

Bullimores



ESTABLISHED
1928

Newsletter

OCTOBER 2020

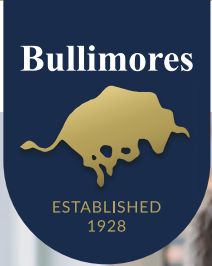


BULLIMORES CHARTERED ACCOUNTANTS

01306 880880

Visit our website

www.bullimores.co.uk



Every time we speak to commercial and business clients we hear stories of innovation, problems that have been overcome, employees and staff who go out of their way to make it easier to run the business and in general an extremely positive view of the economy.

Pause for thought Plan - Adapt - Evolve - Secure	3	Charity Meetings during the COVID-19 outbreak	6
Taking care of your financial health – post lockdown	4	Company accounts and the going concern basis	6
Electric car tax benefits	4	Government & COVID-19 News	7
Airbnb data NOW being shared with HMRC	5	Scams to be aware of	10
Capital Gains Tax deadline	5	Current vacancy- we're hiring	11
VAT reverse charge in the Construction Sector	6	Important dates	11
		Having head space to adapt	12

Plan - Adapt - Evolve - Secure



Pause for thought

There are areas of the economy and the country which are adversely affected. The travel sector, the arts and performance, pubs and restaurants, any type of corporate entertainment where business is unlikely to get better soon since they need further Government support. The problem is that the convenient headlines for the lazy members of the press, television and radio are negative, and it is all too easy to get subsumed into the slough of despond when it is totally unnecessary.

We are an inventive nation, used to overcoming obstacles and problems, and really are very good at it. It is marvellous to see the disappointment of the left-wing trendy newscasters having to backtrack, although we have yet to see one apologising for their glee when announcing their next round of poor if not incompetent guesses. Perhaps it would be better to hand over the forecasting of all matters which are estimates and worse to Ladbrokes and William Hill, who would undoubtedly do a better job than Eeyore and Private Frazer (doomed).

Nobody seems to have noticed that Mr Haldane, chief economist for the Bank of England (notable pessimists), has forecast a 20% jump in GDP in the third quarter saying the economy has recovered far faster than they expected. Golly!

We will have to pay for Covid in due course but now is the time for the Government to borrow at 1% interest or less, and do all the things we will benefit from like new roads, new/improved hospitals, schools etc when the economy improves. It is also the time for businesses to invest with Government help in updating equipment and computers making themselves more efficient for the future and probably more profitable into the bargain so they can afford to pay the additional tax.

Tax rises will come and it is right that the better off, be it in income or capital, should contribute proportionately and fairly more, so gifts should be made to children and rearrangement of company shares should be considered - so pre-empt the swinge but do it now! Also pension contributions should be considered since it would be easy for HMRC to collect more tax on contributions especially from those paying higher rates.

Don't fight the Fed is a very old stock market adage and at the moment the markets are forecasting that interest rates will stay very low until 2025 in the USA and this equally applies to the UK. When there is a high perceived level of risk, investors run for cover to cash and historically to gold. Running to cash depresses interest rates further, so cash is a bad investment for the time being and it is quite possible we will have negative interest rates shortly, i.e. the bank will charge you to leave cash with them - unheard of but it is happening in Germany, Denmark and Holland.

Inflation is so low that it has almost disappeared going with interest rates and pay rises. To get things going all Governments will have to spend, spend, spend and we the public will pick up the bill eventually. Things may well get better with a Coronavirus jab, but don't hold your breath.

www.bullimores.co.uk

Please email us at newsletter@bullimores.co.uk if you would prefer to receive this newsletter electronically

I never thought the comment "I wouldn't touch them with a barge pole" would become a national policy, but here we are!



