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a quarterly newsletter from CBSL Accountants | **Autumn 2017**



Welcome to the Autumn edition of our Newsletter.

Thank you for the kind comments regarding our Summer Newsletter – we really appreciate it. In this edition, we tell you more about the support we can offer you and your business. We have been recruiting, and profile one of our team, Amy Steventon, who joined us earlier this year. We have also included recent developments in tax and accounting that may affect you and your business, as well as information on the Law Commission's proposals to bring the will-writing process into the 21st Century.

A handwritten signature in black ink.

Adrian Barker Managing Director

Pure Telecom Cricket Match at Wrekin College

In July, we attended the Pure Telecom cricket match at Wrekin College. It was a great day and an incredible turn out from businesses all over the county.

We were very lucky with the weather and the sun shone all day. We are looking forward to next year already...



Business Growth

Are you thinking of expanding your current business in the UK or perhaps into a new area overseas?

We cover the whole alphabet of international trade. Our clients have group companies in Australia, Brazil, China, and Denmark through to Wales (sorry we have no X, Y or Z). We can provide you with advice on all aspects of expansion, to ensure that everything runs as smoothly as possible when you begin your business, which can be invaluable.

One of the first steps would be to decide on the best business structure to adopt. It could be that you run through your existing company, or alternatively you may need to set up a new company altogether.

If you are thinking of diversifying, we can support you with any business ideas which you may have, and advise on the most appropriate way to go about reaching your goals, whilst keeping a firm eye on your financial affairs which will give you certainty that what you are doing is viable and within your limits.

We can incorporate a new company for you and deal with the filings required such as helping with the appointment of Company Directors and issuing share capital.

If you are already well established, we can monitor your progress to ensure you are operating as efficiently as possible to maximise profit. It may be that we identify additional tax allowances or planning opportunities. These ideas would be backed up by sound knowledge of your sector and accounts.

Introduction to our new team member Amy Steventon

‘I joined CBSL Accountants in February after moving up to Shropshire from London. It was quite a move and life couldn’t be more different to how it’s been for the last few years. It’s much slower, which is a good thing!

I was involved in niche tax planning in London, so I am enjoying the change to a more varied role. I have gone from knowing what I’ll be doing for the next month or so from not really knowing what will come up week to week.

I also work with Steve in dealing with any tax issues which our clients may face, and am planning on completing my CTA qualification. I passed my ATT exams last year, and I am looking forward to getting back into a learning environment. I find the tax part of my role very interesting as the answer is never black and white. It is all about finding a balance, as sometimes what can minimise one tax can increase another. I enjoy supporting the existing tax team, advising clients on all tax matters, such as corporation tax, VAT and income tax.

I have recently completed a course in will writing, which is great as it helps me support Steve and Sandra in what is an expanding aspect of CBSL. I found the new proposals from the Law Commission, discussed below, very interesting, as they are trying to align will writing with current technology, but I believe the strict guidelines in place at the moment are there for a reason. ”

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Call for more relaxed will-writing procedures

We help our clients with wills, lasting powers of attorney and are the first firm in Shrewsbury to have a probate license. These are all logical extensions of our tax and succession planning advice. We are authorised to undertake non-contentious probate and we work closely with various local firms of solicitors. We believe that contentious matters should always be handed by a solicitor, and we always refer on any matters of concern.

The Law Commission has branded the current legal system as ‘outdated’ and ‘unclear’ and has called for the law regarding will-writing to be relaxed, stating that notes, emails and even voice messages should be used as an alternative to a written will. They also recommend that the minimum age to have a will is reduced from 18 down to 16. We suspect that this will increase the number of contentious cases.

It is estimated that around 40% of adults dying each year do not have a will. This means that their estate will not necessarily pass on to whom they wish, as it will be prescribed under the laws of intestacy.

Under the new proposals, new powers would be granted to County and High Court judges to decide, on the balance of probabilities, whether a recording or note accurately reflects the wishes of the person making the will. We feel that these new proposals could be very risky. It might be difficult for a judge to decide on what state of mind a person was in when they sent a text message or wrote an email. Uncertainty of a written will can sometimes be solved by speaking to witnesses who saw the testator physically sign his name. This could not be done with a text or email.

Although the will-writing process can take a little time, it means it is less likely be done on an impulse. It is much easier to send a quick email, perhaps after a row, than it would be to go through the process of writing a will with a professional, which would include meetings to understand all of your wishes in detail.



Our Students

A few of our students are currently very busy with exams. Jess tells us about her progress...

I joined CBSL in April 2016 with the intention to complete my Chartered exams with tax already sorted. Since then I have sat and passed a further 7 exams, completing the certificate level and achieving my Certificate in Finance, Accounting and Business (CFAB) qualification.

I am now half way through with 7 exams left. I sat my first professional level exams in June, and in December I have a further 2. This should leave me with 2 left of the professional level and then I'll only have the Advanced level to tackle.

