

## Prepare for sea of change on plastics

Businesses of all sizes should prepare for a comprehensive “plastic tax” regime which is likely to be introduced provided it passes the consultation stage.

The Institute of Chartered Accountants in England and Wales (ICAEW) has given its backing to the Treasury proposal to use the tax system to influence behaviour over single-use plastics. Breaking with the tradition of discouraging overcomplicated tax systems that can often reap unintended consequences, the Institute has said that a “well-designed tax” could significantly curb the use of single-use plastics and deliver positive environmental outcomes.



A deposit return scheme is likely to be the focus of the tax regime, with the burden on businesses to charge customers between 8p and 22p for single use drinks containers (plastic, glass or metal), which is redeemed on return of the empty drink container. The British Retail Consortium, which represents 80 per cent of retail trade in the UK by turnover, has said it wants costs to be proportionate to the size of the retailer.

With a clear mood shift towards the demise of single-use plastics and the tax likely to impact every tier of the business chain, all organisations should be taking

steps to control and reduce HWB's plastic consumption, says David Brookes, Director.

“The impact of plastic pollution is currently high on the government agenda and that has certainly influenced the business community, with organisations large and small exploring ways of reducing consumption and waste.

“I would echo the ICAEW's view in welcoming a well-designed tax system on single-use plastics, combined with an emphasis on driving forward technologies that help businesses become more environmentally-friendly.

“The impact of the ‘plastic tax’ remains to be seen, but compliance will undoubtedly be key and businesses could face significant fines for non-compliance. Every business should be reviewing its sustainability strategy and looking to implement appropriate changes in 2019.”

David adds: “As a responsible business with the Solent on our doorstep, we are committed to protecting the environment and we are currently looking at innovative ways to reduce single-use plastic consumption.”

## Tax strategy is vital amid potential rises

The much-anticipated Autumn Budget is nearly here and businesses should be prepared for potential tax rises amid a £20bn funding drive for the NHS.

The Chancellor, Philip Hammond, indicated that increased taxes will be used to fund gaps in the public sector following several years of austerity. Geoff Rhodes, HWB Managing Director, says business leaders in the region should be prepared.

“These potential tax rises are of no major

surprise given the fiscal climate, but it's important that businesses in the South are ready,” he says.

“It may mean all businesses having to contribute a little bit more – however, no indication has been given yet as to which taxes may rise.

“Corporation tax is currently fixed at 19% and is due to fall to 17% on 1 April 2020 and it will be interesting to see if there is any shift on this. The Chancellor may opt

for increases in the standard 20p rate of income tax, a higher rate on NIC, or may prefer to target consumption taxes like VAT.

“Any tax rises will come at a time when the UK is under new economic pressures amid a transitional period of leaving the EU.

“It all adds up to a potentially unsettled time for businesses and underlines the greater need for prudent tax planning in order to minimise liabilities.”

## Different approach drives entrepreneurial success

Brexit heralds a new wave of entrepreneurialism and opportunities for businesses – and flexibility and innovation will be the benchmarks for quality accountancy advice, says Director Michaela Johns.

The needs and wishes of entrepreneurial clients may not be the same as more traditional, established businesses, explains Michaela, who is a specialist in business strategy for start-ups and SMEs.

"The typical accountant may frustrate entrepreneur clients by working too close to deadlines, being overly risk-averse and not giving enough proactive advice on how the business should be run," says Michaela.

"HWB prides itself on being different to many other accountancy practices because we truly get to know a business first – then tailor our solutions to the specific challenges.

"We have a long-standing pedigree of working with start-ups and entrepreneurs in the South to really maximise return on investment and creating a roadmap for business growth through sound and intelligent financial planning.

"Ultimately we are business people ourselves – so we have a passion for business success in everything that we do.

"We pride ourselves on adding value to entrepreneurial businesses with our flexible, practical approach.

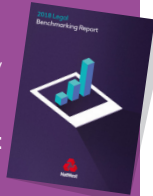
"We often find that established businesses are seeking to branch out into new ventures and this is where we can act as a critical sounding board to help plan ahead."

