



ShedQuarters! How to build tax efficiency into your garden office

Take Stock
Top 5 trading app tips

P8

ESG Strategy
Why Corporate Social Responsibility
is big business, for small businesses

P14

Facing the Future
How the self employed can
save for retirement

P12



CORPORATE PHOTOGRAPHY THAT ILLUMINATES YOUR BRAND



"Lee's extensive experience and engaging manner immediately put our Newport team at ease during the shoot. Our latest staff headshots are perfectly corporate in style yet still reflect each individual's warmth and personality – Lee has captured our team perfectly" - Evans Entwistle

Helmore

Photography

STUDIO HEADSHOTS / EVENT PHOTOGRAPHY
PRODUCT PLACEMENT / CORPORATE IDENTITY

LEEHELMORE@YAHOO.COM / MOBILE: 07414825537

HELLO ALL

Welcome to the Summer 2022 edition of iNsiGht magazine.

Much has happened since I last wrote this column - Covid-19 thankfully appears to be in the rear view mirror, and a degree of normality has returned to daily life.

However, that's not to say that the world remains unchanged. The pandemic has certainly altered perceptions of work-life balance, and "Work From Home" continues to play a large part in peoples' lives. Combining your personal life and professional life in one space requires a degree of ingenuity and where better to escape to than your garden shed - but first read our article on page 6 on the tax implications of having your own garden office.

The pandemic has also seen record numbers start a business, with almost 80 companies an hour registered with Companies House in the first half of 2021, up 32% on the same period in 2019. Further research from Tide Bank also indicates that the UK is the best place in Europe to start a new venture, and so later in this issue on page 10 we speak with two South Wales start ups borne out of lockdown who are already demonstrating the resilience, resourcefulness and creativity that we have come to associate with the UK's small business community. Looking forwards to the future for such entrepreneurs, we also consider on page 12 how the self employed can creatively save for retirement. When businesses couldn't physically open during

lockdown, many owners used the time productively to rethink their direction, with ESG - Environmental, Social and Governance - issues becoming an increasingly important strategic consideration as organisations strive to run their operations in environmentally and social conscious manner. We look at the implications of this for small businesses in our ESG article on page 14.

The past year has also been time for ourselves to take stock and focus on the future. Last Summer we expanded the practice by acquiring 1 to 1 Accountancy in Newport, bringing that business under the Evans Entwistle banner, and welcoming four new members of staff to take our headcount to 14 across our 3 offices. We also appointed Matt Ward - the longest serving member of the team - to Director of the practice, a well deserved promotion. We now look forwards to the next chapter of our story, a fourth office opening which we hope to announce later this year - watch this space (or better still, follow us on all of our social media accounts!)

We hope that you enjoy this issue, and as always, we welcome your feedback. From all of the team at Evans Entwistle, we wish you a restful Summer.

Lisa



Also follow us on

- Facebook [fb.com/evansentwistle](https://www.facebook.com/evansentwistle)
- Twitter: [@EvansEntwistle](https://twitter.com/EvansEntwistle)
- LinkedIn: [Evans-Entwistle-Chartered-Management-Accountants](https://www.linkedin.com/company/evans-entwistle-chartered-management-accountants)
- Instagram: [@EvansEntwistle](https://www.instagram.com/EvansEntwistle)

In This Issue...

- 4 Business Bites
- 6 Company Shedquarters
- 8 Take Stock
- 9 Snap Up The Super Deduction
- 10 Start Up Stories
- 12 Self Employed Retirement Strategies
- 14 ESG: Big business for small businesses
- 16 Client Corner: Newport City Radio
- 18 A Degree of Change

This publication is written and published by Evans Entwistle Chartered Management Accountants & Tax Advisors, a trading name of the ESquare Group of Companies. All information is correct at the time of going to press. Whilst every care is taken in compiling content, the publishers accept no responsibility for effects arising from this publication. No contents may be reproduced without the prior permission of the publishers. Thanks to Ctrl Alt Design for design (www.ctrlalt.design). For advertising opportunities in future issues, please contact mail@evansentwistle.co.uk

BUSINESS BITES

Bite sized brilliance to brace you for the business day!

EE TEAM NEWS

Since our last issue, we're pleased to announce the promotion of **Matt Ward** to Director, who with 9 years experience at Evans Entwistle, joins the Senior Management Team

We're also delighted to welcome **Daniela Putzolu** back to the team – formerly working as an Accountant in our Bristol office, Daniela rejoins our Newport practice as she works towards her ACCA Chartered Status

And finally...teamwork is everything! Here are some of our Penarth and Newport office ladies enjoying a team night out at the Comedy Club.



TRAINING TIPS

We've partnered with **QuickBooks** to provide a series of dedicated online training sessions, delivered by a QuickBooks expert trainer, completely free of charge. If you use QuickBooks this is an ideal refresher on the basics of bookkeeping, plus you'll learn hints, tips and tricks to work smarter - and as it is an interactive session, so you can ask all the questions you need to get the most out of the system. Email Alexia Clifford, Client Manager in our Penarth Office, to book on to a session via alexia@evansentwistle.co.uk

APP-SOLUTELY INVALUABLE

connecteam

Several of our clients have lauded **ConnectTeam**, a great app that lets you manage all of your non-desk based employees with one simple solution – perfect for the post Covid era, where WFH is still the norm for many.

You can share job schedules so that employees can accept or reject shifts, then check-in when they show up to the site, and also track all staff work hours via a self-serve GPS-tracked time clock that syncs automatically with Quickbooks Online - when employees clock in and out via their smartphones, a real-time timestamp and GPS location is automatically tagged, for 100% accurate payroll. You can also create interactive communication with group or one-on-one chat, sharing GIFs, videos, and pictures to keep all of your team on the same page. Easy-peasy people management!

