

# The Way Forwards

The end of lockdown, and the start of a new tax year...what does it mean for your business?

### PLUS...

The 10 Cashflow  
Commandments

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A Budget For  
Business

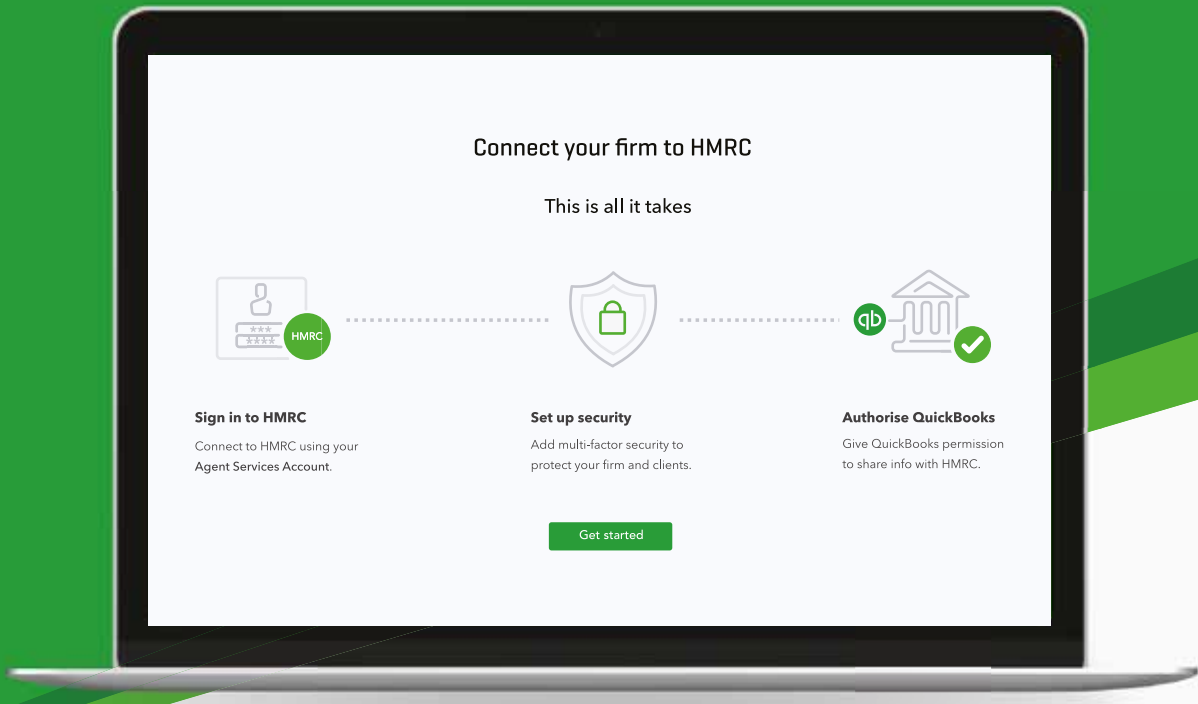
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# WELCOME

Hello and welcome to this issue of iN<sup>s</sup>ight, the first of 2021, arriving hopefully on your doormat at a time when lockdown restrictions are easing and the UK is getting back to normal....well, as normal as it now gets.

When I last wrote my Editor's Intro for the last issue of our iN<sup>s</sup>ight, back in 2019, the economy was thriving and the outlook for small business looked promising...

Who knew back then what lay ahead for us all in 2020? As lockdown continued, we as a practice chose to put our usual communications activities such as iN<sup>s</sup>ight on hold in favour of a rather different form of communication, focussing solely on assisting our clients and contacts to find out about – and access – the myriad of Government Covid-19 financial support on offer to help individuals businesses survive the pandemic. But now as the demise of virus is hopefully on the horizon, we are pleased to bring you this new issue of iN<sup>s</sup>ight, to coincide with the start of the 2021/22 tax year.

These times still present many a challenge; some of you may well still be working from home, and on page 10 of this issue, our client Ryan HR shares sound advice on how to manage the "WFH" burnout that we know that some of you have inevitably felt. Many of our clients are also telling us that collecting cash has been particularly problematic this past year, so on page 6 we've put together some tips on how to avert a cashflow crisis. And it's not only small businesses that have to balance the books – Chancellor Rishi Sunak has the unenviable

task of repairing the £400bn-plus hole in the Exchequer's finances that has been spent to date on Covid-19 support – on page 8 we look at the tax measures coming into effect this April that will seek to do just that.

But amongst the negativity and worry that the pandemic brought, there have been heart-warming stories of positivity; I have had many conversations with small business owners over the past 12 months who have proved just how resilient they are and shown how they are adapting to this new way of living and working to ensure they can continue to do what they do best; turn to page 16 to see the read about client, Snobby's who has been both admirable and agile in his endeavours to ensure his Bristol based wine bar survived – and thrived – during lockdown. We also hope that our piece on our new charity of the year – Cardiff Dogs Home – will make you smile.

