

The Whittler

A ROUNDUP OF NEWS AND CLIENT ISSUES FROM WHITTLES



IN THIS ISSUE: • Whittles in the community • Regulatory Round Up • Technology Update • Team News

Avoiding all the usual adjectives to describe the last 16 months, can we just agree that it feels good to now be planning activity rather than reacting to situations and making decisions “under the circumstances” rather than “for the best”.

I still smile when I think it was new software training that prompted us to sign up to Zoom in February 2020 ahead of the curve. As the team adapts to a new hybrid form of working, we look forward to welcoming clients back to the office and to building on time-efficient processes developed through remote operations. There is also a change in the partnership as we get ready in March 2022 to wish partner Tim Moriarty a happy retirement after 25 years but are delighted to congratulate Dan Insley who is stepping up to the partner role from 1st July 2021.

Rachel Skells, Managing Partner



NEXT CHAPTER – Our nominated charity for 2021

We are delighted to be supporting Next Chapter (formerly known as Colchester & Tendring Women’s Refuge) which is a domestic abuse charity working across the areas of Tendring, Colchester, Maldon, Chelmsford, Braintree & Uttlesford, providing free and



confidential services to support people who are currently experiencing, or have previously experienced domestic abuse. You can donate online via Next Chapter’s www.thenextchapter.org.uk or if visiting the Whittles offices, there will be donation boxes in the reception areas.

Santa’s Sleigh – The COVID Way

The Colchester Round Table 367 did not let the pandemic stop them from assisting Santa to collect much-needed funds for local causes which included St Helena Hospice, Ladies Circle, Night Shelter, Rob George Foundation, Tom Bowdidge Foundation, and Colchester Food Bank. Whittles’ Dan Insley, in festive disguise, and his colleagues took to the sleigh in December, as usual, but because of social distancing rules, and to protect Santa and his elves, collection buckets were replaced by online donations.

West Mersea Town Regatta – happy to be involved!

This year we are supporting the town’s regatta. On Saturday 28th August with the first race starting at 9.00am, about 100 boats will be taking part over seven different classes. The Watersports events, including ‘Walking The Greasy Pole’ is in the afternoon and the Grand Firework Display takes place at 9.00 pm.



Spring Budget – continued support and frozen tax rates

Rishi Sunak’s Spring budget heralded a UK tax burden to hit the highest levels since the 1960s as the lifetime allowance for pension savings along with the thresholds for inheritance tax, capital gains tax and VAT, raising a further £2.5 billion, were all frozen. However, it was also a budget focused on continued support extended until September, to help businesses and jobs to continue to survive the pandemic. Tax changes were as follows:

Personal – income tax allowance to be frozen at £12,570 from April 2022 to 2026; Higher rate income tax threshold to be frozen at £50,270 from 2022 to 2026.

The lifetime allowance for pension savings will be frozen at £1,073,100 until the 2025/26 tax year.

Business – Corporation tax on company profits to rise from 19% to 25% in April 2023. Rate to be kept at 19% for about 1.5 million smaller companies with profits of less than £50,000.

VAT – Lower VAT rate for hospitality firms to be maintained at 5% rate until September, an interim 12.5% rate will then apply for the following six months.

130% SUPER DEDUCTION – a boost to the economy?

To boost investment in the economy, the Government introduced the 130% Super Deduction (SD) for expenditure on new and used plant and machinery, between 1 April 2021 and 31 March 2023.

Unlike the Annual Investment Allowance (AIA) there is no upper limit for the SD, therefore the more capital investment incurred, the greater the deduction in the corporation tax liability. The overall effect is for every £1 spent, the company will be saving 25p in corporation tax. Those assets that do not attract the 130% SD may be eligible for the 50% First Year Allowance (FYA) – however as 100% AIA is also available up to £1m for qualifying expenditure incurred before 31 December 2021 and £200k from 1 January 2022, this will provide greater tax relief. However, note that Partnerships and Sole Traders are not eligible and claw back restrictions are in place if the qualifying asset is subsequently disposed of.

IR35 – an end to ‘disguised employees’?

The rules, commonly known as IR35, were extended to the private sector from 6 April 2020. The legislation is designed to crack down on ‘disguised employees’ who bill for their services through limited companies for a lower tax bill, despite essentially being employees of their client.

An attempt to delay these off-payroll rules by another two years was defeated in parliament. As a result, medium and large private-sector firms are now responsible for assessing the tax status of off-payroll workers they hire. If a contractor is deemed to be essentially an employee of a medium or large company they have contracted their services to, they might be liable to pay more in tax. The IR35 reforms are now in place but the challenge going forward is all about compliance.

CYBER SECURITY – be cautious and stay safe

Cyber security is how we, as individuals and organisations, reduce the risk of being affected by cyber crime. It’s core function is to protect your electronic information on your local devices and online accounts from unauthorised access to our personal data and resources.

There are various ways to protect yourself.

- Use a strong password, one that is made up of random letters, symbols and numbers.
- Two Factor Authentication (2FA) where if you try to log into your account you receive a separate communication on a nominated device asking you to confirm it is you.
- Use anti-virus software and firewalls

Many attempts to obtain your critical data come in the form of emails or telephone calls that look or sound very plausible and which are designed to try and make you take immediate action. Do not give details of passwords over the telephone. If in doubt find the organisations telephone number and call them back. Do not use the number they give you. Further information can be found at <https://www.ncsc.gov.uk/>

THE CLIENT PORTAL – providing seamless service throughout lockdown

We are increasingly appreciating the efficiency and flexibility of being able to communicate securely online with clients.