“I NEVER DREAMED ABOUT SUCCESS – I WORKED FOR IT”

Estee Lauder

“A BIG BUSINESS STARTS SMALL”

Richard Branson

SPEAK TO OUR TEAM ABOUT A SUBSCRIPTION TO QUICKBOOKS, FREE FOR 3 YEARS!”

qb **intuit quickbooks**

Evans Entwistle online: www.evansentwistle.co.uk

A LITTLE FAVOUR

We take feedback from our clients very seriously as it enables us to continuously improve our service – so we would be very grateful if you would share your experience of working with Evans Entwistle by leaving us a review on our Google, Facebook, Instagram or Twitter pages.

 Facebook [fb.com/evansentwistle](https://www.facebook.com/evansentwistle)

 Twitter: [@EvansEntwistle](https://twitter.com/EvansEntwistle)

 LinkedIn: [Evans-Entwistle-Chartered-Management-Accountants](https://www.linkedin.com/company/evans-entwistle-chartered-management-accountants)

 Instagram: [@EvansEntwistle](https://www.instagram.com/EvansEntwistle)

A CLOSED MIND WILL
NEVER WALK
THROUGH OPEN
DOORS

 PIN THIS!

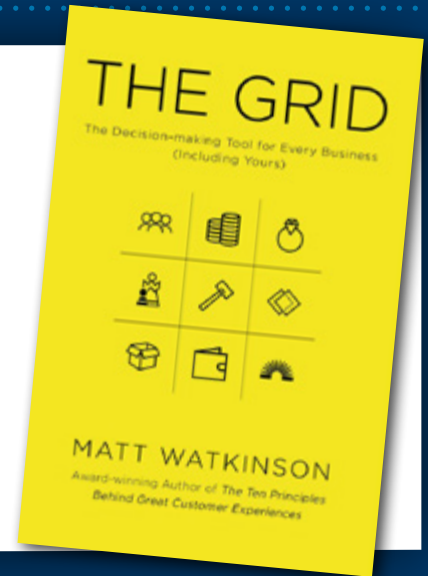
BOOKSHELF:

THE GRID BY MATT WATKINSON

(Available on Amazon, £8.19)

Prolific children's author Roald Dahl once said, 'If you are going to get anywhere in life, you have to read a lot of books.' We've taken that to heart and read a few tomes of late ourselves... and top of our list is The Grid by Matt Watkinson. This book provides you with

a simple way to look at the complex system which is your business. distilling strategic know-how into nine ingenious perspectives and, with the use of clever examples, showing how to apply this technique of thinking to any business problem or market opportunity. A must read, and don't just take our word for it – the CFO of Sony said "I can safely say that if you only read one business book in your life, it should be "The Grid"



DIARY DATES FOR Q3 2022

5TH JULY

Deadline for reaching a PAYE Settlement Agreement for 2021/22.

6TH JULY

Deadline for forms P11D and P11D(b) for 2021/22 to be submitted to HMRC and copies to be issued to employees concerned.

Deadline for employers to report share incentives for 2021/22.

14TH JULY

Due date for income tax for the CT61 period to 30 June 2022

19TH JULY

Class 1A NICs due for 2021/22

PAYE, Student loan and CIS deductions due for the month to 5 July 2022

PAYE quarterly payments are due for small employers for the pay periods 6 April 2022 to 5 July 2022

31ST JULY

Second payment on account 2021/22 due

2nd August

Deadline for submitting P46(Car) for employees whose car/fuel benefits changed during the quarter to 5 July 2022

19TH AUGUST

PAYE, Student loan and CIS deductions are due for the month to 5 August 2022

1ST SEPTEMBER

New Advisory Fuel Rates (AFR) for company car users apply from today.

19TH SEPTEMBER

PAYE, Student loan and CIS deductions are due for the month to 5 September 2022

30TH SEPTEMBER

End of CT61 quarterly period.

 Follow us on Facebook [facebook.com/EvansEntwistle](https://www.facebook.com/EvansEntwistle)

 Twitter [@PenarthAccounts](https://twitter.com/PenarthAccounts)  LinkedIn [Entwistle-Evans](https://www.linkedin.com/company/entwistle-evans)

Company Shedquarters

For many folks, homeworking is here to stay, with some citing an intent to “WFH” permanently (possibly didn’t get your memo, Mr Rees-Mogg?). With Summer around the corner, a garden shed office might just suit you down to the ground – but how does it affect your tax position?

The main consideration when looking at installing a garden office within the grounds of your residential property for home working is whether it will be used solely by the business or whether there also be an element of private use e.g. as a playroom, gym or overnight accommodation for guests, etc.

The treatment of the garden office costs and the various tax implications hinge on this - here are the key points:

Corporation Tax Relief:

The company can pay for the full cost of the garden office assuming it is used for business purposes. However, even though a garden office is a technically a moveable item, it counts as a “structure” rather than an item of equipment. Thus no corporation tax deduction can be claimed on the actual building cost as HMRC sees it as a capital expense rather than a revenue expense because the building is expected to be used for a reasonable period, and will provide an enduring benefit to the business.

As a result, none of the costs of a DIY construction or a ready-made office’s purchase price is deductible from your business profits, and that includes design and planning, as well as the actual construction and initial decoration. However, running costs, including the cost of heating and lighting the office, are tax-deductible, as are repairs and redecoration costs. Water rates are

however only allowable if the supply of water is separately metered from your home.