It's exciting and the subjects are interesting, and I enjoy the tuition, but I don't particularly enjoy the exams. Socially, it's fun to meet new people who understand the pressure and share the pain of it all with you. I can't lie, I knew it was going to be difficult but this is certainly the most challenging thing I have ever signed up for.

Balancing a working week, trying to allocate the right amount of time to revision and maintain a social life is difficult but you've just got to keep the end goal in mind and know that it'll be worth it. I like to think that I do balance them well, and despite being tired and pretty stressed during the exam period, I can still manage my workload for CBSL.

I have still got ages to go but I am a lot closer than I was and after this level I'll hopefully see a light at the end of the tunnel. Roll on June 2019 if it all goes well.

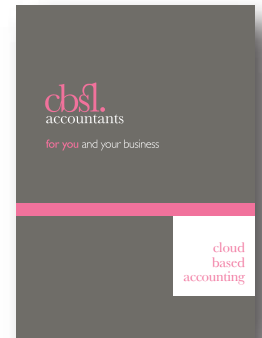
Cyber Security Attacks – *Is your data safe?*

There have been a few notable 'ransomware' attacks this year. Firstly, the attack on the NHS, known as WannaCry, and more recently a widespread attack referred to as Petya. The attacks are getting more sophisticated, with Petya not just encrypting computers but also overwriting the hard disk's master boot so nobody can get the system up and running again. An estimated 1.15 million people were affected.

Cyberhackers seem to be noticing how profitable this can be, and a study found that in one example, payment demands were over half a million dollars. Whilst the hackers are becoming more sophisticated, so are the ways in which you can store your data. One way of safeguarding your own business, and the information you hold about clients, is to switch to a cloud-based storage system.

This means that your data can be accessed from any device, providing you have an internet connection. We have produced a brochure on cloud-based accounting, as well as a downloadable information sheet on cyber security.

If you have not seen one of these and would like to, then please get in touch with one of the team and they will send one out to you.



Should the self-employed be part of auto-enrolment?

According to a proposal by Aviva and Royal London, the self-employed should be auto-enrolled through their tax returns. This is an attempt to close the pensions saving gap, by increasing Class 4 NICs, but diverting that increase into a pension instead of it going to the Treasury.

The NIC rate would increase by 3%, but this would be 'reclaimed' by having it put into a pension, providing the self-employed paid a matching contribution from their profits. The fund would further be boosted as the Government would match the rate of profits which the business puts in. Using the annual tax return process for the self-employed, a series of boxes would appear early in the process giving the individual the option to pay the diversions into their existing pension, be defaulted into a randomly assigned approved provider, or opt-out completely.

Since auto-enrolment for employers was introduced, 9 out of 10 employers have chosen to remain in the scheme, and it is likely that we would see the same numbers with the self-employed.

Are you complying with the updates to the PSC guidelines?

As of June this year, the way in which you report your Persons with Significant Control (PSC) to HMRC has changed. Previously, you would report the information on your annual Confirmation Statement (what used to be an Annual Return), which meant if anything changed during the year, you would simply report the update on your next statement. However, new rules mean that you have just 14 days to contact the person in question to confirm that there has been a change, and then 14 days to report the changes to HMRC, on a form which is separate to the Confirmation Statement.

For more information on the PSC update, please see our blog which explains the changes in a little more detail.

Accounting Standards: FRS 102

The Financial Reporting Council have published their draft amendments to Financial Reporting Standard 102, titled the Financial Reporting Exposure Draft (FRED) 67. The changes proposed were aimed at areas that caused businesses and their advisers problems, which can often happen when the standard is not clear enough. The aim was therefore to make FRS 102 more clear and ultimately easier to use by simplifying some policies. They have also added some choices for reporting as well as some new exemptions. It is important that financial statements are still useful, and so the FRC have been careful to find a good balance.

One of the changes included measuring directors' loans at present value. This proposed amendment is effective now and can be adopted for accounts filed from now on.

Other amendments include removing the requirement of entities to recognise some intangible assets separately from goodwill. This will reduce the cost of compliance, whilst still providing relevant information to users.

The undue cost or effort exemption for investment properties has been replaced by accounting policy options. An accounting policy choice is proposed for entities which rent to another group entity, in this case they can choose to measure the investment property either at cost or at fair value.

Updates and Reminders

Corporation Tax

1st October – deadline for payment if you have a December year end

Personal Tax

- 31 October – deadline for filing paper self-assessment returns
- 31 January – deadline for filing online self-assessment returns

Data Protection Bill

This is a new bill, aiming to ensure that the UK upholds the same protection principles once it leaves the EU. This would likely apply from when the UK leaves, which should be in March 2019.

You can find details of all of the above on our website at www.cbsigroup.com

What would you like to see from us?

If you would like to speak in a little more detail about anything in this letter, then please do not hesitate to get in contact with one of the team. We have just uploaded some useful information sheets to our website. If you have any questions regarding any of the subjects, then please do contact Amy and she would be happy to assist you. We will add to the list periodically and they will be a mix of general tax and accounting subjects, along with any updates which we believe you will find useful.