

Run for the Sun Ex Pat Tax Tips

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#Budget2015:
Britain, the Comeback
Country? **p10**



Pension Changes
Aplenty **p14**



Plus... business bites, tax tips, economy insights and client news...

Accountancy and taxation not your cup of tea?

E²



Fortunately, it is ours.

Some businesses only see their accountant once a year. We're rather more approachable than that. We're a sounding board all year round to help you to minimise tax, maximise profitability, stay compliant and keep your financial affairs in order.

Call in for a free no obligation consultation... we'll even put the kettle on!

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Accounting | Corporate Finance | Taxation | Business Advisory | Private Clients



EvansEntwistle
CHARTERED MANAGEMENT ACCOUNTANTS & TAX ADVISORS



HELLO AND WELCOME to the Spring issue of iNsight, our quarterly practice magazine.

Interesting times no doubt lie ahead for the economy. The current Chancellor's sixth and final Budget delivered just 50 days ahead of the General Election outlined a raft of measures (including a few interesting surprises) in order to end economic austerity by 2019/20.

Mr Osborne announced that the British economy is growing faster than any of the G8, unemployment is down significantly, the national debt is falling as a share of the economy and living standards are now higher than in May 2010. In his words, after five years, Britain is "walking tall again".

Business is the driving force of economic balance. Where output and growth are strong, and employment is high, both personal and business tax receipts rise – which means a speedier reduction in national

debt and a greater purse to spend on public services. Plus, more jobs equate to a rise in family disposable income, which in turn means increased spend in the economy...and so the cycle continues.

On page 10, we outline some of the key budget points that are most relevant to our small business clients, including cuts in corporation tax rates, increases to the personal allowance, abolition of Class 2 NICs and interestingly, the "demise" of the self assessment tax return. These sound stepping stones towards economic recovery are realistically only likely to be achieved however if the current political status quo remains post May 7th. At the time of going to press, the polls placed both Labour and the Conservatives level – so it's anyone's guess on what the future holds. We'll be back with comment in our Summer edition!

Meanwhile, in this issue, we look at why strategic marketing is an essential element of business planning, we consider capital ideas to minimise your corporation tax bill and we demystify pension reforms for our private clients.

And... if you are already completely disillusioned with election fever, there's always the opportunity to emigrate – just make sure you check out our ex pat tax tips on page 12 first!

Happy reading!

Lisa

Follow editor Lisa on LinkedIn for regular news & views

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BUSINESS BITES

A barrel-load of bite-sized brilliance to brace you for the business day...!!

PITCH TO RICH!

If you've got a brilliant Branson-worthy business plan, then the nation's favourite entrepreneur is all ears! Voting opened on 24th March in 3 areas – Growth, Start Up & New Things – and the best ten game changing ideas will win a share of a million quid (and quite possibly a level of media coverage that money cannot buy). Visit www.virginmediabusiness.co.uk/pitch-to-rich to find out more!



"IF YOU REALLY LOOK CLOSELY, MOST OVERNIGHT SUCCESSES TOOK A LONG TIME."

- Steve Jobs



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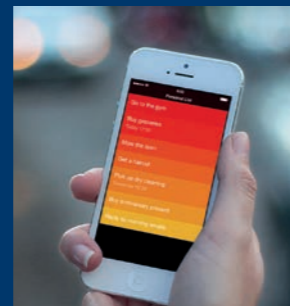
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"I NEVER DREAMED ABOUT SUCCESS, I WORKED FOR IT."

- Estee Lauder

APP-SOLUTELY GENIUS

Two top apps to organise your life...



List lover, rejoice! **Clear** is a simple, well-designed, to-do list to help you stay on track... You can easily drag and re-order your to-dos, and adding a new item is as easy as pulling down your listing and typing it in. When you're done with a task, just swipe right (we love ticking off our to-do list!)

Price: \$4.99

Letterspace is a beautiful note-taking app that uses hashtags to organise your thoughts and also has a handy swipe bar that lets you move your on-screen cursor without moving your hands from the keyboard – editing that report just got a lot easier!



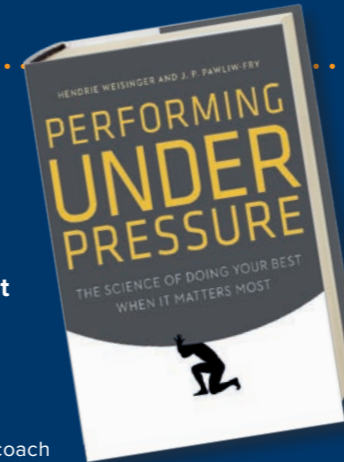
Price: Free

Evans Entwistle online: www.evansentwistle.co.uk

BOOKSHELF

Performing Under Pressure: The Science of Doing Your Best When It Matters Most

Hendrie Weisinger and J.P. Pawliw-Fry (2015)



A top psychologist and a performance coach have pooled their collective experiences to develop 22 strategies that will allow you to avoid panicking and deliver your all when the stakes are highest – we've all been there!!!