In this changing landscape, it is more important than ever that we all work together and support our fellow businesses wherever possible, so if you have some good news you would like to share with us for our social media platforms (below) or feature in the next issue of iN<sup>s</sup>ight, we'd love to hear from you.

Wishing you all the best

Lisa



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# E<sup>2</sup>

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# BUSINESS BITES

Bite sized brilliance to brace you for the business day!



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APP-HAPPY:

## TO THE RESCUE!



**RescueTime** automatically tracks the time that you've spent on apps and sites and sends you detailed reports based on your activity, giving you an accurate picture of how you spent your day. You can set alerts to notify you when you've spent a certain amount of time on a particular activity (we're sure you're only perusing Instagram for work purposes, right?) and also block distracting websites. So if you are wondering how your day always seems to run away with you, this app is going hit you with the brutally honest truth!

## COMPANY NEWS

Our new website launches in April thanks to The Web Designer Group – watch this space for more tax tips, accountancy advice and latest company news at [www.evansentwistle.co.uk](http://www.evansentwistle.co.uk) You can also follow us on our usual Twitter and Facebook sites as well as our new Instagram page @evansentwistle



**“THE ONLY PLACE WHERE SUCCESS COMES BEFORE WORK IS IN THE DICTIONARY.”**

Vidal Sassoon

We're delighted to have been appointed as a trustee to the **Penarth Chamber Music Festival**, a wonderfully talented group of distinguished musicians renowned for showcasing an annual series of chamber music concerts from the iconic Penarth Pier – undeterred by Covid-19, they successfully live streamed a full digital version of the festival last June but we're all hoping that a real life audience is back for this year's Summer Festival which is provisionally scheduled for June 24-27th - keep tabs on the website at [penarthchambermusicfestival.org.uk](http://penarthchambermusicfestival.org.uk).

Penarth Chamber Music Festival

Evans Entwistle online: [www.evansentwistle.co.uk](http://www.evansentwistle.co.uk)

## BOOKSHELF:

### THE MIRACLE MORNING BY HAL ELROD

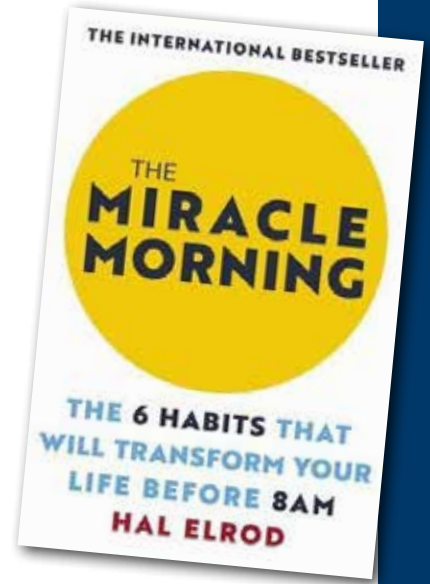
(Available on Amazon, £7.39)

Our client, Tanya Lynch, start up coach, expert connector, and founder of Lynchpin Media, reviewed this book on our behalf and says...

*"Sometimes you find a book that slaps you in the face, one that affects you in a positive way - a real page turner! Do you find even in a pandemic you're busy? Busier than ever? Are you struggling to find some ME time? Would you read a book that teaches you m how to transform your life*

*before 8am each day?*

*Well take it from me now is the time to make the time! WAKE UP early and reach your full potential. I have procrastinated about journaling for years and after reading the Miracle Morning I am up at 6am every day to work on the 6 habits called 'SAVERS' I will re read this book and I shall be buying it for my family and friends - The Miracle Morning is one book not to miss in 2021!"*



**"I'M CONVINCED THAT ABOUT HALF OF WHAT SEPARATES THE SUCCESSFUL ENTREPRENEURS FROM THE NON-SUCCESSFUL ONES IS PURE PERSEVERANCE."**

Steve Jobs

## KEY TAX DATES:

### APRIL 2021

**1st** - Digital links for Making Tax Digital for VAT returns are required. Any late payments on 2019/20 outstanding tax that was due by 31st January which remains unpaid will incur a 5% penalty

**5th** - Last day of the tax year and the deadline for pension contributions and ISA investments for 2020/21

**6th** - Start of the new tax year

**14th** - Any income tax for the CT61 period up to the 31st of March 2021 is due.

**19th** - CIS deductions, student loans, and PAYE due for the month to 5th April 2021. Quarterly PAYE payments for small employers due for the pay periods from 6th January 2021 to 5th April 2021. Online submissions for employers' final PAYE return for 2020/21.

