Copson Grandfield
CHARTERED ACCOUNTANTS

NEWSLETTER

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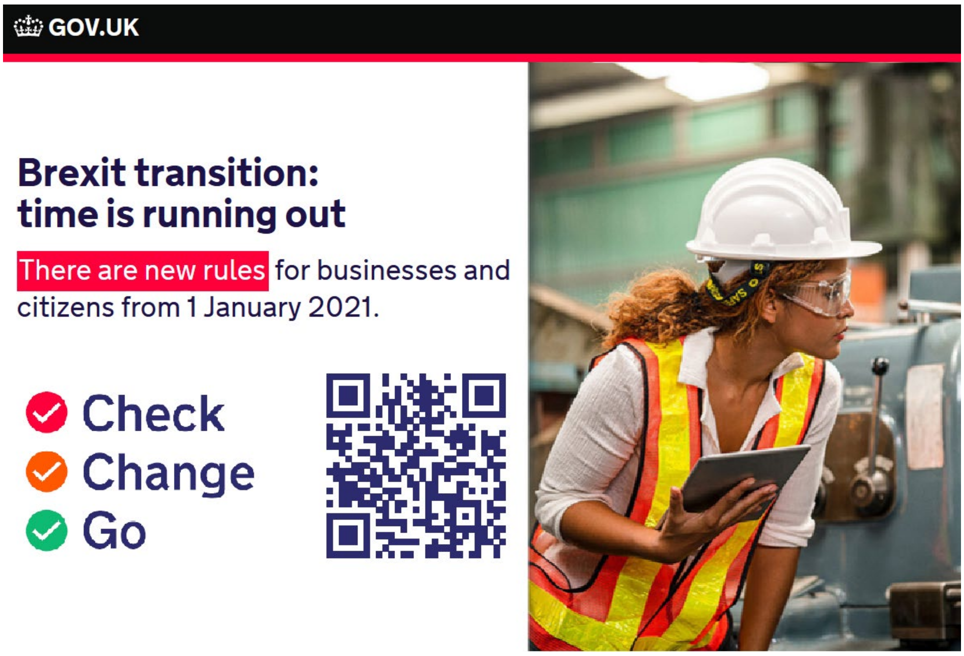
Inside

Welcome to the Copson Grandfield Pre-Christmas Newsletter

Are you ready for the new rules for business with the EU?



The transitional rules post Brexit come to an end on **1 January 2021**.

Business Secretary Alok Sharma is urging those affected to act now to avoid interruption when the transition period ends.

The top actions you can take now to prepare are:

1. Check the new rules on importing and exporting goods between the EU and Great Britain from 1 January 2021. Different rules will apply in Northern Ireland. Your business could face delays, disruption or administrative costs if you do not comply with new customs procedures from 1 January 2021.
2. If you are planning to recruit from overseas from 1 January 2021, you will need to register as a licensed visa sponsor. You may not be able to legally hire people from outside the UK if you do not have a licence. New employees from outside the UK will also need to meet new job, salary and language requirements. Irish citizens and those eligible under the EU Settlement Scheme are not affected.
3. Use GOV.UK to identify changes affecting manufactured goods, such as new marking requirements or approvals needed, to

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ensure your business is ready to sell them in the UK and EU. You may not be able to sell your goods in the UK and the EU from 1 January 2021 unless you act.

4. If you are moving goods into, out of, or through Northern Ireland, check the latest guidance. At the end of the transition period, the Northern Ireland Protocol comes into force. There will be special provisions which only apply in Northern Ireland so if you move goods into, out of, or through Northern Ireland make sure you check the latest guidance.

The Government is providing a range of support, including webinars to walk you through the changes. These are available to watch on demand at:

https://www.gov.uk/guidance/webinars-on-preparing-your-business-for-the-end-of-the-transition-period

You can also access these by scanning the QR Code on Page 1.

These are challenging times, but the transition period is ending on 31 December 2020 and there will be **NO EXTENSION.**

Unless you take action, there is a risk your business operations will be interrupted.