Amazon, £12.08

You can file your 2014/15 tax return from this date!

"THE BEST WAY TO PREDICT YOUR FUTURE IS TO CREATE IT."

- Peter F. Drucker

WEBWATCH

theguardian

One of our favourite repositories of top tips, business support and advice clinics for small business has to be The Guardian's Small Business site. Not only does it offer a wealth of information for new and existing SMEs but it's also packed with great success stories and real life case studies to motivate and inspire!

www.theguardian.com/business/small-business

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PIN THIS!

KEY TAX DATES

April 2015

- 5 End of current tax year. Full Payment Submission (FPS) with year-end PAYE information must be made under Real Time Information (RTI) in place of form P35 (no longer required).
- 6 Start of 2015/2016 tax year.
- 7 VAT returns and payments due for Accounting Quarter period ending 28 February.
- 19 Final submission must be made to HMRC under RTI for the year, including answering the "end of year questions". Deadline for post payments remittance of PAYE, NICs and CIS to HMRC.
- 22 Deadline for electronic payments to be cleared by HMRC for previous tax year and for electronic remittance of PAYE, NICs and CIS to HMRC.

May 2015

- 7 Returns and payments due for Accounting Quarter period ending 31 March.
- 19 Deadline for filing Employer Annual Returns (RTI superseded). Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.
- 22 Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
- 31 P60s to be given to all employees. P11d to be filed with HMRC.

June 2015

- 7 VAT returns and payments due for Accounting Quarter period ending 30 April.
- 19 Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.
- 22 Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.

FINDING YOUR WAY THROUGH THE FUNDING FRAMEWORK



“Sizeable SME funding is achievable... if you are prepared to do your homework and keep your options open...” says Evans Entwistle’s Corporate Finance consultant Lisa Entwistle:

Corporate Finance... not just for the big corporates

Evans Entwistle have secured over three quarters of a million pounds worth of funding over the past 6 months for our SME clients.

“The phrase ‘banks don’t lend anymore’ is one of the most commonly heard, and most misunderstood, sentiments in the business world.

Yes, bank funding dried up in the depths of recession (or rather, the lack of bank funding itself compounded the pain of the recession). But the fact is, banks did, and still do lend, although their criteria for doing so have undergone a paradigm shift in the past decade.

Financial institutions back ventures when they feel confident in the proposition. From a financial perspective, they look at your **stake** (how much you have invested in the business), **security** (how their risk is mitigated via your personal guarantee, second charge over your property, etc) and **sustainability** (a measure of how well you can make the repayments).

But here’s the big secret to securing finance... it’s not just about the numbers. A surprising thing to say perhaps, as accountants, and it’s true that no bank or investor is going to back you without a fully robust forecast, profit and loss, balance sheet, cashflow and supporting sensitivity analysis.

But what many would-be entrepreneurs fail to do is to support the financials with a well rounded business case. In other words, you need to “tell the tale” –

- what is the background to this venture?
- what is the size of the market potential and how volatile is it?
- is there genuinely a gap in the market for this proposition?
- what skills do you have to bring it to fruition?
- what are the competition doing which could impact your business model?
- what external market forces may affect the business from a social, legal, economic, political and environmental perspective which could influence your success criteria...?

Many clients are surprised that the consultant leading their business case is a Chartered Marketer, rather than a Chartered Management Accountant, but in our view, both are equally important in the funding process.

No business venture – new or existing - operates in a vacuum, and will always be at the mercy of external market and competitive forces; this is where a trained marketing professional can help you analyse the breaks and threats they present, and help you define how you will maximise opportunities and mitigate risk. Most investors – certainly UK retail banks – are cautious and so it’s key to “derisk” your proposition by ticking all the boxes and leaving no questions unanswered. In our many years of experience, only watertight business cases fly past the underwriters.