Capital Allowances:

Businesses typically use capital allowances to obtain tax relief on assets that generally qualify as Plant and Machinery (P&M) whereby if the asset purchased qualifies for Annual Investment Allowance (AIA), it enables a business to claim 100% of the cost of the asset in the first year, subject to the annual limit. The issue here is that not all assets qualify for AIA – and structures are one such asset class exclusion because they are considered as a place or setting in which the business is conducted. Nor can costs be claimed under the newly announced Structures & Buildings Allowance (SBA) because the expenditure is on residential property, and structures that function as dwellings do not qualify for the relief.

However, the good news is that fixtures and fittings do qualify for tax relief through capital allowances, so you can claim costs such as furniture, blinds, installation of power and heating, and even insulation, despite the latter being part of the initial construction.

VAT

If you operate a VAT registered business you will be able to reclaim the VAT on the cost of the building structure, fixtures



and furnishing although if there is private use of the office then only the business proportion of VAT can be reclaimed, and you must apportion it on a just and reasonable basis.

Benefit-in-kind (BIK)

BIK tax is payable when a company/ employer pays for the director’s or employee’s personal expenses. If a company pays for the garden office and it is also used privately for other means or by other family members, then an annual benefit in kind charge will occur. This is calculated by using the “assets made available for private use” rules and could be as high as 20% of the purchase price per annum.

Business Rates

You may be liable to pay business rates for the percentage of the shed that you are using for business purpose with council tax payable for the element used for domestic purposes. Contact your local valuation office for specific advice.

ters



Capital Gains Tax (CGT)

Ordinarily, the disposal of a primary residence is exempt from CGT per Principal Private Residence Relief (PPR) although if the office is used solely for business then a percentage of the property gain is liable to CGT, and you will have to apportion the gain you make on the sale on a just and reasonable basis (e.g. a percentage based on the sqm of the shed vs the footprint of the entire property or a separate valuation on the garden office by a local estate agent)

The type of garden office you build can also have an impact CGT. If the office is a structure that can be uninstalled and moved to another location e.g. a shed then there will be no CGT issue but if it is a permanently installed structure and will be sold along with the main residence, CGT applies. Your capital gains annual allowance will be available to offset against the gains made on the sale.

If you use an element of your garden office for personal purposes, CGT will not apply but will trigger the BIK charge, as outlined above.

Finally there are a few other factors which could have an impact on your decision to build a garden office.

- **Insurance:** Building a garden office may impact your home insurance so make sure you tell your insurers about your plans before you build, just to make sure you're covered
- **Planning permission:** Garden buildings don't usually need planning permission but there are rules around this, for example, how much of your available land the structure covers, and how close it is to any boundary

walls. Contact your Local Authority Planning Department to be on the safe side.

- **Mortgage** Building a garden office and using part of your home for a business may affect your mortgage. You must inform your lender about your plans.

The thought of holding those Zoom meetings amongst the tranquillity of the tulips may be tempting but as you can see, there is a "shed" load of complexities to consider – the simpler option may be to pay for the structure personally and charge a rent to the business for the office's use.

For advice, contact our tax team via mail@evansentwistle.co.uk

Tempted?

Check out shedworking.co.uk a blog billed as "the lifestyle guide for shedworkers since 2006"!

TAKE STOCK



Here are our top three trading apps to try...

E-TORO

Best for: Commission free trading

e-Toro is our top pick as one of the best investment apps in the UK for beginners and low-cost trading. Despite the much-publicised “commission-free” trading, eToro isn’t actually completely free, as it comes with a couple of unavoidable fees for deposits into and withdrawals from your account and for converting your deposits into another currency. That said, it is simple to use and the “copy trading” feature - which lets you see what other seasoned traders are doing, and mimic them - is a great way to learn the ropes.

FREETRADE

Best for: Simplicity

Fretrade is a free trading platform that’s a popular choice for new investors looking for an attractive user interface and an easy to use platform. Fretrade works on a “freemium” model - which means that it has features that are free for users, but more detail or additional features come at a cost.

IG

Best for: Learning Resources

IG has been on the market since 1974, and since inception has amassed an impressive amount of tips, tools and resources via the IG Academy, presented in a well designed and customisable dealing interface coupled with 24/7 support, 6 days a week. However, there is a danger of information overload here for the novice so this may be a platform to work yourself up to

Dealing in stocks and shares was once perceived as a dark art only performed within the realms of the super-rich, but with so many simple-to-use app based trading platforms now available online, the stock market is open to all, and it may just be worth a gamble...if you are prepared to do your homework.

If you’re thinking of taking a trip into online trading, here are the key considerations when choosing the right platform to build your portfolio:

OWN GOALS

The first question you need to ask yourself is whether you are in it for the long haul, or are you looking for a quick win? Income strategies typically make money in the short term i.e. you seek stocks that you can buy at a low price and sell at a higher price as quickly as possible to get a return, whilst growth strategies seek to generate returns in the long term i.e. you are effectively buying into the future development of that company and assisting it to grow.

COST IT UP

This is another big ticket item - some platforms charge a flat fee, while others charge based on how much you invest. If you’re starting small, you will want to go for a platform that offers a percentage basis, as the base cost of a flat fee arrangement could negate any gains you make.

TRADEABILITY

Different platforms permit investment into different vehicles, from standard shares to ISAs, from ETFs (Exchange Traded Funds - essentially a pooled basket of securities, ideal for beginners) to SIPPS (Self-Invested Personal Pensions) Stick with simple transactions before adding more advanced strategies to your trading toolkit

EASE OF USE

Some platforms feature an abundance of tools for the experienced investor but the flipside is that these features may equally bamboozle the novice. If you are starting out, simplicity of use is key, whereas if you have a few trades under your belt, the knowledge bases, web seminars and specialised charting tools can be invaluable in figuring out the current state of play within the stock market.