### MAY 2021

**3rd** - Employers must submit their P46(Car) if their car/fuel benefits changed during the quarter to 5th April 2021.

**19th** - CIS deductions, student loans, and PAYE due for the month to 5th May 2021.

**31st** - Deadline for P60 forms for 2020/21 to be issued to employees.

### JUNE 2021

**1st** - New Advisory Fuel Rates (AFR) for those who **use company cars apply from today.**

**19th** - CIS deductions, student loans, and PAYE are all due for the month to 5th June 2021.

**30th** - Marks the end of the CT61 quarterly period.

**WE CAN FILE YOUR  
2020/21 SELF  
ASSESSMENT FROM  
TODAY ONWARDS**



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# The 10 Cashflow Commandments

Given the turmoil of the past twelve months, the old adage “turnover is vanity, profit is sanity, cash is king” has never rung truer. Nothing closes a company quicker than a cash flow crisis, so we’ve put together a few tips to help your business mitigate against such a situation:

1. **Spell it out** – describe the product or service fully at the outset so the client understands, meaning less opportunity for any payment delaying queries.
2. **A bird in the hand** – if you’re in the service sector, ask for a percentage of the fee up front to give yourself some headroom; take the stance that you are ready to start if your client is ready to pay!
3. **Split the difference** – consider splitting a large bill into a number of smaller invoices; a client with cash flow issues is more likely to perceive a large balance as a problem and therefore sit on it, whereas smaller more manageable amounts will be paid more quickly.
4. **Highlight terms** – confirm terms upon engagement but also reiterate them on your invoice so that the payment deadline is clear, also pointing out any late payment action such as interest and charges.
5. **Invoice promptly** – after a project is completed, it’s all too easy to move on to the next one and forget to invoice, but a customer has no obligation to pay until the invoice is received. Don’t bill once a week or once a month, but as soon as the goods or services are delivered.
6. **Credit...where it’s due?** - if you’re offering a period in which to pay, use the phrase “Payment due within x days” as opposed to “Net 30” so that there can be no ambiguity over the timeframe – and if you’re not offering terms, be aware that the phrase “due on receipt” gives an argumentative customer ammunition to contend the date an invoice arrived
7. **Make it easy** – give the customer a range of payment options, and make sure information such as bank details is very visible; offer direct debits if it suits your business model so that clients pay upfront on a set day of the month, meaning you can plan to make your own outgoing payments several days later
8. **The early bird....** yes, you want to be paid in full for work you have undertaken, but if it comes to the cash being in your pocket rather than the client’s, then you may want to offer a discount for payment within x days. The earlier you get paid, the less risk of something happening to your customer, plus from a working capital perspective, it lowers your cost of borrowing
9. **Mind your manners** – if the person paying the bill is not your immediate point of contact, then be sure to build a warm relationship with them too – plus research has shown that messages such as “thank you for your business” can increase the chances of your invoice being higher on the list of payables.
10. **If all else fails...** - if your customer simply won’t settle up, your next best option is the Government’s “Money Claim Online” (MCOL) portal which gives individuals and businesses a low cost route to take those who owe them fixed sums up to £100,000 to court without engaging legal representation. Fees apply which are scaleable, according to the size of the debt but if you are successful in your claim, you may add costs and interest to the sum owed. Ask our team for more information.





# When is a tree not just a tree..?

**The British government has set out an expectation for UK businesses to become carbon neutral by 2050 – and this year will trigger a timeline of important deadlines via the UK Environment Bill which is expected to become law in 2022.**

Whatever happens, the direction of travel is clear - businesses will need to provide a professional externally verified report of their carbon footprint, and then offer a solution to off-set these emissions. There are numerous ways to achieve this, but the one method upon which all scientists agree is also the most simple: we need to plant more trees.

We speak to Jon Sexstone, a Director of Somerset based Wanderlands, a UK tree planting and biodiversity enterprise which creates sustainable environmental and educational experiences to reduce the effects of the climate crisis.

Says Jon: "Wanderlands offers a unique turnkey way for businesses to become carbon neutral. Firstly, our team of chartered environmentalists produce a report of your current carbon footprint, as well as a projection of how it might look in the future.

We then produce a plan to offset these emissions using the basis that 1 hectare of new UK tree planting can sequester up to 400 tonnes of Co2 during their lifetime – and we do this in several ways, from planting trees on our wholly owned dedicated sites through to planting micro forests or woodland mosaics on smaller pieces of land, or you can choose to be part of one of our rewilding

projects across the UK. We undertake a full ecological survey of any planned planting site including extensive soil tests and we also work closely with the Forestry Commission's local Woodland Officer to ensure we are aligned to any relevant preservation orders or requirements. This analysis of local ecosystems tells us which trees are best to plant in that location, to not only capture carbon but enhance the existing biodiversity.

As much as we're able, we plant trees locally to you, and as custodians of newly planted trees, your forest will be an indelible part of your company's brand

story meaning that you add value to your corporate social responsibility campaigns whilst helping offset your carbon footprint.

However, not all tree planting is the same. Wanderlands provides the end-to-end "supply chain", in that we buy the trees, we plant the trees, and crucially, we commit to looking after the trees. We also manage our own sites, with our flagship location at Paradise Hill in Croscombe Somerset, close to the beautiful city of Wells where we're committed to working in collaboration with our local community. There, we're improving public access including new information boards, pathways and seating, and going forwards, we'll also be creating educational climate change awareness events and education programmes.

