



Smailes Goldie Group

CREATING ADVANTAGE

NEWSLETTER

WINTER 2017

Benefits-in-kind set for tax overhaul

The days of company cars on the house are coming to an end



PLUS:

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WELCOME

Welcome to our newsletter, bringing you news about latest developments at the firm and about issues that may affect your business or personal finances.

We are always interested in receiving feedback on any aspect of our work, so if you have any comments on our newsletter – or have an idea for a topic that you would like to see featured in the future – please let us know.

We also welcome enquiries about any issues covered in the newsletter, so for more information, please contact us.



TIME IS RUNNING OUT TO CLAIM BUSINESS PREMISES RENOVATION ALLOWANCE

Business Premises Renovation Allowance (BPRA) will come to an end on 31 March 2017 for businesses and 5 April 2017 for individuals.

BPRA, which was launched on 11 April 2007, is a 100 per cent tax relief scheme for certain spending when you are converting or renovating unused qualifying business premises in a disadvantaged area.

What spending is qualified?

Most spending used to repair, renovate, or convert a building into business premises will qualify for 100 per cent tax relief.

This includes:

- the cost of labour and materials
- surveying or engineering services

- architectural and design services (for example, the detailed design of the building and its future layout)
- planning applications
- and statutory fees and statutory permissions (for example, the costs of building regulation fees, or getting listed building consent).

What buildings are qualified?

Only commercial buildings or structures in a disadvantaged area that have stood empty for at least a year will qualify for tax relief.

A list of disadvantaged areas in England and Wales can be found online on the Gov.uk website.

There are also certain industries which cannot apply for BPRA. These include fisheries, shipbuilding, and the coal mining industry, and the production of certain agricultural products.

If you would like to utilise the BPRA scheme before it expires, or would like more information, contact Smailes Goldie today.



MEET OUR WORLD-BEATING TRAINEE

A trainee at Smailes Goldie Group is celebrating after scoring the highest mark of all entrants worldwide in the Institute of Chartered Accountants in England and Wales' (ICAEW) Corporate Reporting exam.

Natalie Hoskins was awarded the Quilter Prize after achieving a mark of 94 per cent in the exam, which she sat in July. Natalie joined Smailes Goldie Group in 2013 as a trainee on graduation from the University of East Anglia.

The Corporate Reporting exam is one of the three advanced stage exams, which are the last of the 15 exams which trainee accountants must pass in order to receive their ACA qualification and become a fully-qualified Chartered Accountant. Natalie sat two of the three exams, also passing her Strategic Business Management exam.

Natalie said: "I was delighted to receive the letter telling me I'd been awarded the Quilter Prize. This is a tough exam, so my aim had been to pass. Passing

with the highest score out of a total of 2,519 entrants was incredible."

She added: "I've very much enjoyed the three years I've spent at Smailes Goldie Group so far, but this has certainly been the highlight. I'd like to thank everyone here for their support throughout my training."

Smailes Goldie Group Partner, Jeremy Allison said: "This is a fantastic result for Natalie, for Smailes Goldie Group and for accountancy in Humberside in general.

"Natalie's achievement sends the message to other high-calibre graduates and school-leavers that they don't need to go to the 'big four' firms to receive the very highest standards of training.

"I'd like to congratulate Natalie and our other trainees on their exam successes."

Two other trainees at the firm, Jamie Chilcott and Amy Aistrop also passed their Corporate Reporting and Strategic Business Management exams, while Andy Robinson passed his Strategic Business Management exam.



BUSINESSES ABLE TO SUBMIT 'VOLUNTARY' TAX PAYMENTS UNDER HMRC'S 'PAYG' PROPOSALS

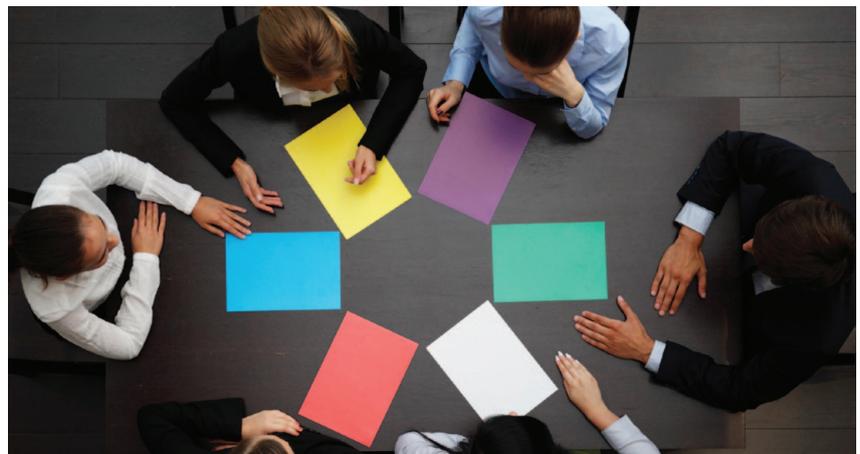
Sole traders, landlords and unincorporated businesses will be able to submit 'voluntary' tax payments towards unexpected tax liabilities, under new proposals from HM Revenue & Customs (HMRC).