Individuals

Taking care of your financial health – post lockdown

- Inheritance tax can be avoided by giving money away, preferably more than seven years before you die, or spending it before you die! If giving away, always keep records for HMRC.
- Ensure your Will is up-to-date, taking into account any change in family circumstances. Are you still in touch with chosen executors?
- Lasting Powers of Attorney. These must be in place when you are of sound mind before becoming incapacitated. Should it be necessary, they enable trusted persons to act on your behalf regarding health and finances.
- Your pension provider should be advised, with an expression of wishes form, of who should benefit from this asset upon your death.
- Sort out your paperwork – getting rid of obsolete and unnecessary documents. Place a summary of assets, and how to access them, in a secure and safe place – advising executors and advise us of lawyers.
- Use them or lose them - your tax allowances for 20/21.

Should you need clarification or assistance with any of the above points raised, **please contact us** and we will be happy to help

BE PREPARED – SELF ASSESSMENT 19/20 – 20/21 CASHFLOW

This year has most definitely been turbulent but to let it roll over and disrupt 2021, could be a disaster.

With many helpful interventions from Government, to give employers and individuals breathing space during lockdown, it is essential that we prepare for 2021.

Forewarned is forearmed - so we are suggesting our clients act now and ensure they fully understand their liabilities and the deadlines!

With your records ready, please contact our Tax and Accounting teams as soon as possible so that we can establish your personal tax, corporation tax and VAT liabilities well in advance of the deadlines.

With that information to hand you can prepare and manage your cashflows accordingly.

Please don't wait until it is too late.

NOVEMBER BUDGET STATEMENT CANCELLED!

For the second time in two years the November budget statement has been cancelled, last year because of the impending General Election and this time because the Chancellor wants to concentrate on short term measures

Electric car tax benefits

Manufacturers are investing billions into the development of electric cars and hybrid vehicles and as a consequence more businesses are offering these alternative fuel vehicles as part of their benefits package. Tax cuts brought in from April 2020 will make electric vehicles an even more attractive option.

From April 2020 all new registered cars will have their emission levels for company car tax purposes determined under a new standard known as WLTP (Worldwide Light vehicles Test Procedure). All electric car drivers will see their rate of company car tax reduce to 0%, assuming their vehicles can travel 130 miles or more on a single charge. There will be a sliding scale up to 14% for vehicles only capable of travelling 30 miles or less on battery power.

Car benefits for full electric (zero emissions) cars have been reduced to 2% of the list price from April 2020 (and benefits for hybrids also falling).

If you are thinking about changing your company car remember your business may get 100% writing down allowance in the first year. For advice on the tax benefits of an all-electric or hybrid car might provide, please get in touch.



Airbnb data NOW being shared with HMRC



It has been reported that HMRC now receive data from Airbnb about the earnings of those who let out property on its platform and that this will include historic data.

HMRC has an extremely powerful system (Connect) into which a variety of information is fed and this appears to be just another example of data sources that they are using.

HMRC seems to have indicated that they will be addressing this during 2021/22.

If anyone has rental income of this nature that has not been declared then we would urge that they need to obtain tax advice as soon as possible, as penalties are lower for unprompted disclosures.

Be aware – Capital Gains Tax deadline

The deadline for paying Capital Gains Tax after selling a residential property in the UK was changed on 6 April 2020.

If you are a UK resident and sell a residential property in the UK you only have 30 days to tell HMRC and pay any Capital Gains Tax owed or face penalties and interest

The exceptions to this are:

- A legally binding contract for the sale was made before 6 April 2020
- You meet the criteria for Private Residence Relief
- The sale was made to a spouse or civil partner
- The gains (including any other chargeable residential property gains in the same tax year) are within your tax free allowance or you sold the property for a loss
- The property is outside the UK

Whose idea was it to sing “Happy Birthday” while washing your hands?

Now every time I go to the bathroom, my kids expect me to walk out with a cake.



Business

VAT reverse charge in the Construction Sector



There have been delays in the implementation of the reverse charge procedure that was first due to be implemented in October 2019. This has now been delayed until 1 March 2021.

In essence a business customer in the construction industry receiving the supply of construction services effectively pays the VAT to HMRC directly rather than paying it to the supplier. This will have a significant impact on how VAT is both accounted for and on cash flows.

