

Growth revision is good news for business

Predictions of better-than-expected growth put a spring in the step of businesses as Chancellor of the Exchequer George Osborne revealed his Budget.

In what he declared was a plan aimed at "makers, doers and savers", Mr Osborne revealed that the Office for Budget Responsibility's forecast for Britain's growth in 2014 had been revised up to 2.7% - higher than the last year's budget prediction of just 1.8%.

Among the surprises the Chancellor pulled out of his red briefcase was a doubling of the Annual Investment Allowance from £250,000 to £500,000 – positive news for growing businesses which will now be able to spend more on costs such as machinery and equipment and obtain 100% tax relief.

Also included were tax breaks to increase productivity and to encourage exports and manufacturing.

Further measures to crack down on tax avoidance schemes were announced, which include the HMRC being given the power to recover tax directly from taxpayers bank accounts.

A surprise move was the announcement that cash and share ISAs are to be merged into a single "New ISA" with an increased annual tax-free savings limit of £15,000 from 1st July 2014 – a boost for savers hit by low interest rates.

Another major announcement was the move to give people with defined contribution pension schemes the option to cash in as much of their pension pot as they like without incurring an increased tax rate – removing the need to buy an annuity in the biggest pension reforms since 1921.

Although annuities will still be available, pension pots could become like a bank account where pensioners can withdraw funds at will. This gives the pensioner complete control of their pension finances but does risk people using all of their funds before they die. The government has also introduced a new requirement for pension providers to ensure that those who are retiring with a defined contribution pension scheme are offered face to face advice on the options available to them when deciding how to use their savings.

New "pensioner bonds" will be launched in January 2015, with a maximum investment limit of £10,000 of savings per bond. This new bond has been created for pensioners aged over 65 and will offer a savings rate rate of up to 4% over three years.

The Help to Buy equity loan scheme has been extended until 2020, a new Right to Build scheme will be backed by £150 million of finance, and planning reforms will help encourage house building, the Chancellor said.

The personal allowance was increased to £10,000 from April 2014, with a further increase to £10,500 a year later.

Geoff Rhodes, Managing Director said: "This is a broadly positive Budget which builds on measures already in place to provide a solid foundation for businesses to grow. We're already seeing evidence of recovery and we hope that this Budget, while unspectacular in some ways, will help underline that optimism."



Geoff Rhodes
Managing Director

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Budget highlights

Annual Investment Allowance for businesses doubles to £500,000

Tax-free ISAs to be increased to £15,000 per year from July 2014

Stocks and shares can be transferred to new single ISA scheme

0% starting rate of tax on £5,000 of savings income from April 2015

Reforms to pensions abolish the need to buy an annuity

Pensioner bonds to offer increased interest rates to over-65s

Free face to face advice to be offered to those that retire

Personal tax allowance to rise to £10,500 from April 2015

New 25 per cent rate of tax for fixed-odds betting terminals

Help to Buy equity loan scheme extended to 2020

Premium Bonds limit to rise to £50,000

VAT registration threshold increased to £81,000

Academy School team expanding

There will be a number of new faces around our office as we expand with the addition of five new team members in our audit and accounts team to meet the increased demand for our Academy School services. Richard Hurst, Director and Academy specialist, said: "It's great

to see that so many schools are rising to the challenge of converting to an Academy. We are delighted to be able to help them with accounting, auditing and VAT matters and have expanded our Academy School team to help meet the demand for those services."



Back row L-R: Alan Rolfe, Nick Cole, James Flood, Richard Hurst, Tom Young & Alan Davies
Front row L-R: Alison Kenworthy, Charlotte Kretzer & Jenny Cull

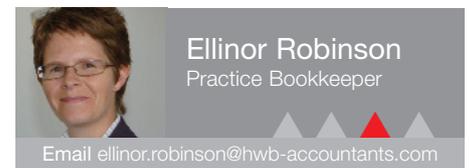
Making payments is easier than ever

Our new online payment facility makes it faster and more convenient than ever to settle your accounts with us.

When you receive an application for payment from us you'll see a link to www.hwb-accountants.com/payments where you can quickly and easily complete the payment process.