DO THE DEMO

A demo account that lets you “play” on the stock market without putting down any real money is invaluable to the newbie investor. Stock simulator apps which replicate markets with real world information will help you climb that somewhat steep learning curve - take a look at Stock Trainer: Virtual Trading or MarketSim



SNAP UP THE SUPER DEDUCTION

You may have heard of the excitingly titled “super deduction” which Chancellor Rishi Sunak announced last year – but what does it mean, and is it really a superhero for small businesses?

The government offered unprecedented support for companies during the Covid-19 crisis but even so, pandemic-related economic shocks and the accompanying uncertainty have chilled business investment to a degree. That’s why the Treasury announced the “super deduction” to encourage firms to invest in productivity-enhancing plant and machinery assets that will help them grow, and to make those investments sooner rather than later.

In a nutshell, from 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will be able to claim a 130% super-deduction capital allowance, and a 50% first-year allowance for qualifying special rate assets.

What this means in real terms is that companies can cut their tax bill by up to 25p for every £1 they invest – making the UK capital allowances regime one of the most competitive in the world, lifting the net present value of our plant and machinery allowances from 30th in the OECD to 1st.

What’s the rationale?

Weak business investment has played a significant role in the slowdown of productivity growth since 2008, and this is due to a significant degree to our historically low levels of business investment compared to our peers. The Government’s rationale is that making capital allowances more generous will stimulate business investment, and that in turn, promotes economic growth.

What is covered?

The two main types of capital allowances are:

- Writing Down Allowances (WDAs) for plant & machinery - covering most capital equipment used in a trade; and,
- Structures and Buildings Allowances (SBA) - covering the construction and renovation of non-residential structures and buildings.

The 130% super-deduction and 50% first-year allowance are effectively brand new, and rather generous, capital allowances for investments in plant and machinery.

What constitutes Plant & Machinery?

Most tangible capital assets used in the course of a business are considered plant and machinery for the purposes of claiming

capital allowances. There is not an exhaustive list of plant and machinery assets. The kinds of assets which may qualify for either the super-deduction or the 50% FYA include, but are not limited to:

- Solar panels
- Computer equipment and servers
- Tractors, lorries, vans
- Ladders, drills, cranes
- Office chairs and desks
- Electric vehicle charge points
- Refrigeration units
- Compressors
- Foundry equipment

Can my business benefit?

The super-deduction is not available to partnerships and sole traders – so businesses which are considering making a substantial investment may consider incorporating... but that decision should be driven on commerciality rather than taxation, and let’s not forget that the UK corporation tax rate is increasing from 19% to 25% from 2023. For companies with non-ringfenced profits over £250,000 (companies with profits between £50k and £250k will pay tax at the main 25% rate reduced by a marginal relief, providing a gradual increase in the effective Corporation Tax rate for smaller businesses).

FOR SPECIFIC ADVICE ON HOW THIS INCENTIVE COULD WORK FOR YOU, PLEASE CONTACT OUR TAX TEAM ON [02920 713 800](tel:02920713800).

SUPER DEDUCTION DEADLINE: 31ST MARCH 2023

START UP STORIES

Undoubtedly it takes courage, determination, and sheer hard work to start a small business, but in our many years of experience in assisting start ups to flourish, there is one stand out success factor – and that is an unwavering passion for the project at hand. We speak to two clients who have that passion in abundance...

Louis Watkins started Clear For Men in 2021

Louis, tell us about Clear For Men
Clear For Men is a premium male skincare range with a brand persona aiming to destigmatise mental health in men. I myself struggled mentally during the Coronavirus pandemic and my coping mechanism was to invest myself in a project that I hoped would resonate with people in the same position. In the UK, the most common killer for men under the age of 45 is suicide, as men are predicated to hide their emotions and are less likely to access therapeutic help. I hope that my brand illustrates that "it is okay to not be okay". Our tagline is "Hello Daily Mind, Goodbye Daily Grind" which is a reminder that no matter how monotonous, tedious, dull or tiresome you feel your daily routine is, you are still valued.

What is the science behind the product?

Clear For Men to me is more than just selling a product, it's about creating an experience, but I initially researched and developed our core offering – an invigorating facial cleanser - because I wanted to provide high quality skincare products to help men to feel good about themselves. Let's face it, men tend not to know what is best for their skin and end up using products which can lead their skin to look dull and dry. I wanted Clear For Men to change that.

What is the ethos of the brand?

Clear For Men promotes the 'Take Five' challenge, which is to Connect, Move, Be Present, Expand & Grow and Practice Kindness. Our 'Take Five' initiative simply encourages you to step away from your daily grind, whatever that may be, and take a moment for yourself, and to be kind to yourself.

What challenges have you encountered along the way?

I started working on Clear For Men in January 2021 and have encountered many a challenge along the way, from creating a brand identity (overcome with thanks to Parade Design in Newport) to learning how to trademark a logo, from sourcing suitable manufacturers to market researching samples amongst my target audience. However, each hurdle that I have overcome, and each milestone that I have reached brings me closer to delivering a high quality skincare brand that I hope will go global, and in doing so, I believe will spread the "be kind to yourself" message.

What do the next 12 months look like for your business?

I'm launching this September with one core product but intend to expand the range further to encompass a range of male grooming products, from nourishing moisturisers to soothing beard oils. In doing so, and in reaching a wider audience, I hope to create a greater platform for my key message, which is to empower men to speak up more about how they feel and to destigmatise male mental health issues. I am particularly passionate about advocating positive body image in young people - in today's society, there is so much pressure on young people to look good or act a certain way, and I feel education and open dialogue is key here, so I'm planning



to visit schools and workplaces to discuss the importance of mental health and to give tips on how to 'Take Five' when work and/or personal life becomes overly stressful.