Ltd Company Accounts and onward submission to Companies House

We wish to remind our clients regarding filing deadlines and the submission of Company Accounts to Companies House.

We always endeavor to complete your Accounts as quickly as possible, giving you enough time to review the documents and to return them so that they can be submitted to Companies House on time.

However there have been occasions where Accounts are not returned to us until either deadline day, or a few days before they are due to be submitted. This can make it difficult for us to adhere to the required deadlines.

Please note that in terms of submitting the documents, your signed Accounts are not the 'end of the line' in terms of submission; they still need to go through a process our end, and also need to be 'tagged' under iXBRL so that they can submitted.

We therefore politely request that Accounts are signed and returned to us in a timely fashion, and where possible, at least a week prior to your filing deadline so that we can ensure that we are able to submit them prior to the filing deadline.

Trivial Benefits at Christmas

With the traditional office party being something of a pipedream this year, you may find that staff morale is at an all-time low…

In order to take the edge off of what has been a challenging year; why not treat staff to a "Trivial Benefit in Kind?

A Trivial Benefit is a gift to staff, which isn't classed as benefit in kind for tax purposes, to qualify for the exemption, it has to satisfy the following conditions:

- No more than £50 per benefit
- Not cash or a cash voucher (but gift vouchers e.g. for a shop, are allowed).
- There is no entitlement to the benefit as part of the employee's contract (including salary sacrifice schemes).
- It is not provided in recognition of a work related service or employment duty.
- In close companies there is a limit on the total trivial benefits exemption of £300 per tax year per director (or office holder). Normal employees don't have this £300 limit.

The exempt trivial benefits will not be counted towards taxable income or Class 1 NIC and therefore doesn't need to be reported on a P11D/ P11D(b).

If any of the above conditions are not satisfied, the benefit is taxed in the normal way. Importantly, if the cost exceeds the £50 limit, the whole of the benefit is taxed, not just the excess.

The basic principle is that it has to be a freely given gift related to employee welfare and goodwill, not employment service or performance.

The above is just a general summary, so if you are unsure re any specific items or would like any further clarification, please do not hesitate to contact us.

Staff News

We recently said farewell to our long serving Receptionist, Arlene McInnes; who has chosen to retire.

Unfortunately due to the pandemic we were unable to give her the sendoff she deserved; however we would like to thank Arlene for all her years of loyal service and wish her all the best in her retirement.

We're sure she will be kept busy looking after the grandchildren!

Business survival hanging by a thread in toughened tiers.

Many businesses will struggle to survive despite the end of lockdown, according to the Confederation of British Industry (CBI).

Prime Minister Boris Johnson confirmed that all parts of England will see the end of the national lockdown on 2 December. Gyms and non-essential shops will be allowed to re-open while spectators will be allowed to return to some sporting events, and weddings and collective worship will resume.

However, three-tiered regional measures return from 2 December and each tier will be toughened.

Commenting on the new restrictions, Matthew Fell, Chief UK Policy Director at the CBI, said: 'For many businesses in England, going into toughened tiers while waiting for a vaccine will feel like suspended animation.

'Some parts of the economy, such as retail, can begin to re-open and look towards a recovery. It gives our high streets a chance to rescue some of the vital festive trading period.

'But for other businesses the ongoing restrictions in tiers two and three will leave their survival hanging by a thread. Hospitality will remain frozen. And supply chains that cross regions in different tiers will be hit even if they don't face direct restrictions.'

Chancellor Rishi Sunak presents Spending Review

On 25 November the Chancellor delivered his latest Spending Review to the House of Commons, and stated that the coronavirus (COVID-19) pandemic has caused 'lasting damage' to the UK economy.

The economy is forecast to shrink by 11.3% this year and is not expected to return to its pre-pandemic size until the end of 2022, the Chancellor also revealed that the government has already provided £280 billion to help the UK combat COVID-19.