## Challenges for law firms

Legal practices should be focusing on organic growth and driving efficiencies, says a major report analysing the performance of 190 firms.

You can view the report in more detail here: <http://bit.ly/NatwestLegalReport>

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The Law Society



Gary Brown

## PAYE Settlement Agreements (PSA)

### What is it used for?

Employers typically use this for minor benefits that they do not want the employee to pay tax on and therefore agree with HM Revenue and Customs (HMRC) in advance to pay the tax on the benefit provided.

If HMRC approves your PAYE Settlement Agreement (PSA) before the start of the tax year, you can include any expenses

and benefits contained in the agreement.

If HMRC approve it after the start of the tax year, you might need to report some items separately.

### When to pay

You must pay any tax and National Insurance owed under a PSA by 22 October 2018 (19 October 2018 if you pay by post).

## Making Tax Digital (MTD) penalties confirmed

HMRC has confirmed that the penalties for failure to keep digital records will come into force immediately from April 2019, while there will be a grace period for those who file late. Penalties will officially come into force for late filing in April 2020.

It will work as follows:

- if a payment or Time to Pay arrangement (TTP) is made or treated as made within 15 days of the due date no penalty will be charged;
- between 16 and 30 days half a penalty will be charged;
- after 30 days a full penalty will be charged plus a further penalty which will then accrue daily until payment is made or a TTP is treated as made.

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## CHARITY COMMISSION

## FRS102 amendments

As a result of the clarification around gift aid payments, charity statutory accounts may require prior year adjustments made in them for year ends signed after Nov 2017. Charities and their trading subsidiaries need to be aware of the changes affecting them.

For more information on achieving compliance contact:  
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Michaela Johns





## Changes to SDLT payment window

Property investors need to be aware of changes to the payment window for Stamp Duty Land Tax (SDLT) returns, says property tax specialist Stacey Steele.

Following a consultation, the time limit that individuals have to file SDLT returns and pay any tax due will be shortened from 30 days to 14 days from 1 March 2019.

HMRC has indicated that shortening the time limit will improve efficiency and will not affect many individuals as the majority of returns are already filed within 14 days.

But Stacey says: "The people who will be most affected by this change are those who file their return without using an adviser.

"The shortened time limit will also affect many SMEs, including those in the legal profession, who act for individuals and companies in filing SDLT.

"The two-week window will certainly sharpen the focus towards compliance, so it's important that anyone dealing in property transactions is prepared."

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Stacey Steele

## FCA Accountants

We have a longstanding specialism in advising FCA regulated businesses and helping them achieve full compliance with the ever-changing regulatory frameworks.

For more information on our services, contact:

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## SMEs getting ahead by outsourcing

Outsourcing may be the single most effective way of helping your business get ahead and be more competitive, says Associate Director Andrew Kershaw.

Small businesses have faced a particularly challenging operating environment over the past two years and there is a general trend towards outsourcing in order to remove administrative burdens and ease financial pressures.

Andrew, who has a specialism of working with SMEs, explains that the four main triggers for outsourcing are:

- Outgrowing your current back office set up
- Expansion means a need for more timely and sophisticated financial information
- Looking to do something different
- Key team member has retired or left

Andrew says: "Outsourcing is not a new strategy in business, but we are finding that more and more organisations are looking to control back office costs.

"There are a number of reasons for this, not least the constant pressure to

comply with changing tax regulations and businesses becoming ever more cost-conscious.

"I would urge companies of all sizes to review their operating structures and look into where outsourcing may be an effective solution. It may surprise you just how much time and money you could save – and also give you more resource to focus on running and growing your business."

We have a highly-respected reputation for providing tailored and seamless outsourcing solutions, including bookkeeping, payroll and auto enrolment, management accounts and company secretarial services.

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Andrew Kershaw

## Retirement planning more vital than ever

### Do you know your State Pension Age?

Many in the business community may not be aware of their exact qualification age, but changes afoot mean that retirement planning will be more important than ever.