I've also set myself a year one target to raise £10,000 for Mind UK, alongside which I plan to sponsor a local grassroots sports club to assist young people to reap the positive mental health benefits of physical activity – so if any Newport junior teams are currently seeking support, please get in touch!

Clean For Men is set to launch in late Summer, retailing via selected barbershops across South Wales and the South West, or buy directly online at www.clearformen.co.uk

Follow Louis via Instagram and Twitter @weareclear_ or via Tiktok: @clearformen_

Jude Cook and Carolyn Davies of **Shroot** know a thing or two about start ups, having won the Rising Star Award at the Wales Startup Awards in 2021. Now heading into their second year of operations, they share their experiences to date...

Carolyn, tell us a little about Shroot
Inspired by lockdown and months on end of not being able to meet friends and family, we created and launched Greens & Greetings. Growing microgreens became a lockdown hobby for Jude - they were so quick and easy to grow, and tasty too, and she wanted a find a way to share her hobby with friends remotely - and Greens & Greetings are the result. They're greeting cards that contain everything needed to grow microgreens, including the pot. Following the success of our Greens & Greetings, we launched another eco-friendly product; Wildflower Wishes, which are unique gift sets which include wildflower seed papers. You simply write your wishes on the papers, plant them, then watch your wishes grow into beautiful bee-friendly flowers



How has the business changed over the first year of operations?

When we launched we were selling directly to customers only via our website and after 5 months we started selling wholesale to shops and garden centres too. We're now stocked in over 80 stores across the UK, and our list of stockists is continuing to grow. We're looking forward to attending the Home & Gift trade show in Harrogate next month and meeting some of our existing stockists, and hopefully new ones too.

What has been your biggest achievement to date?

In May we won the Gift of the Year Awards 2022 in the Cards & Wrap category. We are really proud of this achievement as the awards are judged by industry experts and it's a highly coveted prize.

What advice would you give to a new start up business?

Don't be afraid to ask for help! Whether it's the advice of friends or family (worth listening to, but that doesn't mean you have to follow it!) or more formal through a mentoring programme. We've had some great advice and training through Business Wales, and they've also put us in touch with a mentor who has been helping us with our retail strategy. Someone who isn't directly involved in the business can offer a different perspective.

We've been learning and developing a lot over the last 18 months or so. You're bound to make mistakes – the key is to learn from them and not repeat them. For example, we've learnt what marketing techniques work for us, and which ones don't, so we'll plan accordingly going forward.

But sometimes the only way to know if something is going to work is by trying it.

Where's next for Shroot?

We're currently working on some new designs, and plan to extend our range of Greens & Greetings so they suit even more occasions. We're also planning to grow our corporate and custom gifting offering, creating bespoke Greens & Greetings with company logos, brand colours and messages, which can be used as gifts for clients, partners and staff, or as invitations for personal or business events. We fully intend to keep on "growing" Shroot!

Visit shroot.co.uk and follow the ladies on socials via Facebook and Insta at @helloshroot

Self Employed Retirement Strategies

The COVID-19 pandemic hit self-employed businesses hard, exacerbating the difficulty of making long-term financial plans.

We spoke to Andrew Pratt, Senior Partner at St. James's Place Partnership about how the self employed can build a brighter financial future.

“When it comes to long-term finances and retirement planning, the self-employed have little option but to engage or risk being left behind. While there are many challenges, the flexibility that comes with going it alone offers some benefits, too – and this might be particularly important in light of the impact of the COVID-19 crisis on their businesses.

Seven in 10 suffered a fall in business revenues in the first 6 months of lockdown with 9% ceasing trading entirely, according to research by the Financial Conduct Authority¹ That will inevitably affect retirement plans, an area in which the self-employed are in some ways disadvantaged. They are among the groups least likely to have a pension they are contributing to, the FCA reported, with just 55% building a pension pot, compared with 80% of all adults in work.²



Andrew Pratt, Senior Partner,
St. James's Place partnership



An uphill battle

There are several reasons for this. Most people open a pension with their employer, but the self-employed are excluded from automatic enrolment, which, since its launch in 2012, has seen millions of workers placed into workplace pension schemes to help them make payments and plan for retirement.

So, while self-employment has grown significantly in recent decades – rising from 8% of UK workers in 1975 to more than 14% by 2019³ – the pension challenges that come with it remain largely unchanged.

They include the unpredictability of income that is often a feature of self-employment. An erratic income stream, with good periods and not-so-good periods, is an issue - It's harder to plan ahead and know how much you can pay into your pension.

There's also the time and hassle factor, with self-employed people having to manage both their personal and business finances at the same time. Setting up and maintaining a pension and long-term savings plans can be time-consuming, especially when first leaving employment and embarking on the solo journey.

With no workplace pension available, the onus is on the self-employed to be proactive when it comes to making sure they are putting enough aside for later life. The employed are being nudged into saving more, whereas that doesn't happen for the self-employed, so it's about being savvy and active in how you plan.

Making it work

The odds might feel stacked against you if you're self-employed but in many ways, the flexible nature of self-employment fits well with the modern way of retirement.

Most people approaching retirement in the next 10 or 20 years will need to draw on a range of different assets, not just their pension – the self-employed have the opportunity to be a bit ahead of the curve in that respect.”

For instance, while pensions are important, they should ideally be just one part of a broader retirement savings package. Individual savings accounts (ISAs), personal pensions, self-invested personal pensions (SIPPs), property and business assets can all provide an income in retirement, as well as offering extra diversification and investment flexibility.

It's about building retirement assets, and your pension is just one of them – having a plan in place can help you take full advantage of the flexibility that often comes with being self-employed. That plan may involve making pension or investment contributions that fit with earnings levels that often jump up and down. For instance, some might find it easier to pay in lump sums every few months rather than contributing a set monthly amount.