This means that the land will be constantly alive and working – to not only offset carbon emissions but also to encourage locals to 'wander' around and enjoy the site (hence the company name!)

The programme is not just open for businesses who want to protect the planet - individuals can also plant and protect 1 metre square of UK biodiversity and forest from just £3 per month. Find out more at [wanderlands.earth](https://wanderlands.earth)



**'The best time to plant a tree was 20 years ago. The second-best time is now.'**- Chinese proverb

# Contractors: All Change for April

The IR35 or Intermediaries Legislation was first introduced in April 2000 with the aim of addressing tax avoidance by individuals who provide services to clients via their own limited company (e.g. contractors) but whose working relationship with the client is more alike to permanent employment. HMRC seeks to identify “disguised employees” using such an arrangement in order to reclaim the additional tax and national insurance contributions the worker would have paid if employed by the client.

From 6th April 2021, the IR35 rules will change so that medium and large businesses (including all public sector bodies) must decide the employment status of individuals who provide services to them through an intermediary (where your client is a small business, the onus is on you to check your employment status for IR35 purposes) Let's cover off what this means in practice...

#### What happens if I am deemed “off payroll”?

Where your client decides that the new off-payroll rules do apply to you, they should ask you to complete a “starter checklist” which allows them to operate the correct tax code - your client will then deduct tax and NI from payments, in effect treating you as if you were an employee.

#### How should I record this income?

There are various ways to correctly record income from which tax and NI has been deducted in your business's books. Our advice is to record the full amount that you invoice your client as sales income - you can then record the PAYE tax and NI deducted as an expense, say as a salaries and wages cost, the net amount being income for your company. You can either pay this or retain it in your company. Our recommendation is

that you pay it as salary and credit the amount to your director's loan account. You can then draw it as and when you need. HMRC deem that the salary payment from your company does not need PAYE tax or NI deducting from it as this has already been done by your client

Alternatively, your company could pass the net amount received from the client to you as a dividend (as long as it has profits at least equal to the amount it pays you). However, unlike salary, dividends aren't a tax-deductible expense for your company and so paying them can leave it with a profit liable to corporation tax (CT). The dividend also counts as taxable income for you. To prevent “double taxation” i.e. you and your company being taxed on income from which tax (and NI) has already been deducted by your client, you need to make special claims: one for your company's CT return and the other for your personal self-assessment return

#### What about VAT?

The new off-payroll rules do not affect VAT. If you are registered for VAT you must continue to add it to your invoices and account to HMRC for it on your VAT returns in the usual way.

**If you feel that IR35 will affect you, contact our Tax Team for advice.**

#### Check with CEST

Use HMRC's “Check Employment Status for Tax” tool (CEST) to check if IR35 applies to any contracts - you can also use it as a tool to help identify where you need to modify your contracts and working practices to prevent IR35 from applying. While checking CEST isn't compulsory, the advantage is that HMRC will stand by the result it produces as long as the data you provide was correct and entered accurately.

#### But what if “computer says don't know”?

HMRC's own statistics show that in around 20% of cases the CEST tool fails to decide one way or the other, and where it is inconclusive, HMRC recommends checking its rather lengthy Employment Status Manual (not light bedtime reading).







# A Budget That Backs Businesses

**Chancellor Rishi Sunak delivered his 2021 Budget speech on 3rd March, outlining a range of financial measures designed to boost the UK economy once the current coronavirus (COVID-19) lockdown ends.**

Despite last year's 10% contraction in the UK economy being the worst slump in over 300 years (since the Great Frost of 1709, no less) the Office for Budget Responsibility expect that the UK economy will recover to its pre-pandemic size six months earlier than previously anticipated, with expected growth of 4% this year and by 7.3% in 2022. However, despite further growth predicted for the following three years thereafter, the economy will still be 3% smaller in five years' time than it would have been if the pandemic had not happened.

But the Chancellor pledged to do 'whatever it takes' via a three point plan to protect the jobs & livelihoods of the British people, fix public finances and build our future economy.

Mr Sunak's speech unveiled a raft of changes, including an extension to the Coronavirus Job Retention Scheme (CJRS) until September, a super-deduction providing allowances of 130% on most new plant and machinery; an extension of the stamp duty holiday until 30 September (in

England) and £5 billion in restart grants to help boost businesses once the lockdown comes to an end.

Mr Sunak also confirmed that the Self-Employment Income Support Scheme (SEISS) has also been extended, with two further grants this year claimable by the self-employed who have filed their tax return for 2019/20 by midnight on 2 March 2021, which should include the newly self-employed from 6 April 2019 provided they have filed their 2019/20 tax return.

The stamp duty nil rate band on residential properties in England up to £500,000 will continue until the end of June, tapering to £250,000 until the end of September, before returning to the usual level of £125,000 from 1 October.

To support businesses as they re-open following lockdown, £5 billion will be made available in restart grants. Non-essential retail businesses re-opening first will be eligible for up to £6,000 but the leisure and hospitality sectors, which have been worse affected and will re-open later, will be eligible for up to £18,000.

