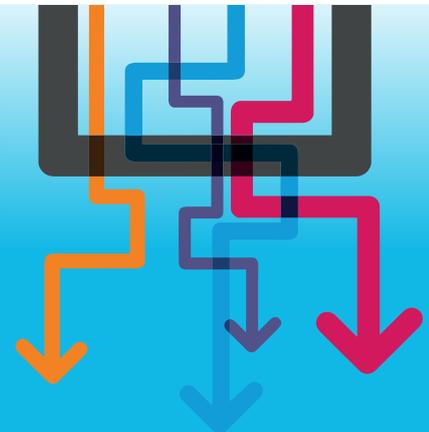


Are you ready for the proposed switch to digital tax accounts?



The Government and HMRC remain committed to the 'Making Tax Digital' project with more information being sent online to HMRC by employers, pension funds, banks and other institutions.

The next big step will be the introduction of quarterly reporting of income and expenditure by unincorporated businesses and landlords from 2018. They are

currently consulting on a number of proposals to make radical changes to facilitate the introduction of the new regime. The consultation period closed on 7 November and further details are due to be announced.

Many businesses and landlords may not be ready for the switch, but HMRC is highlighting the benefits, including less bureaucracy and red tape for small business owners.

Andrew Kershaw, associate director for HWB, says: "The Treasury has said that the switch to digital will make lives easier for businesses but many will need to look at the way they prepare their accounts to be able to report to HMRC each quarter. We can help to make it a seamless transition to digital tax accounts by using accounting software such as Xero and guide you through the process."

Digital accounting – in a nutshell



What will be the benefits of submitting accounts digitally?

The new system will see individuals able to log into an account and see how their tax liability is calculated by HMRC based upon their quarterly accounts and information automatically updated by banks, pension providers and The Department for Work and Pensions. As a result everyone will be able to view and manage their information online in one secure place.

Digital updates will eliminate the need to prepare an annual self-assessment return each year but will mean having to prepare accounts more regularly.

What will be the impact on small businesses?

The government has listened to the concerns of the FSB with regards to mandatory digital quarterly reporting for

small businesses and the self-employed with modest turnovers.

Removing small businesses and the self-employed with turnovers of < £10,000 altogether from the proposals will now mean that in addition to the 1.6 million small businesses and landlords that were already excluded, a further 1.3 million will no longer be in scope.

This means that half of the UK's 5.4 million small businesses will not be affected by quarterly tax reporting. The expansion of cash accounting, a longer lead-in time for implementation and the offer of direct financial assistance will also help.

What is the proposed timeline?

By 2020, most businesses, including companies, partnerships and individual taxpayers who are self-employed and those letting out property, will be required

to keep track of their tax affairs digitally and update HMRC at least quarterly.

By reporting information closer to real time, businesses should in theory find it easier to understand how much tax they owe, eliminating any uncertainty over figures and helping them to budget accordingly.

How will it link up with Xero Accounting Software?

Businesses will be able to link their business accounting software to their digital tax account.

Their accounting software will be able to feed data straight into their digital tax account.

How can HWB help?

If you would like more information on Xero or on the 'Making Tax Digital' project, please contact Andrew Kershaw on 023 8046 1201 or email andrew.kershaw@hwb-accountants.com.

Helping you with probate

Our directors, associates and business advisers work closely with clients, getting to know their business and personal finances. Clients tell us it's one of the things that sets us apart. Taking this to the next level, we are shortly to become an ICAEW accredited firm for probate services.

Tax Manager, Stacey Steele says: "Many of our clients are owner-managers so their business and personal affairs, such as wealth management and tax, overlap. We also meet regularly with them, so have a detailed knowledge of their financial affairs.

"This means, in the unfortunate circumstances where probate is needed, the process is simpler and speedier – enabling us to support the family and help ease their burden."

For further information:
Stacey Steele
023 8046 1234
stacey.steele@hwb-accountants.com

FRS102 / FRS105 UPDATE

New accounting standards will change the format of micro entities' annual accounts for accounting periods beginning after 1 January 2016. A micro entity typically has turnover of less than £632,000 and 10 employees.

We will shortly be contacting clients about the FRS105 and FRS102 Section 1A format of accounts.

For further information:
David Brookes
023 8046 1239
david.brookes@hwb-accountants.com

Don't forget your fee protection renewal

Now is the time for renewing the HWB fee protection insurance.

If you are subject to an HMRC enquiry, this insurance covers our fees for resolving matters with HMRC.

For further information:
James Alesbury
023 8046 1222
james.alesbury@hwb-accountants.com

Cyber security

New research has found two thirds of large UK businesses have been hit by a cyber breach or attack in the past year.

Despite the worrying statistic, only half of all companies have taken steps to protect themselves from hackers.