Uneven or irregular incomes can also work in your favour due to the way pension allowances work. Under the annual allowance rules, there's a limit to the amount you can pay into a pension

each year, but there's also a 'carry-forward' feature. This means you can use any unused allowances from your previous three tax years to maximise your pension contributions in the current tax year. It also means that if you don't use all of your allowance this year, you can carry it forward and still benefit from it in future. In other words, you can balance out how much you contribute to your pension, depending on if your business is experiencing good years or tough times, and really take advantage of those tax allowances.

Working as a team

Maximising allowances and making the flexibility of self-employment really work well for you might come down to letting a professional take some of the burden off your busy shoulders. If you haven't used all of your allowance, your financial adviser can look at the past few years and see what you can do with it - when you're employed, it's easier to just let your pension do the work, whereas when you work for yourself, it's a jigsaw puzzle.

If you're self-employed and need help planning your retirement, please get in touch with Andrew Pratt at SJPP on 02920 0969

“Having an adviser is more crucial than ever in understanding how you can make contributions that fit with your work and earnings patterns. Retirement and pension planning will often fall down the list when you're self employed and have a lot to do, so it's important to ensure you're not in it alone”

Sources

1,2 Financial Lives 2020 survey: the impact of coronavirus, Financial Conduct Authority, 11 February 2021, 16,000+ survey respondents

3 What does the rise of self-employment tell us about the UK labour market?, briefing note, Institute for Fiscal Studies, 19 November 2020

ESG

Big business for small businesses

For a long time, financial metrics have been the lone benchmark of business success. But with social accountability and environmental concerns at an all-time high, and greater than ever demands on transparency and improved standards in governance, an increasing number of CEOs are embracing environmental, social, and governance (ESG) targets to meet customer and investor expectations. And its not just the realm of “big business”...

What is ESG?

ESG – short for Environmental, Social and Governance – is a set of standards measuring an organisation’s impact on the environment and on society, and how transparent and accountable it is in terms of company leadership, executive pay, internal controls, and shareholder rights, etc. Let’s look at those three component parts in more detail...

Environmental

The environmental aspect focuses on how the business minimises its impact on the environment by implementing more sustainable and ethical practices, for example:

- encouraging recycling and reducing the amount of waste destined for landfill.
- reducing carbon footprint by changing to LED lighting or using renewable energy sources with the aim of becoming a net zero organisation
- developing greener products and services
- switching to zero-waste products or sustainable packaging using biodegradable materials

Social

The social aspect of ESG focuses on how a business impacts both the workplace culture, and also wider society, with a core focus on equality, fairness and ethical business practices, including:

- promoting equality in the workforce with diversity and inclusivity policies, and being mindful of the gender pay gap
- monitoring the entire supply chain actively preventing abuse of labour rights, including modern slavery
- ensuring sound health and safety practices and advocating mental wellbeing
- investing in local community projects, such as funding educational programmes or supporting grassroots sports

Governance

The ‘G’ in ESG looks at governance i.e. practices and policies that ensure regulatory and legal compliance. This aspect also looks at the business’s ethical behaviour and its transparency with stakeholders, which will resonate particularly well with investors, and can thereby be instrumental in fostering the growth of the business.

Examples of governance practices include:

- accurate and timely reporting to stakeholders on financial performance, business strategy and operations
- ensuring those in senior positions are accountable for risk and performance management
- taking an ethical stance, implementing measures to prevent bribery and money laundering
- ensuring openness about executive remuneration

According to the CBI, two-thirds of investors take ESG factors into account when investing in a company - meaning that a robust ESG strategy has the potential to assist in the growth of your business, whilst also benefiting the environment and the wider community.



Why smaller companies should embrace ESG

Adopting an ESG framework has many benefits, from reducing risk and lowering costs to improving reputation and attracting new customers and employees. Here are some key advantages:

> Secure investment

According to Gartner 85% of investors considered ESG factors in their investment decisions in 2020, and public bodies are equally benchmarking ESG propositions when allocating grants and subsidies. The fact that your business has a transparent plan that focuses on improving the environment, supports diversity and equal opportunities and promotes ethical business decisions lessens the risk profile when securing funding.

> Lower costs

Initiatives that reduce waste and the amount of materials used, such as in packaging, can reduce costs. Reducing energy costs, such as switching to LED lighting, can lower overheads whilst minimising carbon footprint.

McKinsey states that ESG strategies can positively affect operating profits by as much as 60%.

> Attract employees

A sound ESG strategy may assist the business in finding talent more easily. Increasingly more employees are seeking to work in more eco-conscious and socially responsible enterprises, aligning themselves with companies that foster a diverse and inclusive workplace, with opportunities for enhanced work/life balance and employee support programmes for mental wellbeing.

> Attract customers

Some customers may be more willing to buy a similar product from a more ethical brand than another organisation – even if it costs more. Research by McKinsey found that over 70% of people said they would pay an additional 5% for a green product if it met the same standards as non-green alternatives.

Read our full Commitment to ESG on our website at www.evansentwistle.co.uk

The Evans Entwistle ESG Commitment

Here are just a few examples of our own commitment to ESG principles

E – we aim to conduct all business operations electronically, minimising the use of paper across the organisation to offset our carbon footprint

S – we support several grassroots football teams and undertake a minimum of 1 day pro bono work per month for charitable organisations such as Cardiff Dogs Home

G – we adhere to a stringent ethical code of conduct as laid down by our professional bodies, the Chartered Institute of Management Accountants and the Association of Chartered Certified Accountants

SOUNDING OUT NEWPORT CI

We speak to Ian Lamsdale aka Lamsie, one of the founders of Newport City Radio

Tell us your story...