The transaction is carried out through WorldPay which is a simple and highly secure online payment service.

If you have any questions about online payments, please contact Ellinor Robinson on 023 8046 1215.



Innovative new website helps academies through VAT maze

We've launched a unique new resource to help academy school staff through the maze of VAT rules.

The site at www.academyvat.co.uk builds on our vast experience as specialist accountants in this sector and is aimed at making VAT less taxing for bursars, business managers and their finance teams.

There are now more than 3,600 academy schools in the UK, and each one has responsibility for recovering VAT from HMRC.

Our site is a comprehensive, readable guide to schools VAT, packed with valuable information and expert guidance about VAT registration and the rules which apply to everyday transactions.

The guidance is given by our Senior Tax Manager Alan Rolfe, who has more than 25 years' experience of dealing with VAT for clients.

Alan said: "Freedom to manage their own budgets is one major advantage of schools



which have switched to academy status – but dealing with the rules around VAT can be one of the most daunting prospects for academy staff.

"Questions about VAT are among the most commonly-asked by schools as they try to ensure they are complying with the rules.

"We came up with the idea of a constantly -updated, easy to use resource which academies could use to get instant access to VAT guidance. It's not been done before and we believe it will be an invaluable resource both for established academies and for those which are just starting out."

For further information, visit the website at www.academyvat.co.uk or alternatively you can contact Alan Rolfe on 023 8046 1235.



Take advantage of the £2,000 employment allowance from 6th April 2014

The new £2,000 "employment allowance" that provides relief from paying employers NIC on the first £2,000 of contributions starts from 6 April 2014.

For many employers the benefit of the £2,000 relief will be obtained in month 1 by reducing employers NIC payable, for others it could take several months before credit for the £2,000 is obtained on a cumulative basis.

The new relief appears to be available to most employers, and may lead to a change of profit extraction strategy from 6 April 2014 as it will be more advantageous to increase directors' salaries to £10,000 instead of the NIC threshold of £7,956.

For companies that belong to a group structure or have multiple PAYE schemes, the allowance can only be claimed against one business or scheme. Which PAYE scheme it is claimed against can be decided by the employer.

Not all business can claim the allowance and the following are not eligible to claim if they:

- employ someone for personal, household or domestic work, such as a nanny, au pair, chauffeur, gardener, care support worker
- already claim the allowance through a connected company or charity
- are a public authority, this includes; local, district, town and parish councils
- carry out functions either wholly or mainly of a public nature (unless you have charitable status).

The employment allowance must be claimed using your payroll software or using HMRC's Basic PAYE Tools within your monthly Employer Payment Summary (EPS).

For further information on the NIC allowance please contact Arthur Bell on 023 8046 1258.



Are businesses prepared for the auto-enrolment rush?

As we brace ourselves for the first significant wave of SMEs having to comply with the new pension requirements, businesses are starting to realise the reality of auto-enrolment and the impact it will have on their resources and finances.

Many businesses that have to comply this year are unlikely to have the wealth of expertise available to the larger employer, and even they seem to have struggled to meet The Pensions Regulator's strict compliance regime.

We would advise that a period of preparation beginning six months before the "staging date" (the date that the new duties come in to force) should be considered a minimum.

There are more Auto Enrolment solutions coming to the market, whether they involve using middleware, an IFA or a specialist provider, and choosing the preferred method of maintaining compliance will be vital to a business's preparation.

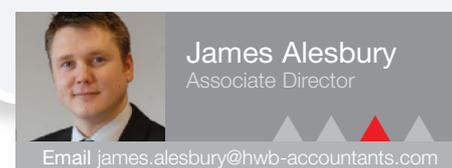
In addition to the compliance solution, all businesses will need to have a pension provider and this is likely to become more difficult over the next few years. The feedback from the pension industry is that the larger pension providers are already discussing closing their doors, meaning there may only be a few providers left for the small employers.

Every SME will need to find a provider that will accept their entire workforce, no matter the level of contributions. Pension providers are unlikely to reduce their profit margins by taking on smaller schemes.