As important as having good defences is to ensure that there is a plan for what happens if a breach does occur.

HWB provides consultancy services on IT security. Richard Bacon, who heads IT at HWB, says: "A cyber-attack can have catastrophic consequences for any business.

"Ignoring the risks and leaving your systems vulnerable to hackers could cost the business. An incident could range from minor inconvenience, reputational

damage, loss of customer data, fines and ultimately business closure.

"In recent years, hackers have turned their attentions to small businesses with the knowledge they tend to have lower defences than larger organisations, whereas small business owners feel they aren't likely targets due to their size."

If you would like us to carry out a risk assessment on your business' IT systems and procedures, please contact Richard on 023 8046 1255 or email richard.bacon@hwb-accountants.com.



Richard Bacon

New obligations for small companies

Small companies have a new obligation as a result of the Small Business, Enterprise and Employment Act 2015 (SBEEA).

The aim of the SBEEA is to enhance transparency in the ownership of UK companies and increase trust in the UK as a place to do business. The Act has made changes aimed at simplifying filing for small businesses and improving the accuracy of information on public registers at Companies House.

The most important aspect is the new legal requirement for all UK companies (with some limited exceptions) to create and maintain annually a register of 'persons of significant control' (PSC) over the business.

This is now required to be included on the company's 'confirmation statement', which replaces the company's Annual Return filed at Companies House each year.

There are no set dates to submit the statement, but no more than 12 months can pass from the time the original statement was submitted.

For most companies it will be a simple case of confirming that the data held at

Companies House is the same as the data held in the previous year.

A person with significant control is anyone that meets one or more of the following:

- holds more than 25% of the company shares;
- holds more than 25% of voting rights;
- holds the right to appoint/remove the majority of directors;
- has the right to exercise significant influence;
- has the right to exercise significant influence or control over a Trust or firm that has significant control over a company.

For further information, please contact David Brookes on 023 8046 1239 or email david.brookes@hwb-accountants.com.



David Brookes





Funding Circle

Businesses are increasingly turning to new sources of finance as alternatives to the traditional banking system which provide attractive options for both investors and borrowers.

One of the most popular options is Funding Circle, one of the UK's largest peer-to-peer lending platforms.

The Government-backed British Business Bank lends through Funding Circle, which is able to offer SMEs loans from £5,000 to £1million on terms of up to five years, at better rates than most banks can achieve.

Funding Circle is also an attractive option for investors, with estimated annual returns of 7.4% a year.

Speed and simplicity are the key benefits of peer-to-peer lending, avoiding what can be much more complicated bank lending processes.

Since 2010 more than £1bn has been lent to businesses by 54,347 investors.

A number of HWB clients have been successful in securing loans with Funding Circle when mainstream banks have refused their support.

To find out more, contact Richard Hurst at HWB on 023 8046 1258 or email richard.hurst@hwb-accountants.com.



Get the app

Keep in touch with your finances – download our free app today from the Apple & Google Play stores.



Working with ATOL members

From April this year all ATOL registered businesses must use an ATOL licensed accountant for their reporting. We're pleased to announce that we are an approved firm under the ICAEW's Licensed Practice Scheme.

ATOL registered businesses should contact Alan Williams if they would like further information about the new accounting requirements on 023 8046 1201 or email alan.williams@hwb-accountants.com.

Director Alan Williams, who heads the ATOL team at HWB, says: "As a licensed practice, our travel industry clients have the assurance that as a firm we have the required knowledge of both their industry and the specific reporting requirements of the ATOL scheme."



Alan Williams



A simple outsourced solution to auto enrolment

UK employers must now automatically enrol their staff (if they meet certain criteria) into a workplace pension. We offer practical advice for clients and have launched a service which makes the auto enrolment process simpler and more cost-effective.

Our payroll clients can benefit from a specially managed scheme, which offers a simple pension option that complies with the new regulations.

It works via employees enrolling into a special Legal & General pension plan. This is a personal pension scheme for the employee that employers contribute to within the rules of auto enrolment.

Our payroll team manages the scheme setup and maintains ongoing auto enrolment compliance procedures which include necessary assessment, record keeping, employee notices and uploading of the pension data.

For further information:
James Alesbury
023 8046 1222
james.alesbury@hwb-accountants.com



Payrolling of benefits

'Benefits in Kind' have traditionally been dealt with annually by completing P11D forms – but it is now possible to tax benefits via the RTI payroll system.

The value of the benefit is calculated in exactly the same way and split over the pay periods within the year – so monthly paid employees would have 1/12th of the benefit added to their taxable pay each month, removing the need to prepare P11Ds.

The scheme excludes vouchers and credit tokens, living accommodation provided by employers and low or interest-free beneficial loans.