Hospitality and leisure businesses will also pay no business rates for the next three months, then rates will be discounted for

the remaining nine months of the year.

However, the rate of corporation tax will increase to 25% in April 2023 for companies with profits over £250,000, whilst retaining a Small Profits Rate of 19% for companies with profits of £50,000 or less. In practice, this means that just 10% of companies will pay the highest rate.

Turning to duties, tax on beer, wine, cider and spirits has been frozen while fuel duty will also remain frozen for an 11th consecutive year.

Mr Sunak also introduced green measures, including a new national infrastructure bank, which will open in Leeds with £12 billion capitalisation from the government, which will also offer a green retail savings product.

He also confirmed the location of the eight Freeports in England – designated economic zones with favourable tariffs and lower taxes favour business – and promised to work with the devolved administrations on similar schemes.

**All of the principle announcements are outlined in more detail via our website at [www.evansentwistle.co.uk](http://www.evansentwistle.co.uk) where you can also download our full #Budget2021 summary**

# Beat

# “Work From Home

# Burnout

It was incredible to witness how the working environment evolved during the pandemic to accommodate social distancing and isolation for those working at home...but is there an emotional cost? We speak to Joanne Ryan at Ryan HR in Cardiff:

Says Jo: “Many companies are having to adapt to survive and the changes that are being implemented to save people’s livelihoods can result in uncertainty for some. The stats suggest that one in four people will have a mental health problem, with the negative energies of a poor working environment being a contributing factor.

For many, working from home previously would have been considered as a luxury, an opportunity to catch up on the workload and other commitments without the office distractions. Lone working from home however lacks the humour and the social contact, the opportunity to reflect and offload over a cup of tea; peer support is diminished. The new normal way of working is on Zoom or Teams, and workers have adapted to this quickly - but virtual communication is hard and can come at a cost to wellbeing.

The opportunity to view body language and feel close engagement is now very different; subtle changes are overlooked and nonverbal cues go unobserved, meaning that the chance to monitor wellbeing is lessened.

Plus, a typical day used to consist of a 30 minute journey to work ready to start at 08.30 and leave at 16.30 hoping to miss the rush hour traffic and home for 17:15 (if you are lucky!) A day now seems to start much earlier and extends later, with business targets and deadlines taking priority over personal needs, exacerbating stress. Work and home life are now becoming one - did anyone notice it happening? It’s easy to become lost.

The constant pressure of having to deal with difficult situations in isolation takes its toll on an individual and the reality is that many of us are experiencing difficulties associated with “WFH”. People are unique and all have different coping strategies and where one person finds it easy to deal with, another may experience a significant compromise in the mental health. As human beings we require food, water, warmth, love, security, emotional and physical contact, hope, nurturing confidence, guidance, support and importantly we like to feel valued. When we have mental ill health, this can mean we lose our sense of purpose, affecting everything that is required to survive, cope and function. There are many people that will have woken up feeling “what is the point?” over the past 12 months.

Any work place, regardless of physical location, should be a space for employees to thrive. Productivity can be increased by as much as 12% by a proactively recognising and supporting mental wellbeing.

ne”



**Identifying triggers that impact on your mental wellbeing will help to anticipate issues and find solutions, such as the following:**

- Be proactive by thinking about your mental wellbeing now. How do you actually feel? We often do not take time to stop and think about ourselves – we’re usually too busy thinking of others. Yet good mental health means you can enjoy your life, engage with others, relationships are better and you will develop more resilience to cope with whatever life throws in your direction – which can only benefit others.
- Recognising that some days will be better than others is okay. Focusing on the positives, and assessing what has gone well, no matter how small, and what has not gone well, is an important point of learning; the opportunity to reflect helps reframe the future.
- Take regular breaks from the screen/phone and think: “Are all these Zoom meetings and emails exchanges really necessary - does this add unnecessary pressure when individuals are already struggling to cope with the pressure of lone working?”
- Gain support to get you through those tough days – a work buddy or a friend that you can just text or call for a “pep talk”
- If working from home is becoming a blur, create boundaries and have a designated area to work to help separate the task area from the leisure area.
- Spending time for yourself can make you more resilient. Do something you enjoy, take time for you. Exercising, as an activity as gentle as yoga, can help with concentration whilst a good nights sleep will help with building self-confidence. Meditation calms racing mind, whilst eating a nutritious, well balanced diet will improve overall wellbeing
- Remember that help is always out there, and it comes in different ways - a family member, a friend, a colleague, HR or Occupational Health department or your GP. Whilst face to face counselling may have been a barrier due to Covid-19 guidance, many practitioners have embraced the digital world and offer online sessions – there is plenty of useful info on the MIND website at [mind.org.uk](http://mind.org.uk). Reach out - you are not alone.

## *The Company’s Remit*

The old adage that “Employees are more than just a number” is never truer than now. If a worker’s self-esteem is high, so is their ability to cope with their workload, ensuring productivity gains – a win for both sides.