The domestic reverse charge will affect supplies made at standard and reduced rates where the payments are required to be reported through the construction industry scheme (CIS) and where the customer has not given written confirmation that they are an end user or an intermediary supplier as defined by HMRC.

Further guidance is available at www.gov.uk/guidance/how-to-use-the-vat-reverse-charge-if-you-supply-building-and-construction-services

Charity Meetings during the COVID-19 outbreak

The Government provided an exemption to the rule of 6 for trustee and members meeting where the meetings are necessary for providing charitable services, though it is recommended to keep a careful eye on whether these exemptions change.

Charitable companies and Charitable Incorporated Organisations are able to hold AGM's and other members meetings online until 30 December 2020 by virtue of the Corporate Insolvency and Governance Act 2020. However for other types of meeting the first point of reference should be the charity's governing document.

Where the situation prevents the filing of the charity accounts and annual reports it is requested by the Charity Commission that an email is sent with the details to filingextension@charitycommission.gov.uk

Company accounts and the going concern basis

All sets of limited company and LLP accounts in the UK are prepared on a going concern basis, unless the accounts state otherwise in the accounting policies.

What does this mean? The true definition is that the entity will continue in business for the foreseeable future. In practical terms this has been taken to be for at least 12 months from the date that the accounts are signed by the Directors, not the date of the balance sheet.

If a decision has been made to close the business or that events have conspired to leave no market for the company goods and services, then accounting adjustments and disclosure might be required. It might appear strange when we ask you about the business being a going concern, but this is why!

Government & COVID-19 News

Winter economy plan



Rishi Sunak unveils his Winter Economy Plan to support the economy over the coming months.

- Job Support Scheme
- Self-Employment Income Support Scheme
- Flexible repayment terms on loans
- Tax cuts to VAT
- Time to pay deferred payment deadlines
- Investment in public services

www.gov.uk/Government/news/chancellor-outlines-winter-economy-plan

Job Support Scheme

In order to protect viable jobs and support businesses who are facing lower demand over the winter months due to Coronavirus, the Government will introduce the Job Support Scheme.

From the 1st November for 6 months, the Government will contribute towards the wages of employees who are working fewer hours than normal

- Employers will continue to pay wages to staff for the hours they work
- For the hours not worked the Government and employer will each pay one third of their equivalent salary (capped at £8,375 pa equivalent)
- Employees must be working 33% of their usual hours
- Open to all businesses across the UK even if they have not used the previous furlough scheme
- The level of grant will be calculated on their usual salary, capped at 697.92 per month (£8,375 pa)
- Businesses can benefit from both the Job Support Scheme and Job Retention Bonus (£1,000)

www.gov.uk/Government/publications/job-support-scheme

Self-Employment Income Support Scheme - SEISS

The first taxable grant will be provided to those who are currently eligible for SEISS and are continuing to actively trade but face reduce demand due to Coronavirus.

- The initial lump sum will cover three months' worth of profits from November 2020-January 2021.
- This is worth 20% of average monthly profits up to a total of £1875.
- The Government has granted an extension to the SEISS scheme, with the 2nd grant available to cover the period from April 2021-April

www.gov.uk/Government/publications/job-support-scheme

Government & COVID-19 News

Winter economy plan

Pay back loans, given time to pay

Providing flexibility for firms to repay the Bounce Back loans will include:

- Extension of the length of the loan from 6 - 10 years, cutting repayments almost in half
- Interest only periods of only 6 months and payment holidays will be available
- Applications deadline extended to the end of November 2020

More businesses will now be able to benefit from the following schemes:

- Business interruption Loan Scheme
- Coronavirus Large Business interruption scheme
- Bounce back loan scheme
- Future fund

15% VAT cut for tourism and hospitality sectors



A temporary extension to the 15% VAT cut will be available until the end of March 2021.

The Government hopes that this will give businesses in the tourism and hospitality sector, which has been severely impacted the pandemic, confidence to maintain staff as they adapt to a new trading environment.