The main concern for businesses is the additional cost of auto-enrolment - not only the administration costs but the mandatory employer contributions. The larger employers have seen a far lower than predicted number of opt-outs which may not be replicated as we enter the SME market but the expectation should still be that this could be a significant cost.

James Alesbury, Associate Director said: "We have been researching the various auto enrolment solutions to ensure we can provide clients with different options whilst protecting them from the risk of hefty penalties."

For further information on auto enrolment, please contact James Alesbury on 023 8046 1222.



Taking the stress out of tax returns

We've been helping clients take the stress out of completing their self assessment tax returns by offering them the chance to relax in a massage chair when they visited our offices.

Clients who came to see us during December and January were invited to use a massage chair in our reception area before or after their appointments.

January can be a stressful time for those individuals as they work collating the necessary information in order to meet the filing deadline at the end of the month.

Managing Director, Geoff Rhodes said: "At HWB

we like to do things a little bit differently and this has turned out to be a great talking point. It's just a bit of fun and something a bit out of the ordinary for a firm of accountants to do.

"Completing tax returns can be a little bit stressful, so we thought we'd give our clients the chance to take five minutes to relax if they wanted to."



HWB Tax Team
L-R: Dan Humble, Jo Lao,
Alan Rolfe, Susan Andow,
Lyndon Howes



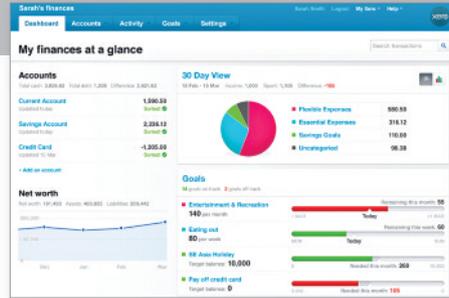
A fresh approach to online accounting

No matter what industry type, managing the finances of a business can be one of the most time-consuming parts of the job.

The advance of computerised and online systems can take much of the hard work out of financial management.

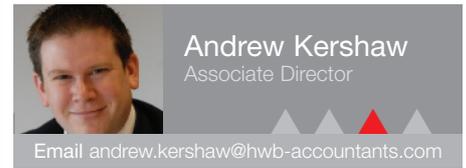
We constantly review the market for the best and most innovative solutions for clients and ensure we are at the forefront of accounting technology.

These online packages automatically link with the bank account and import and code transactions. This makes it easy to keep the books up to date on a regular basis, providing a real-time view of the business.



It also allows the business owner and us to view and share the same information at the same time – so we both have the latest information.

We understand that you want to have up to date reliable financial information at your fingertips in order to help run your business. Online accounting does just that.



We offer a comprehensive suite of online accounting services to help users get up and running and provide ongoing support.

For more information about how online accounting can help your business, please contact Andrew Kershaw on 023 8046 1201.



Staff promotions

Ben Barnes and James Flood have had their hard work rewarded with promotions.

James, who joined HWB in August 2007 and Ben, who joined in January 2008 are both in the firm's Audit and Accounts Department.

Ben and James provide full audit and accountancy services such as audit, corporation tax compliance and corporate advisory work.

Geoff Rhodes, Managing Director said: "I am delighted to be able to announce these promotions, which reflect the strength in depth of high quality of people we have here at HWB. It is pleasing to see that we have trained and developed great talent."

Don't forget to download our free app

Our app puts news, dates, tax tables and other useful features at your fingertips and it also provides a simple way to log on to our client portal for personalised, on-the-go access to documents and financial details.

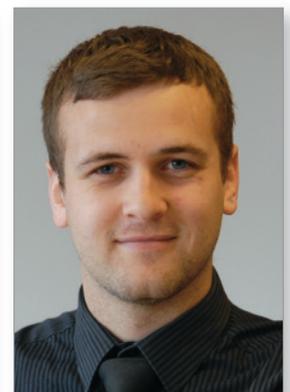
Our app is free to download from the Apple and Google Play Stores – simply search for HWB Accountants.



How are we doing?
Don't forget to leave your views on our service through our online form at:
www.hwb-accountants.com/feedback



Ben Barnes



James Flood