The news coincides with the publication of six consultation documents on Making Tax Digital (MTD), which HMRC hopes will make all tax "100 per cent digital by 2020".

PAYG – HMRC's proposed pay-as-you-go system – is just one of the many proposed changes to be implemented as part of the MTD campaign.

The PAYG system will allow taxpayers to take full control over how often, and how much they wish to pay – although, according to consultations, businesses with an annual income of £10,000 or more will be obligated to report to HMRC "at least quarterly".

HMRC said that their optional voluntary system will apply to the likes of Capital Gains Tax (CGT), income tax and National Insurance (NI) contributions from April 2018, and to VAT from April 2019.



By 2020, HMRC hopes PAYG will also be open to incorporated businesses for corporation tax payments.

The Association of Taxation Technicians (ATT) recently branded MTD "the biggest change to the way

taxpayers will engage with HMRC since the introduction of PAYE in 1945".

Speak to one of our online accounting specialists today to ensure your business is prepared for Making Tax Digital.



HMRC PAYE UPDATES

HM Revenue & Customs (HMRC) has updated its guidance on what to do when an employer does not owe Class 1A National Insurances Contributions (NICs).

If an employer does not submit any P11D forms, they can log in to use the online forms service to tell HMRC that they do not owe Class 1A National Insurance (NI). In contrast an agent can email the Revenue to tell them that their client does not owe Class 1A NI.

HMRC has also updated its guidance on employee benefit trust settlements, outlining how income tax will be offset for non-disclosed year now that the settlement period for employee benefit trust settlement opportunity (EBTSO) has been closed.

According to the guidance, taxpayers can still settle their affairs but since the EBTSO was withdrawn on 31 July

2015, the treatment of any agreement will be different.

The guidance sets out the general principles that will apply to settlements and provides a table showing a comparison of the terms of settlement both before, and after, the withdrawal of the EBTSO.

For example, it makes clear that pre 31 July 2015 there were a number of rules around NICs in the calculation of earnings and that these have not changed since EBTSO.

As the guidance points out, under EBTSO, income tax and class 1A NICs paid on beneficial loans from the EBT

could be offset against the total liability even if the income tax and NICs paid on the beneficial loans were out of date for an overpayment relief claim.

By contrast, income tax will now only be offset for years which are open, or for which a valid overpayment relief claim can be made. The class 1A NICs can only be offset if it is possible to make a valid application for return of contributions paid in error.

Our goal is to update you with the latest in tax legislation, ensuring that your business is 100 per cent compliant with the law. For more on what we can offer you, contact Smailes Goldie Group today.

BENEFITS-IN-KIND SET FOR TAX OVERHAUL

HM Revenue & Customs (HMRC) are to discuss changes to the salary sacrifice and “making good” aspects of benefits-in-kind for both employers and employees.

The government are considering a move to limit the range of benefits-in-kind that attract income tax and National Insurance contribution gains when provided as part of a salary sacrifice arrangement.

Benefits-in-kind are benefits which employees or employers are given separately as part of their wage packet, often advertised as “perks” such as company cars and private medical insurance, in exchange for a portion of their salary. In practice, this can lower an individual’s overall income tax and NI contributions.

HMRC’s report sets out to explore the future of the salary sacrifice scheme, should the government decide to change the way the benefits code applies when a benefit-in-kind is

“provided in conjunction with a salary sacrifice or flexible benefit scheme”.

The government consultation will “not prevent employers from providing benefits-in-kind to their employees through salary sacrifice, but it will remove the tax and NICs advantages that come from doing so”.

Certain health-focused benefits, such as the cycle-to-work scheme which the government wish to encourage, will not be changed.