Mr Sunak went on to announce a number of measures, including increases to the National Minimum Wage (NMW) and National Living Wage (NLW) rates. The NMW will rise to £8.36 per hour from 1 April 2021, whilst the NLW will rise to £8.91 per hour and will be extended to 23 and 24-year-olds for the first time.

The Chancellor also announced that 1.3 million public sector workers will see their pay frozen in 2021/22; overseas aid will be reduced by £4 billion; and a new £4 billion 'levelling up' scheme will fund the upgrading of local infrastructure across the UK.

Third SEISS grant will face new test, ICAEW warns

Applicants for the third Self-employment Income Support Scheme (SEISS) grant will face a new test as the government tightens eligibility criteria, warns the Institute of Chartered Accountants in England and Wales (ICAEW).

The guidance for the third SEISS grant has been published ready for the portal to open for claims on 30 November.

To qualify for SEISS grants, businesses must be adversely affected due to the coronavirus (COVID-19). They must either be currently trading but be impacted by reduced demand, or have been trading but be temporarily unable to do so due to COVID-19.

The latest guidance on checking if you can claim a grant and new guidance on how trading conditions affect eligibility include an additional test. This requires the claimant to intend to continue to trade and reasonably believe there will be a significant reduction in their trading profits due to reduced activity, capacity or demand or inability to trade due to COVID-19.

The ICAEW said: 'For many taxpayers, for example those that use a 31 March or 5 April accounting date, the significant reduction of trading profits will be expected to appear in the results they report on their 2020/21 tax return. However, some taxpayers, for example those that use a 30 April accounting date, will not report the trading results for the relevant period until their 2021/22 tax return.'

Claimants can check their eligibility for the SEISS via the following link:

https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme

HMRC liabilities and time to pay arrangements

HM Revenue & Customs are currently sending out correspondence in relation to payment of tax liabilities, and the possibility of setting up payment plans for those who are currently not able to meet their tax liabilities.

Covid-19 (Coronavirus) has severely damaged the economy, and so HMRC are urging taxpayers to pay what they owe, in order to help fund vital public services.

However they also realise that many of us have been either out of work, or operating at reduced capacity throughout most of 2020. As a result they are offering support in the form of time to pay arrangements for those who are currently unable to meet their tax demands.

Whilst the above is nothing new, HMRC are currently taking a more accepting/ positive approach to extended payment plans at present. Therefore if you cannot afford to pay now, HMRC have stressed that they are there to help you.

Those who wish to set up a time to pay arrangement can do so via HMRC's helpline, which is: **0300 200 3845**, you will then be able to speak with an advisor who can agree a payment plan that works for you.

Xmas Opening Hours

Our Office will close at 5.00pm on Wednesday **23th December 2020**.

We will reopen at 8.30am on Monday **4th January 2021.**

We take this opportunity to thank you all for your support throughout what has been a difficult year, and wish you all a Merry Christmas & Happy New Year.

Self-Assessment Deadline

It's that time of year…. Once again the deadline for Self-Assessment is fast approaching.

If you have not yet completed your 2019/20 Self-Assessment Tax Return, don't forget that the deadline for submission to HMRC is **31 January 2021**.

We will therefore need your records **as soon as possible** if we are to prepare your Accounts and Tax Return before this deadline.

Please note that whilst the filing deadline is 31 January 2021; we advise that you send us your signed return, together with payment of our fees, no later than **Monday 25th January 2021**, as this will ensure that we have sufficient time to make the submission to HM Revenue & Customs.

If you are unsure of what paperwork that you need to provide, or if you need any help obtaining the required information, please contact our Personal Tax Team us **as a matter of urgency**.

Christmas is a Joke!

1. Why are Christmas trees so bad at sewing? **They always drop their needles!**
2. Why did no one bid for Rudolph and Blitzen on eBay? **Because they were two deer!**
3. How do Santa's Helpers pay their Taxes? **Through Elf-Assessment.**
4. What does Father Christmas do when his Elves misbehave? **He gives them the sack!**