Newport, compared to other cities (and even towns), is missing its very own Community Radio service. There are plenty of BBC and commercial radio services out there but nothing 'hyper-local' (as we call it!). Community radio helps engender a sense of civic pride in its local area, solidifies its unique identity, celebrates its diversity, and rejoices in all its successes. Our aim is to be the go-to place for all things positive in Newport - people, places, charities and businesses thriving together under our brand.

On the surface we provide our city with huge anthems every day, fun on social media, hyper local podcasts and a voice at the best community events in our city! But our underlying mission is to give local people the tools to share local content for and about Newport via our website, online radio, social media, and podcasts and events.

Since 2008 we have provided our volunteers with safe spaces, good quality equipment, and professional mentoring so that like-minded people can come together to work on their interests, be creative and contribute to society. We also provide training with a strong emphasis on transferable skills including ICT, planning, team working and confidence whilst also helping them to build long lasting friendships and relationships (we've even got two Newport City Radio babies!)

You operate as a Community Interest Company (CIC) which is "a special type of limited company which exists to benefit the community rather than private shareholders". Why did you choose that route?

When we incorporated in 2011, we considered our options. The Charity Commission route seemed bureaucratic and cumbersome, plus we knew that we wanted to have a business edge and sell our services for the benefit of the community, so a CIC seemed the logical fit for ourselves as a social enterprise.

What does success mean for you?

Success for us is seeing our volunteers grow in confidence and develop skills they didn't know they had, which can lead into all manner of better life outcomes e.g a route into the media industry - in fact, one of our ex-volunteers now hosts the most listened-to podcast in India!

Outside of the organisation we work with and support other bodies, groups and individuals who are striving to make Newport a better place, including Dragons Rugby, Gwent Police, GAVO, Newport BID, Maindee Festival, Pride in Port, Rainbow Newport. Newport County, Newport LIVE, Newport City Homes, Pobl and notably our local music community through our 'Love Live Music' initiative amongst others.





TY RADIO

What have you learnt on your journey?

In 2019 the charity with whom we shared a building went into administration, effectively leaving us homeless – a major issue as having a base of operations with all the requisite admin support is critical for a 24/7 radio service! Having a plan B for such a scenario hadn't factored into our thinking, and this was a massive blow. Fortunately, we received some fantastic rehoming offers from many organisations, which I feel is testament to the enduring friendships we have built within our community along our journey.

Then of course COVID-19 struck, but we took this as an opportunity to settle into our new home at the iconic NEON building, just outside the city centre, and work on highly important back office areas such as policies and procedures, business and financial planning for the next era of Newport City Radio. In that regard, we've also learnt that it's not always about pushing further ahead - sometimes you must take a concept back to its roots and see if your aims and objectives are still relevant. We operate in a digital landscape where change is constant, so strategic thinking and contingency planning are essential.

What does a typical week look like?

Every week is different, from radio shows including Shane's Dance Party, Luke's Indie Hour, Philip's Retro Chart Countdown, a live radio version of our Twitterspace, Look Back in Amber, planning for our 400th episode of the BigShot Sound System plus a myriad of events including the Newport County Warm Up, music for Dragons v Scarlets, the 2022 Dementia walk for Alzheimer's Society Wales with Newport Live and a supersized Newport County Warm Up in aid of Kidscape – all of which was recently capped by us winning a 'Special Recognition' award for our work in the community from Newport County AFC. We are humbled and thrilled by this.

How does the future look for you?

2022-25 will see a huge amplification in what we do. We aim to bring the whole team back together again in our new setting whilst being mindful of our ecological footprint, with our ESG commitments being at the heart of all that we do.

The 'amplifier' project will see us increase live shows from 7 in the first quarter to 25 by the end of the year, and our plan for social media is continued growth with Facebook for

fun, Twitter for news and Instagram to tell our story, a visual representation of the amazing work our volunteers do in our name, for Newport. We are also aiming to "amplify" our finances, building on our commitment to fiscal responsibility and sound governance, managing our funds responsibly to help secure sponsorship of shows, podcasts and events.

What are your challenges?

A frequency on the FM waveband has not been available to us due to clashes with Bristol services thus the internet continues to be our natural home for radio, podcasts, and socials. As 4G becomes 5G, we are ideally positioned - we're already on smartspeakers, smartphones via the TuneIn app and Spreaker for podcasts and www.newportcityradio.org but crucially, small scale DAB coverage in Newport is set to come in fast and we are working hard to understand the opportunities here so that we can make the best decisions for quality community broadcast radio representation in our city.

Newport City Radio is as exciting a place as it ever was - we call it "Day One...with 14 years of experience!"

Newport City Radio broadcasts 24 hours a day, 7 days a week online via www.newportcityradio.org on mobile via the TuneIn app and on your smartspeaker by saying "Play Newport City Radio" Also follow the crew on Facebook, Twitter & Instagram [@npcityradio](https://www.instagram.com/npcityradio)

A Degree of Change

The government has announced the largest changes to the student loans system in England since fees were allowed to triple in 2012.

Starting with the 2023 university entry cohort, graduates will pay more towards their student loans each year and the length of time that students pay their loans back until they can be written off has been extended from 30 to 40 years (It's one reason those who are near retirement, who don't have a degree find it very appealing as unless they've a huge pension, they know they'll never have to repay!)

In addition, the income threshold at which loan repayments begin will be lowered from more than £27,295 to £25,000, with graduates required to repay 9% of whatever they earn over the threshold which will be frozen at this rate until 2026-27, following which it will increase in line with the Retail Prices Index (RPI), however, the interest rate on student loans will be reduced to the rate of increase in RPI a large cut of up to 3 percentage points.