The State Pension Age is being pushed back incrementally and will increase to 66 from October 2020. It will then increase from age 66 to 67 for males and females between 2026 and 2028, and further increase to 68 between 2037 and 2039 – seven years earlier than previously planned. This increase to 68 will specifically affect everyone born between 6 April 1970 and 5 April 1978 (currently aged between 40 to 48).

James Alesbury, Associate Director, says: "Almost two thirds of people over the age of 50 will now work for one-to-five years longer than they had originally planned.

"With more business people working into later life, it's more important than ever to develop a savings strategy to ensure

wealth protection.

"Many individuals are seeking independent financial advice because these changing goalposts mean they are having to re-evaluate their retirement plans. This can be a diligent move as getting a fresh perspective on your situation can offer solutions you may not have thought of."

James advises:

- Register for a personal tax account where you can view your State Pension.
- Remember you need to have paid NICs for 35 years to qualify for a full State Pension.
- If you retire before paying NICs for 35 years, you can make voluntary class 3 NICs to secure a higher State Pension.

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## HWB continue to expand the team

We are delighted to announce the promotion of Matt Cooper to Business Adviser.

Matt, who previously held an Audit Senior role, started with HWB in 2014 as a graduate trainee from Swansea University. He achieved his ACA (Association of Chartered Accountants) qualification at the end of last year.

Another Business Adviser, Matthew Pickett, joined us in September from a top 10 accountancy firm in Hampshire.

Our trainee programme has also continued with four new trainees and graduates since May.

Geoff Rhodes, Managing Director, says: "We are a long-standing training organisation for the ACA, ACCA and AAT qualifications and at the foundation of this is our strong belief in nurturing talent and rewarding hard work."

## Seminars

We are holding two seminars in the coming months to provide you and your business with insightful and pragmatic assistance:

Wednesday 7th November at 8am - Motivating yourself and your employees

Tuesday 26th February at 8am - Technical Update for FDs

If you are interested in attending these events, please contact Vicky Holman at [vicky.holman@hwb-accountants.com](mailto:vicky.holman@hwb-accountants.com)

\*If you would like to receive an electronic copy of this bulletin in the future please email [marketing@hwb-accountants.com](mailto:marketing@hwb-accountants.com)



## Over £5,000 raised for children's hospital unit at Southampton General

Since we announced our Charity of the Year for 2017/18 last October, the team at HWB have raised just over £5,800 for The Murray Parish Trust.

All the proceeds have gone towards the trust's #2MillionSteps appeal which is raising money to build a dedicated children's A&E department at Southampton General Hospital.

The fundraising started in October 2017 with the different departments taking part in a Halloween Pumpkin Carving competition followed by a silent auction and Christmas jumper day.

The main drive for funds came in April 2018 when a group of 15 staff undertook the 3 Peaks Challenge raising £4,600. The team covered 462 miles in 28 hours and

walked 23 miles before returning to work the next day!

Henry Shutter, Personal Tax Adviser, who reached the summit of all three peaks, says: "It was exhausting to say the least however; we were constantly motivated by the fact that we were raising money for a very worthwhile cause that will help hundreds of families across the South."

Geoff Rhodes, Managing Director said: "We are immensely proud of the effort our staff has put in to raising money for this great cause and we look forward to the new fundraising challenges they'll complete for our Charity of the Year 2018/19."

Our new Charity of the Year, as voted for by the staff is Solent Mind.

## Christmas competition

We will be launching our very own Christmas Cracker joke competition on December 3.

The wordsmith with the best joke will win £250 for a local charity of their choice and £250 for an evening out or trip from Southampton. Visit our website or follow us on Twitter or Facebook for more details.

## Get the app

Keep in touch with your finances - wherever you are.

The HWB app can be downloaded for free in both the Apple and Google Play stores.



## Dates for Academy Trusts

Academy trusts are being reminded of a number of key actions to ensure statutory compliance coming up this autumn:

- Academies should complete their autumn school census in October.
- The Education & Skills Funding Agency (ESFA) will issue guidance by 1 October 2018 on the 2017 to 2018 academies accounts return (AAR).
- ESFA will issue guidance on the Condition Improvement Fund (CIF) 2018 to 2019.

For further information on our Academy Schools service, speak to:

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