VAT & Income Tax deferral

You may pay your VAT in 11 smaller instalments:

VAT due for the period 20 March 2020 - 30 June 2020 was payable this 31 March 2021.

The Government has created some breathing space for those who deferred their VAT bills through the new payment scheme giving the option to pay back in smaller instalments.

Rather than paying a lump sum in March 2021, 11 smaller interest-free payments during 2021 - 2022 will help to alleviate cashflow pressures in the new year.

Time to Pay Scheme - Personal Income Tax due

A 12 month extension from HMRC on the 'Time to Pay' self-assessment service facility.

- Deferred July 2020 payment on account.
- Taxes due in January 2021

New Payment Deadline January 2022

If you owe £30,000 or less then you might be able to set up a Time to Pay Arrangement online. This lets you pay your Self-Assessment tax bill in instalments.

Self-Assessment Payment Helpline:- 0300 200 3822
Monday to Friday, 8am to 4pm

For more information please see the Government's advice www.gov.uk/pay-self-assessment-tax-bill/pay-in-instalments

Job Retention Bonus

Providing additional support to employers who keep on their furloughed employees in meaningful employment.

- This is a one-off Bonus payment of £1000 for every employee who they previously claimed for under the Furlough Scheme and who remain continuously employed through to 31 January 2021.
- Eligible employees must earn at least £520 per month on average between the 1 November 2020 and 31 January 2021
- Employers will be able to claim for the Bonus after they have filed PAYE for January, so between February 15 2021 and 31 March 2021.
- This bonus does not have to be paid to the employee.

www.gov.uk/guidance/check-if-you-can-claim-the-job-retention-bonus-from-15-february-2021

Coronavirus – Companies House filing extension

Companies House have confirmed that companies with an original filing date between 27 June 2020 and 5 April 2021 will get an extra 3 months to file their accounts.

www.gov.uk/Government/publications/the-companies-etc-filing-requirements-temporary-modifications-regulations-2020/temporary-changes-to-companies-house-filing-requirements

We are reviewing the deadlines for our clients and will make the appropriate applications, where necessary.

In the meantime, please continue to submit your records to us as we have staff available to prepare your statutory accounts. We are all back at work!

COVID 19 – HMRC HELPLINE

The dedicated HMRC helpline for businesses and self-employed individuals who have difficulty with paying their tax, due to COVID-19, as promised in the Budget 2020 is now in operation.

Call: 0800 0159 559

The helpline can assist with:

- **Setting up a 'time to pay' arrangement**
- **Suspending debt collection proceedings**
- **Cancelling late payment penalties and (unusually) interest.**

Scams to be aware of



The most frequent is an email from HMRC often to do with a repayment which cannot possibly be true and in particular a text since the Revenue never use texts. We will tell you if you are due a repayment, don't take anybody else's word for it.



Post box theft and identity fraud: Some of our clients have had their post boxes stolen in an attempt to steal identity data. The premises were watched to work out when the post could be intercepted. Please make sure that your post box is secure and cannot be easily removed from the wall.



Emails and texts from your bank are not from your bank, almost always these are scams of one sort or another and you must use a different telephone line and ring your bank direct in order to check.



Investment – do not put money into exotic sounding investments such as art, wine, forestry, carbon credits, land, goldmines in Alaska. They are all rubbish although they may appear quite convincing.



Get rich quick scams in particular for Instagram users. Investments promising high returns are usually poppycock. If it looks too good to be true it almost always is.



Apple ID – fake test messages and emails coming from apparently Apple with a view to getting in to your Apple account just ignore them.



Broadband cut off – telephone calls apparently from overseas in respect of BT, Openreach or Microsoft saying your broadband is about to be cut off – ignore them and don't let them get hold of your passwords.



Calls to renew membership in particular Amazon Prime, if you are not a member just ignore the call.



Congratulation you've won in a text – do not click on the link since you have probably not even entered the competition.