“While the majority of employees are rewarded mainly with cash remuneration, the provision of benefits in kind is a long-standing component of reward packages”, said Jane Ellison MP, a financial secretary to the Treasury.

“The way in which benefits are provided has also evolved, with a growing market for flexible benefit packages, often combined with salary sacrifice arrangements. This growth represents an increasing cost to the Exchequer and creates an uneven playing field between employees and employers which use such arrangements and benefit from the tax advantages, and those that don’t.

“We want employers to continue to offer benefits to their employees, but need to balance this with the interests of all taxpayers”, she said.

If you think the changes to benefits-in-kind will affect your business and you will need help organising your company’s payroll, contact the Smailes Goldie Group today.

SMAILES GOLDIE GROUP APPOINTS NEW PARTNER AND ASSOCIATES

Smailes Goldie Group has appointed Peter Dearing as a new Partner.

Peter has been with the firm since graduating from the University of Hull in 2002 with a Maths degree, but his relationship with the firm dates back to 1998 when he undertook a work experience placement there. It was as a result of this placement that the Partners invited him to apply for a role after graduating.

Peter is a general practice Chartered Certified Accountant and has expertise in sectors including engineering, logistics, technology, fishing and retail.



He also has particular expertise in international matters, such as advising overseas businesses moving into the UK and UK-based businesses trading overseas.

Peter said: “I’m delighted to have made Partner here at Smailes Goldie Group. I have very much enjoyed my time here and I am looking forward to making a new contribution to our success in my new role.”

Smailes Goldie Group Managing Partner, Ian Lamb, said: “We are very happy to have been able to appoint Peter to his new role and I am sure this will be a platform for many future successes.

“I know our clients have long valued Peter’s input and they are sure to do so for years to come.”

While Peter entered into equity partnership, Luke Taylor and Mike Stocks have both been promoted to Associates, having worked their way through the ranks after joining the firm as Trainees.

Mike and Luke both joined Smailes Goldie in September 2009, before qualifying in 2012 and being promoted to Manager in 2014. Both are members of the Institute of Chartered Accountants in England and Wales (ICAEW).

Luke has been involved with the academy team since joining the firm and has developed a specialism in this area, while Mike specialises in corporate finance transactions and has experience in acquisitions and disposals, due diligence and corporate restructuring.

Mike said: “I’m delighted to have been promoted to Associate. Smailes Goldie is an exciting organisation and has been a great place to work over the last seven years. The professional training on offer has been first class and has certainly helped us progress quickly in our careers.”

Luke added: “I’m very pleased to have received this recognition and look forward to further developing my skills and continuing to deliver the first class service our clients have come to expect.”



CIOT CALLS ON GOVERNMENT TO RECONSIDER APPROACH TO ONLINE TRADERS

The Chartered Institute of Taxation (CIOT) has urged the government to revise its approach to ensuring online sellers pay the correct amount of VAT.

Non-EU traders who sell goods to UK consumers through online marketplaces such as eBay, Gumtree and Amazon should normally register for VAT in the UK and charge VAT on these sales.

However, this is not always the case. HM Revenue and Customs (HMRC) report that a large proportion of these traders are not paying the correct duty, and propose new legislation which will affect UK traders as a result.

Under these proposals, non-EU traders would appoint a UK "tax representative" who will be liable for their VAT and/or would need to provide security to guarantee payment.

If the VAT does not get paid in full, the charges will be passed down to the online marketplace, which they themselves will become jointly and severally liable for.

The CIOT has warned HMRC that its proposal is at risk of capturing too many businesses through the use of imprecisely defined terms, which unnecessarily places the burden on UK SMEs.

Peter Dylewski, chair of the CIOT's indirect taxes sub-committee, said: "We fully support HMRC's will to tackle this issue because internet trading makes it easy for overseas businesses to sell into the UK, but difficult for HMRC to ensure that UK VAT is being properly declared.

"Our concern with HMRC's proposal is that it targets intermediaries in the supply chain and not those who are failing to comply. On the one hand, this places a burden on legitimate UK business and on the other hand it may unintentionally give the impression to potential tax evaders that they will not be pursued by HMRC.

"We would therefore urge the government to explore a fairer and more effective approach."

To ensure you are paying the correct VAT, it is important to regularly review the VAT treatment of your supplies, both now and in the past. This may help you recover any overpaid or incorrectly charged VAT in previous periods.

Our tax team can work with you to review your indirect tax liabilities and identify when you're eligible for a retrospective VAT refund. We can also offer full VAT compliance support by producing and submitting your VAT returns for you.