If you wish to payroll any benefits, you must register online with HMRC using your Government Gateway login before the start of the tax year.

For further information:
James Alesbury
023 8046 1222
james.alesbury@hwb-accountants.com



It's an HWB Classic

A team from HWB and their clients made a special road trip this summer when they headed off on a Classic Car Convoy to Les Mirabelles in The New Forest.

The cars were all memorable ones from yesteryear, including a 1965 Cobra Hawk that recently reached speeds of 150mph at Goodwood and a 1991 Aston Martin that was originally built for the chairman of a premiership football club.

Rod Maton brought his Cobra 289 Hawk. He said: "The car is most definitely the most accurate replica Cobra 289 around, in fact it is considered to be the best version of its mark in Europe."

About the classic car convoy, he added: "What a great event, nice cars, nice people, and excellent food."

David Mulcahy drove his hand-built Aston Martin Virage Volante, which has the engineer's name stamped on to the engine and which he fondly describes as "a work of art".

Paul Reynolds drove his Lotus Elan Sprint, a vehicle that was very technically advanced for its day. He explained: "The car was designed in the early 1960s with all-round independent suspension, all-round disc brakes and even electric windows! It can do zero to 60mph in approximately seven seconds – impressive, even by today's standards."

Richard Hurst, director for HWB, said: "This is something different that we have never done before and we are really pleased with how well it was received"

If you are interested in attending a classic car event in the future please contact Richard Hurst on 023 8046 1258 or email richard.hurst@hwb-accountants.com.

BRITAIN BREXIT

HWB poll highlights continued impact of Brexit uncertainty

Confusion and the ongoing debate over Britain's exit from the EU are continuing to have an effect on businesses across the region, a new poll conducted by HWB indicates.

The online survey asked businesses if they were affected by the uncertainty over Brexit. Of those who responded, 40% said that they were - an increase on a similar poll carried out by HWB on the eve of the referendum, when around a third of respondents feared that leaving the EU would affect them.

There were, however, mixed messages in the latest poll. When asked if they felt Britain's eventual exit from the EU would be good for business, 25% of respondents said it would – a slight increase of 3% on the June result.

Just over 32% said they felt it would have a negative effect – a drop from 44% in the earlier poll, suggesting that business

leaders are taking a more optimistic view of Britain's ability to go it alone than before the referendum.

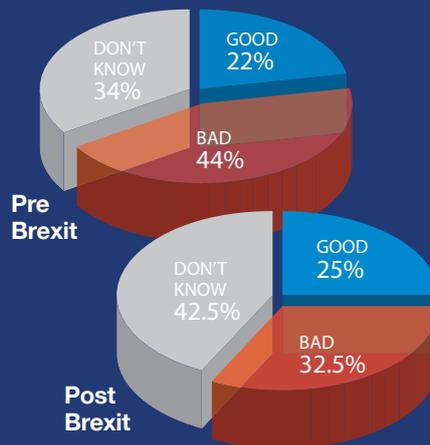
Geoff Rhodes, Managing Director at HWB, said: "It's no surprise that businesses seem confused about the impact of Brexit.

"With this in mind it's important that businesses ensure they are on a sound footing and have a strategic plan in place."

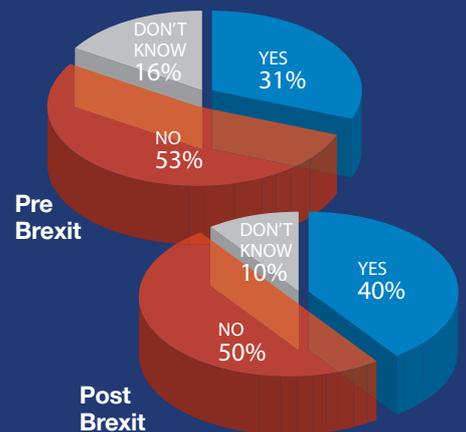
The HWB results are echoed in the latest Manpower Employment Outlook Survey, an indicator of business confidence by the Government and the Bank of England.

HWB can offer bespoke advice on how your business can help mitigate the likely effects of uncertainty over Brexit. Contact Geoff Rhodes on 023 8046 1239 or email geoff.rhodes@hwb-accountants.com.

At this point, how do you feel our eventual exit from the EU will affect your business?



Is your business currently being affected by the uncertainty over our membership of the EU?



A united HWB front at Race for Life



A team from HWB joined thousands of women on the starting line for the Race for Life event in Southampton.

The nine ladies showed a united front tackling the 10km course together, raising more than £200 for Cancer Research UK.

HWB's team captain, secretary Jo Anderson, said: "This is the second year we have taken part in the Race for Life. Many of us know people who have been affected by cancer, so it's a cause which means a lot to us all."