Yet mental ill health in the workplace for many remains a taboo subject, with some fearing that taking a stress related period off work would render it difficult to return, which in turn affects confidence – a vicious circle. Facilitate open and honest conversations about mental wellbeing in a positive manner, as the faster help is sourced then the quicker recovery can begin. Appointing and training an accessible “mental health first aider” is a useful resource for any company, whose role in the workplace is to act as a first point of contact for people with mental health issues, providing support, positive guidance and signposting to solutions to their colleagues. This may just be the catalyst that rescues someone at a difficult time.



# Intelligent Investing

Small business is the lifeblood of the British economy yet it's the sector that struggles the most when seeking investment to grow and prosper. HMRC's various Venture Capital schemes, introduced by the Government to encourage private investment into high growth potential ventures, not only provide a real alternative to high street lending for the business owners but offer investors an enticing package of tax incentives.

## Enterprise Investment Scheme (EIS)

Enterprise Investment Schemes (EIS) are an intelligent way for investors to fund small UK businesses in return for an equity stake – over 30,000 individual companies have benefitted from an estimated £22 billion of private investment through the scheme since its launch EIS in 1993. The nature of investing in small, often fledgling, companies with bold new ideas can however be high risk - the Government therefore incentivises attractive array of tax reliefs...

- ☑ **Income Tax Relief - 30%** upfront Income Tax relief. There are no exclusions to this tax break and it can also be spread across the current and previous year's income tax bill. This is called a "carry-back" and it allows the investor to use any surplus income tax relief for the previous year if the current year's income tax is reduced to zero;
- ☑ **Capital Gains Tax (CGT) Deferral** - an investor can defer capital gains realised on a different asset, where disposal of that asset was less than 12 months before the EIS investment or less than 36 months after it. This relief is limited to the amount being invested into the EIS and can be claimed by investors whose interest in the company does not exceed 30%. Where gains arise on the EIS investment, taper relief is available;
- ☑ **CGT Reinvestment Relief** - No CGT to pay on any gains made when the investment is realised after three years (five years for investments made before 6 April 2000), provided the EIS initial income tax relief was given and not withdrawn on those shares;
- ☑ **Loss Relief** - if EIS shares are disposed of at any time at a loss, such loss can be set against the investor's capital gains or income in the year of disposal,
- ☑ **Inheritance Tax Relief** - shares do not form part of the estate for Inheritance Tax purposes, provided the investments have been held for at least 2 years at time of death and the company qualifies for Business Property Relief ("BPR").
- ☑ **Maximum subscription** is currently £1,000,000 per investor per year, yielding a potential reduction in tax liability of £300,000 per annum (assuming the investor has sufficient income tax liability

## The Seed Enterprise Investment Scheme (SEIS)

The Seed Enterprise Investment Scheme (SEIS) targets seed and start up companies less than two years old for investments of up to £150,000, capping the maximum that can be invested in any tax year at £100,000. The investor benefits from all of the EIS tax breaks, with the exception that – as the scheme focuses on higher risk start-up investments – the initial relief is a highly attractive 50%.

# Current Tax Efficient Investment Opportunities In Our Portfolio

We are currently brokering deals for the following client ventures seeking investment in return for an equity stake of up to 30%:



## Regan Developments Ltd

Regan Developments is an independent film and television content development house, creating original and engaging Welsh and English language material for small and large screen. The company has two media powerhouses at the helm – a highly successful actress/West End musical performer /award winning casting director with a long-established reputation in the UK arts sector, and a BAFTA winning UK radio and Sky sports television presenter. Director Leigh-Ann Regan is also a Director of a talent management agency and casting bureau which represents the world’s largest pool of Welsh language acting talent in the world.

Regan aims to bridge the gap between broadcaster/commissioner and talent agency by producing exciting yet cost effective content that broadcasters will want to commission, that actors will want to feature in, and that audiences will appreciate and enjoy.

Their latest commission is a film on the life of Welsh rugby legend Ray Gravell to air on S4C, and there are many exciting other creative projects on the slate.

**Key Facts: Seeking £200k total investment, tranches available; EIS Advance Assurance granted**



## Securaco Ltd

SecuraCo was established to design, develop and bring to market a unique biometric door entry system which uses fingerprint technology to allow access to any given premises, making carrying – and misplacing – keys a thing of the past. Capitalising on the burgeoning global home automation sector, the Unique Selling Point of the Secura device is that it is affordable and can be fitted to any door quickly and simply, with no specialist technical expertise or drilling required, a feature that sets it apart from any similar access control device.

The biolock is connected to a free app, compatible with iOs and Android, which offers additional functionality, including adding/deleting users, remote access to the property, and an audit trail of all entrance times to the building. The device appeals to a wide variety of markets spanning consumer, residential housebuilding, leisure/hospitality, public sector and commercial, and will be distributed via three key channels – direct sales via an online store, via high street retailers and directly to the trade.

**Key Facts: Seeking £120k total investment, tranches available; SEIS Advance Assurance granted**



## The Spelling Company Ltd

Spellco provides interactive literacy and spelling software solutions to the primary education sector via a collaborative platform which for the first time links the school, teachers, parents and pupils to give a unified view of the child’s spelling progress.