Even before COVID-19, great advances had been made in the move towards paperless systems and this is set to continue as individuals and businesses operate from multiple locations and look for secure methods for storing and sharing confidential information.

We have worked with our specialist software provider to create a client portal by which our team and clients can receive, send and share confidential information. We can also use the facility so that clients can approve accounts, tax returns and other documents via the

Xero Software – team all trained and ready to support you

We have seen that Xero software leads to more accurate recording of accounting information and supports digital communication.

Xero is our recommended software solution to spreadsheet turmoil and so all our accounts staff have become accredited Xero advisers with a commitment to the Xero continuing professional development programme. We look forward to supporting you in your use of the Xero software and assisting you with your regulatory reporting as a result – leaving you to get on with what you do best.



portal rather than in paper form. We acknowledge that this will not be for everyone and rest assured, if you wish us to continue to send you paper copies to approve and sign, that is how we will operate.

CONTACT US

The issues highlighted in this newsletter are for background information only. For more specific or detailed advice, contact your usual Whittles’ contact or email one of our partners.



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Team News



Tim to retire ...

Following 25 years as a partner of the business Tim Moriarty has decided to hang up his abacus.

"It was a difficult decision because of the close relationship I have with my clients. However, age is getting the better of me and I realise it is time to hand over to the younger generation. I will be leaving on 31 March 2022. Although I am without doubt, looking forward to a more leisurely life, I also want to ensure a smooth transfer of each of my client relationships to one of my fellow partners. During the coming year I will be introducing to my clients the partner and manager who will be taking over from me so that my clients feel comfortable that they will receive the same quality service that I have aimed to provide over the past 25 years."

... as Dan steps up

Dan Insley has been promoted to partner with effect from 1 July. A graduate of Sheffield University, Dan has been with Whittles for over nine years, qualifying as a chartered accountant in 2015 and became a member of the Chartered Institute of Taxation earlier this year. His broad-based experience covers both the audit and accounts department and the personal tax department. As Rachel Skells confirmed in congratulating the newest partner: "Dan's promotion is well-deserved, both as recognition of his past commitment to the firm and its clients but also a reflection of the other partners' belief in his potential for the future."

Exam success

Lockdown has not stopped the team at Whittles from continuing to study for their professional qualifications: **Alex Wallace** ACA, is now a fully qualified chartered accountant; **Nicolette Betchley**, MAAT, is now half way through the professional level of her ICAEW apprenticeship; **Caitlin Wheeler**, passed all her ATT exams first time and is now an ATT member; **Luke Gormley** has almost completed his level 4 AAT apprenticeship.

Congratulations to all four members of the Whittles team.

If we have sent you this annual newsletter, it is because we believe it will be of interest. If you would prefer not to receive, please email mail@whittles.co.uk or call 01206 762200.

Our Services

Business Services

- Audit & accounts
- Business start-up
- Company secretarial
- Corporate tax planning
- Management accounts & bookkeeping
- Payroll
- VAT

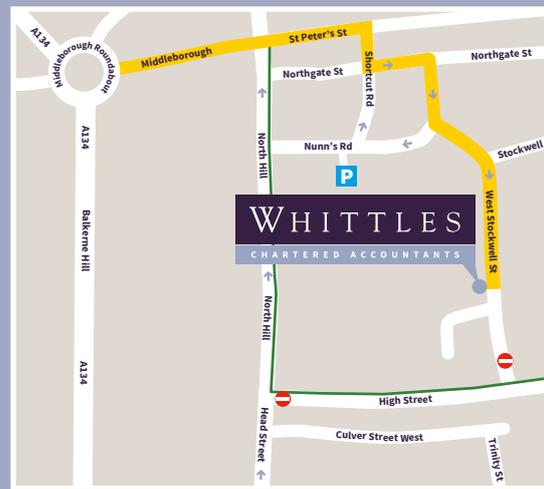
Specialist Sectors

- Accounting software advice & support
- Charities
- Farming & Agribusiness
- Financial services industry
- Law Firms

Personal Services

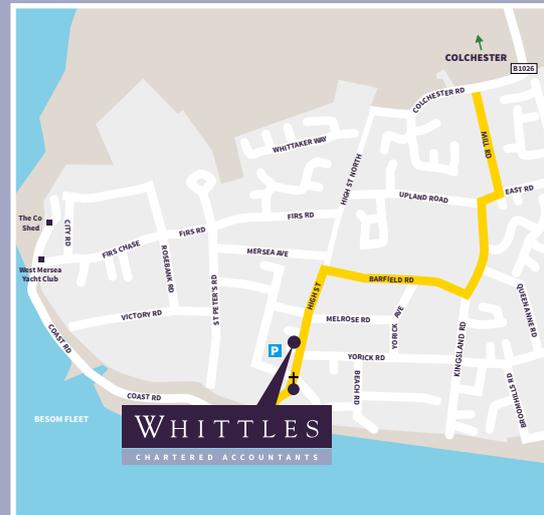
- Estate planning
- Personal tax planning
- Retirement strategies
- Self assessment
- Trusts

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