CCF NEWS

Accountancy & Tax

Newsletter Issue 17

Hello and a very warm welcome to our Winter edition of CCF News.

It has been a really exciting few months at CCF, especially as we celebrated the wedding of Teresa or Mrs Hitchens as she is now known.

As Tax Return Season gets underway and we ramp up for the busiest time in the accounting calendar we have filled this newsletter with handy information to keep you on the right side of HMRC.

Best wishes
Teresa, Kelly & Team CCF

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CCF moves to hybrid working

It is no secret that working through a pandemic has provided its fair share of challenges but at the same time there have been a few benefits that have become apparent.

From March 2020 we were fortunate to pivot the business and support our colleagues who found themselves working from home whilst still being able to deliver our highly prized customer service and in fact whilst being busier than ever. Team members found that a mix of working from home as well as time spent in the office allowed them to be more productive, more responsive, more focussed and overall more efficient. For that we are truely grateful to have the fantastic team that we do.

So it was a no brainer to identify that there are benefits to having a hybrid model of working and so we have decided it is now here to stay.

Half of the team now work between the office and home to ensure that they have a healthy work life balance, less time in the car and for some, more time to focus on their qualifications.

We are pleased to be back to holding 'in person' meetings again and it's great that we have the flexibility to meet with clients where suits them best. We have even heard of clients attending zoom meetings wearing a suit and board shorts combo!

Autumn Budget Update

On 27 October 2021, the Chancellor delivered his third Budget in conjunction with the Public Spending Review.

Many of the spending announcements had already been leaked to the Press prior to Budget Day and arguably a lot of it had been mentioned in the previous budget announcement back in March. Here are some of the headlines...

Directors Salaries

- For 2022/23 the personal tax-free allowance will remain at £12,570 and the basic rate and higher rate tax thresholds have also increased in a similar fashion. This means that individuals can earn up to £50,270 per year before paying higher rate taxes of 32.5% or 40%.
- The national insurance thresholds will increase by 3.1percentage points.
- For 2022/23 directors have a choice, to go for £822 per month salary and pay some NI or £759 and pay no NI. The thing that will make the difference will be the availability of employer's allowance.

Minimum Wage

- From April 2022 the minimum wage will increase for 25+ year olds to £9.50 per hour. This is an increase from £8.91 in 2021/22.

	Current Rate	Future rate (from April 2022)	Increase
NLW (23+)	£8.91	£9.50	6.6%
21-22 rate	£8.36	£9.18	9.8%
18-20 rate	£6.56	£6.83	4.1%
16-17 rate	£4.62	£4.81	4.1%
Apprentice rate	£4.30	4.81	11.9%

Health and Social Care Levy

- This levy sees an extra 1.25 percentage points on the following from April 2021:
  - Employees National Insurance
  - Employers National Insurance
  - Tax on dividend income
- From 2023 recipients of the state pension will also have to pay 1.25% extra tax.

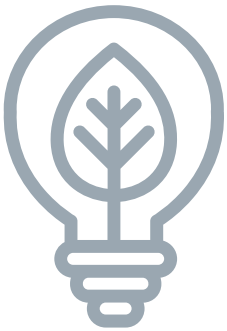
R&D

- Research and development claims from April 2023 will be expanded to include support data and cloud costs.

Corporation Tax

- In March it was announced that the Corporation tax rate is being increased to 25% from April 2023 but companies with a taxable profit of less than £50,000 will still pay corporation tax at 19%.
- Companies will only pay the full rate of 23% if their taxable profit is over £250,000. There will be marginal relief for profit between £50,000 and £250,000.

Business Rates Relief



- Available for businesses in Retail, Hospitality and Leisure.
  - 50% relief for 2022/23
  - Subject to cap of £110,000 max claim per business
- More rates reliefs have been announced that are focused on renewable energy and efficiency:
  - 100% improvement relief from 2023 for businesses doing eligible improvements
  - Targeted exemptions for eligible plant and machinery for renewable energy generation
  - 100% relief for eligible heat works to support decarbonisation

Capital Allowances

- It was announced in March that from 1 April 2021 a 130% super-deduction will be available for plant and machinery. This has been extended to April 2023.
- There will also be a 50% first year allowance for special rate assets for 2 years.
- This allows for opportunities in tax planning to tie in with tax rate rises, bring forward expenses when the tax rate is going to reduce or defer expense when the tax rate is going to increase.

Stamp Duty Land Tax

- From 1 October 2021 SDLT returns to it's pre-Covid rates and the £125,000 threshold.

Residential Property Tax

- This tax of 4% sees residential property development companies with profits in excess of £25 million paying an additional tax charge.

Mortgage Guarantee Scheme

- As a reminder, the Government is guaranteeing mortgages to people with a 5% deposit on homes up to the value of £600,000.
- The interest rate can be fixed for 5 years if wanted and these mortgages are available until 31 December 2022.

If you have any questions relating to the budget details and how you may be affected, please contact enquiries@ccfaccountancy.co.uk and we will be happy to assist.

What you need to know about...

Overclaimed Covid Support Grants

It seems a long time ago that we started conducting our business support webinars and discussing the strict eligibility criteria imposed by HMRC for claims under SEISS and Job Retention Scheme (Furlough). At the time everything seemed unsettled and unknown however our advice was always only claim for what you need as HMRC will always investigate fraudulent or incorrect claims.