Pension reviews – telephone calls offering pension reviews are almost always fraudulent unless they come from your pension provider and even then, ring off, use another telephone line, and ring back to check. If you need a review, we can advise a professional who can give you genuine good advice.



Romance – fraudsters use dating websites to gain the confidence of victims and then ask to borrow money, small amounts at first but you can see where that leads to.



Modern technology has a lot of benefits but it also has significant dangers especially for those who are not familiar with them and con men managed to scoop over £1 billion last year.

Current vacancy- we're hiring

SENIOR ACCOUNTS MANAGER

Start Date: Immediate

This is an excellent opportunity for professional progression offering varied and interesting work involving considerable client contact, plus a full internal programme of CPD within a training office.

The position would suit someone with at least five years' post-qualification experience, ideally gained in a small or medium sized practice, to take over a diverse but expanding portfolio of clients, predominately accounts work with the associated corporate and personal taxation, including charities. Executorship and probate experience would help.

You would be working with a friendly, experienced, forward thinking and supportive team.

You must be an organised individual with attention to detail and with a knowledge of Iris, Sage, Xero & QuickBooks and Excel. Audit experience would be useful.

The salary will reflect your qualifications, skills, and experience. Flexibility over hours possible for the right candidate

ACA, FCA, ACCA required

After years of wanting to thoroughly clean my house but lacking the time, this week I discovered that wasn't the reason.



Important dates

- 19th October: Self Employment Income Support Deadline for 2nd grant.
- 20th October: Furlough mistakes – Notify HMRC and pay back any incorrectly claimed furlough money. From this date penalties and interest may arise.
- 31st October: Deadline for paper self-assessment tax returns 19/20
- 30th December: Deadline for online submission of self-assessment tax returns for year ended 5th April 2020 if you want HMRC to collect tax through your tax code where you own less than £3,000.

2021

- 31st January: Deadline for online submission of self-assessment tax returns for year ended 5th April 2020. Those who did not file their paper return by 31st October 2020 will incur £10 daily penalties if they do not file by then. File electronically to avoid a penalty.
- 31st January: 2nd Payment on Account from July 2020
- 31st January: Balancing charge for 2019/20 due
- 31st January: First payment on account due for 2020/21
- 22nd February: February Tax Filing Deadline: The electronic payment deadline of the 22nd February falls on a Monday. There needs to be cleared funds in HMRC's account by 22nd unless you are able to arrange a Faster Payment.

If your payment is late you may be charged a penalty.
- February: Job Retention Bonus one off payment from HMRC to employers who are eligible to claim. Eligible employees must earn at least £520 per month on average between the 1st November 2020 and 31st January 2021. Employers will be able to claim the Job Retention Bonus after they have filed PAYE for January and payments will be made to employers from February 2021.
- 5th April: End of the tax year. If you haven't used your tax allowances you will have lost them.

Having head space to adapt

NEWLY REFURBISHED OFFICE SPACE IN DORKING WITH COMMUNAL GARDENS

2020 has been a year of extreme adaptation with work and home life merging, requiring a significant adjustment.

The past months have been anything but balanced, so maybe we need to STOP! Let's re-evaluate what is most important in our lives.

Many of us have deserted the streets of once bustling, cities, towns and villages and have been confined to our homes and new workspace.

Whether that be a study, bedroom or dining/kitchen table we have all had to make room. With interruptions from home schooling, childcare, filling the dishwasher and dog walking, many of us are desperate for some room of our own and some head space, especially home makers!

With that in mind, many professionals are now opting to change their work environment and escape the monotony of working from home or the long commute.

We have a solution

Newly refurbished small offices, with Broadband and access to a decked communal garden

Please **contact us** for a short term let, or shared space if this would help, where you can meet others or escape the washing-up!



Bullimores



ESTABLISHED
1928

CHARTERED ACCOUNTANTS

Old Printers Yard, 156 South Street, Dorking, Surrey RH4 2HF, UK.

Office: 01306 880880

Email: partners@bullimores.co.uk