Call our specialist tax team now on Hull 01482 326916 or Barton 01652 632927 to arrange a free, initial consultation or request a call back.

SMAILES GOLDIE GROUP REACHES RECORD NUMBER OF EMPLOYEES AS IT OFFERS NEW SERVICES

Smailes Goldie Group is celebrating its highest number of employees ever as it expands to offer an innovative range of new services.

The group has taken on an additional 38 employees over the last five years.

The group's innovative new services include financial recruitment services through its SG Financial Recruitment arm, as well as outsourced payroll, bookkeeping, management accounts and VAT services through

its new SG Outsourcing arm.

Beyond this, the group has also recently become a Certified Advisor for the Xero cloud-based accounting platform and offers support for the Forex online trading platform.

Ian Lamb, Managing Partner at Smailes

Goldie Group said: "I'm delighted that we've reached our highest number of employees ever, reflecting the expanded range of services we now offer.

"Our clients value these new services, which are designed to complement our core accountancy offering."

SMAILES GOLDIE KICK OFF NEW FOOTBALL SEASON WITH KIT SPONSORSHIP

Smailes Goldie Group is kicking off the new football season by sponsoring new kits for the Hedon Rangers Eastside under-10s football team.

The sponsorship sees the Smailes Goldie Group logo featuring prominently on the team's kits.

Hedon Rangers has been established for more than 30 years, enabling boys and girls in the Hedon area to play football competitively.

Mark Sharpley, a Smailes Goldie Group Partner, said: "It's wonderful to be able

to sponsor the kits. Hedon Rangers do a great job in encouraging young people to get active and take part in sport.

"Here at Smailes Goldie Group, we're always looking for new ways to make a contribution to the community here in Hull and Humberside, and what better way to do so than by sponsoring Hedon Rangers Eastside under-10s' kit?"



HULL PIRATES ARE DELIGHTED TO ANNOUNCE THAT SMAILES GOLDIE WILL BE THEIR TITLE SPONSOR FOR THE 2016/17 SEASON

The Smailes Goldie Group has renewed its backing for the City's only ice hockey club.

Speaking about the sponsorship, Hull Pirates owner Shane Smith, said "It's absolutely fantastic to have Ian and Smailes Goldie coming back on-board with us this season.

"I think it also shows that they believe in what we are doing moving forward and that's a great thing to see.

"It's also great to see them stepping forward and becoming our title

sponsor. They are a fantastic company with fantastic people and we're really looking forward to continuing to work with them in the future."

Head Coach, Dominic Osman, added: "It's excellent to be working with Smailes Goldie again.

"They have been a company that I've been familiar with since I've been

involved with hockey since I've been here.

"It's a pleasure to have them back on board and we feel honoured to be the Smailes Goldie Hull Pirates."

As part of the sponsorship deal, The Smailes Goldie Group logo will be emblazoned onto the Hull Pirates' jersey, as well as having their name in the club title.

Hull office:

Regent's Court
Princess Street
Hull
HU2 8BA

T: 01482 326916
F: 01482 215009

Barton office:

2 Market Lane
Barton-upon-Humber
North Lincolnshire
DN18 5DE

T: 01652 632927
F: 01652 636225

 Smailes Goldie
Chartered Accountants

 Smailes Goldie Turner
Accountants for Agriculture

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THE BUSINESS RATES REVALUATION – WILL YOU BENEFIT?

From 1 October 2016, anyone in England and Wales who pays business rates can go online and check their new draft rateable value.

This rate will be an estimate of what your business will pay from April 2017.

Your new business rate is calculated using the current value of your business premises. This can be a building, part of a building or a section of your house that is used for business purposes.

The government advise that the new rates will ensure fairer bills for businesses across the UK, suggesting

that around 600,000 businesses will pay no rates at all under the new system, despite an estimated overall increase in rates of nine per cent.

This Is Money report that retailers in Hull can expect a fall in business rates from anywhere between two and 60 per cent.

However, as business rates are based on the value of property, prime city sites such as London and Birmingham

are set to be hit by a monumental rise in rates.

Broadband provider, BT, said their rates had increased by more than 350 per cent, from £165 million to £743 million in 2017.

At Smailes Goldie Group we do not advise regarding rating values but, can point our clients in the right direction, if they feel they may be subject to an incorrect assessment. Please contact us if you wish us to assist in this area.



www.smailesgoldiegroup.co.uk



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