Now as we are completing accounts and tax returns we are identifying claims made when they didn't need to be. The main reasons we have identified are where trade was more productive than expected or where trading has or is due to cease.

If you have overclaimed SEISS...
In almost all cases you will have to pay it back. If you have not notified HMRC within 90 days of receiving the grant you must report this on your tax return for March 2021. To make repayments you will need your Government Gateway, your grant claim reference and your Self Assessment Unique Tax Reference Number. If you do not repay the grant you may be liable for penalties of 100% of the amount incorrectly claimed.

If you have overclaimed Job Retention Scheme (Furlough)...
You must notify HMRC 90 days after the date you received the grant you were not entitled to or 90 days from the receiving the grant which you were not entitled as your circumstances changed. To repay it you need to obtain a payment reference number and pay HMRC back within 30 days. You can offset the amount overclaimed for one employee against an amount underclaimed for another. Again making voluntary payments will prevent any potential tax liabilities in respect of the overpayment of and potential penalties issued against you.

If you think you have overclaimed and would like to speak to us please contact **enquiries@ccfaccountancy.co.uk** and we can advise on next steps.

Get ahead with Self Assessment

With the Self Assessment Tax filing deadline just around the corner have you prepared your income information? If not here are a few things to consider...

For most people the tax year will be either 1st April - 31st March or 6th April - 5th April and must be filed with HMRC by the 31st January of the following year.

We will need your income and expenditure information for the reporting period so that we can prepare your tax return.

Examples of such information includes:

- Employment income – P60 dated 5th April 2021 or P45 if left employment in the 2020/21 tax year
- Student loans – Plan type & payslips to show student loan deductions made by employer if left employment in the year. If not, the figure will be on your P60
- P11D dated 5th April 2021
- Self-Employment income and expenditure including SEISS Grants
- Partnership income
- Interest received
- Private pension and state pension income
- Personal pension contributions
- Dividends received
- Charitable giving
- Property income, expenditure and mortgage statement or certificate of mortgage interest for the 2020/21 tax year
- Child benefit received between 6th April 2020 and 5th April 2021
- Any other income received for the 2020/21 tax year
- Any assets disposed of during the 2020/21 tax year

Your tax calculation will indicate what liability, if any, needs to be paid and by when. If you have a liability below £1000 you will only need to make a payment at the end of January. However if your liability is more HMRC expects that your income will remain the same for the coming year and so will ask for a payment of account to be made in the July equating to half of the overall liability being paid upfront with the balancing payment then made in January.

If you have any questions relating to your Self Assessment Tax Return please contact enquiries@ccfaccountancy.co.uk and we will be happy to assist.

Client spotlight...

Today we introduce Matthew Massey from UK Custom Plugs, a body jewellery company that provides a huge variety of unique and quality products.

What inspired you to set up Custom Plugs?
Me and Chris went on a night out and after a few beers I woke up with a missing plug! We went into town and couldn't find any decent designs to replace it. It was this and the wise words heard on the James Caan autobiography "The less walked path is paved with gold" that got us started.

What challenges have you faced since its inception?
In the earlier years supply chain issues. As we grew, we couldn't catch the stock right. We'd either be out of stock in something or left with hundreds of pieces. Trends change so fast. Later came website issues. Getting a website that can do everything you want is difficult and expensive! There's always a new challenge and we love overcoming them!

What is the most rewarding part of your work?
Sometimes you don't know what each day is going to throw at you, you'll be prepped for what you think is going to happen and your day turns out nothing like you thought. Although 'stressful' at the time these days are really rewarding.

What does an Accountant mean to you and how do you see them supporting you & your business?
We love having experts available to fill in any knowledge gaps! The fact I can pick up the phone or drop an email to ask an array of questions gives me confidence!

What is the best piece of business advice you have received and by whom?
Both me and Chris really enjoyed 'Building a StoryBrand' by Donald Miller. It's all about making the customer the hero and you're simply guiding them to the product they need.

Where do you see Custom Plugs in the next 5 years?
Our main focus is using SEO to help grow the business. Translating the site into multiple languages. Hopefully we can keep expanding which in turn gives our staff more opportunity to grow.

What advice would you pass on to others setting up in business?
Just get started, it doesn't have to be perfect. All the small details can come with time.

If you had to do it all again would you, and what would you do differently?
Of course we'd do it all again. It's been a great journey and one that's still going. We wouldn't do anything differently as when we've gone wrong it's character building. Each challenge has grown us and the business.

To find out more about UK Custom Plugs, or to see the amazing array of products on offer, visit www.customplugs.com or email info@customplugs.com

CCF Events and Training

We are continuing to run our events online so here are the latest webinars for you to join:

Quickbooks Software Demonstration
Thursday 9th December. 10am via Zoom

Xero Software demonstration
Tuesday 11th January. 10am via Zoom

Quickbooks Software Demonstration
Tuesday 8th February. 10am via Zoom

New Business Basics
Wednesday 16th February. 2pm via Zoom

Our Christmas Drinks will be on Tuesday 14th December at CCF Towers between 4:30 and 7:00pm

Please note that our office will be closed over Christmas from Friday 24th December and we will re-open on Tuesday 4th January 2021.

To book your place on any of the events above visit our Eventbrite page
https://www.eventbrite.co.uk/o/ccf-accountancy-limited-30439152920

If you have an idea for a seminar topic or any questions about our upcoming events please contact **events@ccfaccountancy.co.uk**