 8533
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