Intelligent algorithms pinpoint patterns of mistakes in an individual child’s spelling patterns and re-focus the program on presenting activities containing those particularly problematic phonemes until the child achieves success in each and graduates to the next level of difficulty – effectively, Spellco is bringing AI into the spelling sphere, plus the incorporation of a bespoke reward system which can be used by both schools and parents to set personalised attainment goals & rewards incentivises every child more effectively.

September 2021 is set to witness the simultaneous launch of the English and Welsh versions of the platform in time for the new school term, with plans to launch in other languages in later phases of development.

**Key Facts: Seeking £180k total investment; SEIS Advance Assurance granted**

**Business Owners:**  
We can apply for SEIS and EIS Advance Assurance from HMRC which will help you raise funds for your business –contact lisa@evansentwistle.co.uk for further information.



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Please contact Carol Hall, South & West Wales Regional Manager at Angels Invest Wales to register your interest:

[Carol.hall@developmentbank.wales](mailto:Carol.hall@developmentbank.wales)

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*Our Charity of the Year:*

# Cardiff Dogs Home

*We're delighted to announce that our Charity of the Year is Cardiff Dogs Home – also affectionately known as The Rescue Hotel!*

We were inspired to support this fantastic cause when we witnessed first hand the amazing work that the volunteers at the shelter do on a daily basis – in early 2020 (and just a week or two before Lockdown #1 started) we adopted Max, our gorgeous rescue German Shepherd puppy (pictured above), and he has been a constant source of fun and companionship throughout the pandemic (he even has his own job title – the “Morale Officer”!) The care that the team take to find the right “forever home” for each one of the 1000 beautiful dogs that arrive at their doors every year is testament to their commitment and we're proud to support the work they do.

The Dogs Home, which has received at least one RSPCA PawPrints Award every year since 2008 in recognition of its standards, is supported by ‘The Rescue Hotel’, a charity which was established in April 2020 by a small group of volunteer dog walkers to raise funds to provide food, toys, veterinary care, training classes and qualified behaviourists for dogs awaiting rehoming.

And now The Rescue Hotel has a rather famous face to further their cause - rugby legend & former Wales and Lions captain Sam Warburton has recently been appointed as their first Ambassador, and is aiming to raise £500,000 to completely refurbish the kennels to create a more homely environment, as well as enhancing the experience for visitors, volunteers and staff by improving facilities and creating a meet & greet room to enable introductions to dogs available for re-homing. We're sure Sam's passion and enthusiasm for dogs, along with his huge public profile, will be a wonderful asset for the charity.

To find out more about Sam's campaign, visit <https://www.justgiving.com/campaign/therescuehotel> – and to keep tabs on what the Evans Entwistle team are up to this year to support our nominated charity, follow us on social media.

[www.therescuehotel.com](http://www.therescuehotel.com)

**RESCUE**  
  
**HOTEL**



*Speaking about his role as an ambassador, Sam said “I have a genuine love and passion for dogs and to be able to help make a difference to a dog's life is a huge privilege. This is something I've wanted to support for a long time.”*



# SNOBBY'S

*In this issue we speak to Nick Bethell, owner of Snobby's, the bijoux eatery in the foodie district of Chandos Road that has a wine list on par with the best in Bristol...*

**Nick, we love the name – no doubt a jovial jibe at the occasional pretentiousness of the wine world! Tell us a little bit about Snobby's...**

Snobby's offers affordable Italian dining in a relaxed environment serving pizza & small plates, akin to tapas, which change seasonally. Pizza is quintessential casual dining; it's quick to prepare, tasty, easy to customise and good value for money whereas our sharing charcuterie and cheese platters build on the concept of food being a social experience – I think people have really missed that during lockdown.

The venue itself has a certain history as it was once owned by Keith Floyd – quite the wine buff himself for those old enough to recall - so we like to think fine wine is infused within these walls! Our 100+ bottle collection is carefully curated, but not overtly advertised on any pompous paper list – I prefer to talk our guests through the perfect pairing to their preferred menu, and we simply chalk the prices on the bottles for those who just fancy trying just one glass.

We see ourselves as a “place for all people” – perfect for a date night, casual for a coffee encounter, a second office for ‘working from home’ professionals and the perfect locale for all you flâneurs out there who want to sit back and watch the world go by!

**You are quite the vintner - what inspired you to go into this business?**

From a very young age I wanted to open my own restaurant, having seen my father start the ‘Colony’, a successful chain of colonial style wine bars strewn across the City of London in the 1980s. Since then, I have spent almost all my working life aiming towards setting up my own venture; I've sought to cover all angles to learn my trade, both the wholesale supplier side as an account manager at one of the UK's largest wine importers, as well as the customer facing hospitality side, as Assistant Manager at The Shakespeare right here in Redland, the very role that enabled me to get to know this locale and pinpoint the vibrant Chandos Road as the perfect spot for my first foray into the restaurant business.