These changes will transform the student loans system. While under the current system, only around a quarter can expect to repay their loans in full, from next year around 70% can expect to repay under the new system. This is partly due to substantially higher lifetime repayments by students with low and middling earnings and partly due to less interest being accumulated on loans. The long-run benefit for the taxpayer will be around £2.3 billion per cohort of university entrants, as higher repayments by borrowers with low or middling earnings will be partly offset by lower repayments of high-earning borrowers.

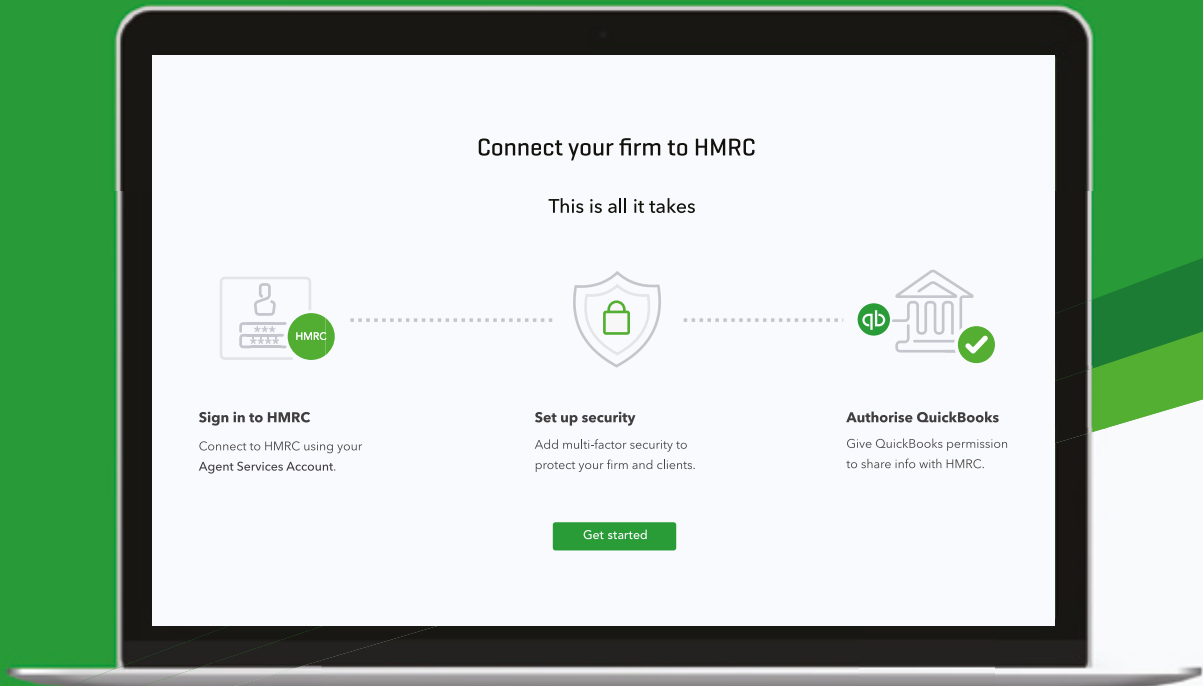
The new system has much to recommend it. Lower interest rates mean that student loans are now quite a good deal for all students, whereas previously students whose parents could afford to pay the fees upfront, and who were confident that they would earn enough to pay back the loan in full, were substantially worse off using the loan system. This is no longer the case, which should raise trust in the system.

The reform also makes the system much more transparent for students. For most, it is now appropriate to think of their student loans as more akin to more familiar consumer or mortgage loans. That is because a majority can now expect to pay off the loan at some point, rather than have it written off. Alongside the cut in the interest rate this also means that repayments will more closely correspond to amounts borrowed.

The Department for Education (DoE) said that the changes would rebalance the burden of student loans more fairly between the student and the taxpayer. Michelle Donelan, Higher and Further Education Minister, said: 'We are delivering a fairer system for students, graduates, and taxpayers as well as future-proofing the student finance system. 'We are freezing tuition fees and slashing interest rates for new student loan borrowers, making sure that under these terms no one will pay back more than they have borrowed in real terms'

➤ Find out more about all aspects of student finance for undergraduates at [gov.uk/student-finance](https://www.gov.uk/student-finance)

Now's the time to switch to QuickBooks



Making Tax Digital Ready

- Hassle-free MTD tax management
- Submit VAT returns with your accountant
- Easily track your VAT

Talk to us about switching to QuickBooks.

EvansEntwistle

CHARTERED MANAGEMENT ACCOUNTANTS & TAX ADVISORS

Numbers are the heartbeat of a business



Monitor the health of your venture with timely management accounts

Provided on a monthly, quarterly or biannual basis, our comprehensive management accounts packs are tailored to your specific needs, reporting on the metrics that matter to you. Each pack provides detailed insights on trading performance, highlighting strengths and weaknesses alongside graphical data, trend analysis and informative commentary for tighter cost control, improved efficiency and ultimately, smarter strategic decision making.

Contact us to discuss how we can help you to better manage your business.

 Facebook fb.com/evansentwistle

 Twitter: [@EvansEntwistle](https://twitter.com/EvansEntwistle)

 LinkedIn: [Evans-Entwistle-Chartered-Management-Accountants](https://www.linkedin.com/company/evans-entwistle-chartered-management-accountants)

 Instagram: [@EvansEntwistle](https://www.instagram.com/EvansEntwistle)

Penarth Office

Villas House,
7 Herbert Terrace,
Penarth, Vale of Glamorgan,
CF64 2AH

Bristol Office

432 Gloucester Road,
Horfield,
Bristol,
BS7 8TX

Newport Office

Venta House, 9A Port Road,
Maesglas Retail Park,
Newport,
NP20 2NS



Visit the website!
[evansentwistle.co.uk](https://www.evansentwistle.co.uk)