**The hospitality sector has been a major casualty of the Covid crisis – can you tell us about your experience of the last 12 months? As a business, how have you adapted and changed?**

We really only launched Snobby's in late 2019, and whilst our first Christmas season exceeded all expectations, who knew what was to come in 2020...but not once did we sit on our laurels. We adapted quickly and re-invented ourselves as a delivery service – fortunately, pizza immediately lends itself to such, but I think we went above and beyond in that regard...by virtue of GPS,



we even delivered pizza to folks outdoors on The Downs for the perfect picnic! We also quickly recognised a gap in the market for a superb wine and cocktail delivery service - our Stay-At-Home Negroni was an absolute winner!

**What is the most valuable lesson you have learnt in business?**

Be agile, and stay open minded to all possibilities! Yes, we pivoted in terms of our food and beverage offering...but we also thought outside the box. So whilst we couldn't welcome anyone indoors, we made the most of our huge plate glass windows and transformed the restaurant into a pop up art gallery – all of the paintings currently for sale are actually my own, but we're always open to displaying the work of other independent local artists too.

**What's next for the Snobby's brand?**

Obviously our main focus is re-opening our lovely 30 cover terrace post April 12th – we simply can't wait to roll out the awning on sunny days and put the Sancerre on ice! Following that, we'll resurrect our hugely successful monthly wine tasting events - although this time around we're throwing in quite the twist, combining two of my great passions, by launching life drawing with wine appreciation classes....we're pretty sure that's a new concept for Bristol!

Looking further ahead, we know that Snobby's has a strong brand concept, and we're already eyeing up potential new locations for expansion on both sides of the Severn Bridge...but my longer term plan is to take a real leap of faith and open a laid back exclusive jazz club right here in Bristol – now that would be The Cat's Meow!



*Find out more at [snobbys.co.uk](http://snobbys.co.uk)*



# Q&A

EE  
PANEL



Matt



Sally



Damian

**Q: My new bookkeeper has found a batch of sales invoices issued a year ago, soon after we registered, that didn't include VAT. Do I now have to issue an extra invoice to correct the VAT error and how do I handle the situation with HMRC and the customer?**

A: Mistakes happen and tax is no exception. In fact, HMRC has a dedicated regime for dealing with the consequences. The trouble is that VAT is unique in that it potentially affects the customer who was charged the wrong amount of VAT as well as the business which charged it. HMRC's approach is clear and well established. If you fail to charge or charge the wrong amount of VAT, you're liable for any shortfall. Whether you have any recourse to recover the cost from your customer is a separate matter, which we've explained later. Regardless of this your first step is to correct your mistake.

If the total VAT for all errors is no more than £10,000, or less than £50,000 and 1% of the outputs figure (Box 6 on the VAT return), you can make the correction by including an adjustment to the corresponding figures on your next VAT return. If the amount is greater, you must notify HMRC in writing by completing Form VAT652, and indicate in the box provided that you have "adjusted in VAT return".

It's important to notify HMRC of errors, regardless of the amount involved (apart from small amounts, say up to £500) if you think they occurred because of carelessness to help mitigate any potential HMRC penalty.

When it comes to customers, the price you give must state if it's inclusive or exclusive of VAT. This means, if in error you show that there's no VAT, you can't later demand the customer pays it. On the other hand, if you indicated that VAT would be added to the price but failed to include it on your invoice, you can issue a further invoice to correct the position. (Although whether this is a good approach depends on non-tax related considerations such as goodwill) However, where your customer is VAT registered, if you give them advance warning of what you intend to do and allow them extra time to pay, they'll be no worse off if you invoice them for the VAT – and you won't be out of pocket.

**Q. I'm bringing my son into the family business – he's currently working for me part time while he finishes his studies. Is there a way to pay him tax and NI free?**

A. Tucked away in the dusty pages of the tax legislation is an exemption which says that "No liability to income tax arises in respect of income from a scholarship held by an individual in full-time education at a university, college, school or other educational establishment." HMRC gives the term scholarship a wide meaning and it is long accepted that it covers payments by an employer for an employee's training-related costs, subject to certain conditions – and because a scholarship payment is not earnings per se there's no liability for NI contributions for employers or employees.

HMRC states that as an employer you can pay an employee up to £15,480 tax free for periods where they are undergoing training at an "educational establishment", e.g. college, university or other public educational institution. The scholarship payments can be used to cover accommodation, living costs, etc. that are incurred by the employee because of their attendance, as well as tuition fees. The £15,480 can either be reimbursed tax and NI free to your employee or you can pay the expenses on their behalf. If you pay more than the limit it may still be exempt but HMRC may make enquiries into how the level of payment was arrived at – if it decides it's excessive the whole amount may be taxable. The only conditions are that the training or course is for a period of at least one year, and the employee must attend for at least 20 weeks during each academic year – and there is no reason why "connected parties" (in this case your son) cannot benefit.

Send your accountancy and tax questions to [mail@evansentwistle.co.uk](mailto:mail@evansentwistle.co.uk) and our team will endeavour to answer in the next issue!

# PURE Co

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