A puzzle of potential funding options

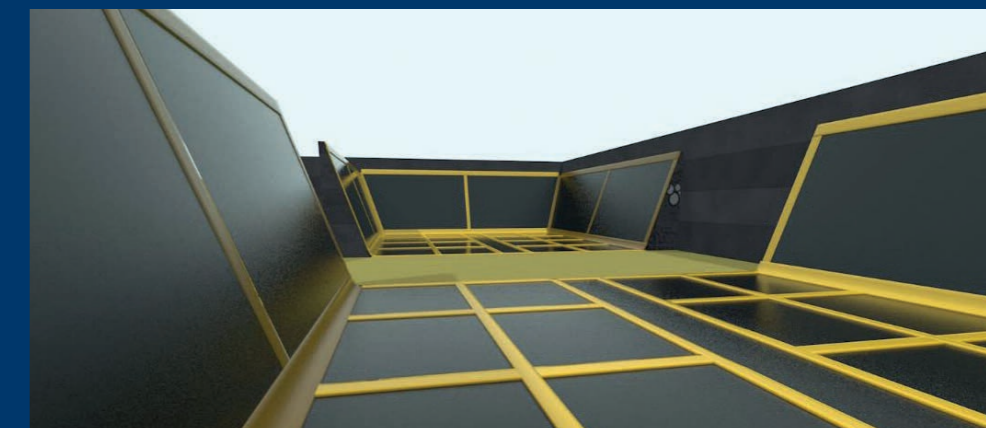
The best business case in the world however may not satisfy all investors; if you sell widgets, and an investor is widget-averse, you’re not going to persuade them to back your brilliant widget enhancement strategy. True story.

What is key when sourcing funding is flexibility – and perhaps a thick skin. Don’t assume that loyalty will be granted just because you’ve given it back with bells on as you may find that the bank with whom you have held your business account for several decades says no. That doesn’t mean your future plans are in tatters. Different banks have different risk profiles - some focus on specific market sectors, some target specific demographics; and so you may need to pitch to a variety of lenders to secure the deal.

Do also remember that banks are not the only source of finance. Other private sector investor routes include business angels, crowdfunding, venture capitalists and private individuals looking for equity opportunities to grow their capital – plus there is always the public sector element to consider, which potentially offers a multitude of options from discounted start up loans to non-repayable grant funding, depending on your sector and location. The trick is knowing what is available, and managing our application to make sure you meet all of the eligibility criteria - an area we are well versed in.

We often find that the optimum funding package for a large project is a syndicated deal, comprising both public and private sector monies – and our challenge is to bring the right deal together and secure it with a sound business plan.

CASE STUDY: Air Trampoline Park’s £459,000 syndicated funding package



Air Trampoline Park, which is set to open in June 2015, will house a new all-weather indoor arena-style jumping court concept inside a 22,000 square foot venue in North Cardiff. The space will comprise 100 interconnected trampoline beds for ages 6 and up dedicated to open jumping and will also accommodate a dodge ball arena, rebound fitness areas and a 3 lane long trampoline that allows free jumping into a foam pit to practice skills.

The business case charted the history of the venture which was initially conceived when one of the founders, Jez James, spent time in the United States and witnessed first-hand the popularity of trampoline arenas which offer sport, leisure and fitness opportunities to all ages in a safe, entertaining all weather family-friendly environment.

Find out more at airtrampolinepark.co.uk
Twitter @airtrampolinepark

The total investment to bring the park to fruition was £459,000, which was composed of £150k private equity, £250k bank lending and £59k public sector grant funding from the Welsh Government via the Tourism Investment Support Scheme (TISS), a grant for new and existing Welsh tourism businesses offering up to 25% funding for projects, from £5,000 to £500,000.

Says Co-Director Nigel Willets: “From initial conversations to opening the park doors will have taken over 18 months of negotiations but in the end, with such a strong business case, we had deals on the table with two leading UK banks, a fortunate position to be in. We chose HSBC for their enthusiasm in the venture and their willingness to support expansion from the start – which is great news as we are already well on the way to securing a second site in Swansea”



WHAT'S IN A NAME?

Anyone who has tried to incorporate a new entity will know that its not merely a case of “pick a name, any name”.

Complex rules previously applied to permissible Limited Company labelling. However, a Government consultation, part of the Red Tape Challenge, sought to simplify the system. The consultation encouraged views on the future of names regulations in general, invited comment on the options for improving them, and considered the need to maintain the current regulations which, primarily, set out rules regarding ‘same as’ names and ‘sensitive’ words and expressions.



The regulations concerned are:

- The Company, Limited Liability Partnership and Business (Sensitive Words and Expressions) Regulations 2014
- The Company, Limited Liability Partnership and Business (Names and Trading Disclosures) Regulations 2014

Following the consultation, new regulations came into force on 31 January 2015, the main changes being:

- Fewer words are now disregarded for the purposes of deciding whether one name is the ‘same as’ another on the register to allow more choice and make name swaps within groups of companies easier
- Updates to the list of permitted characters, signs, symbols and punctuation
- Amendments to the list of expressions to be disregarded for the purposes of ‘same as’ (including their Welsh equivalents plus new guidelines on the use of brackets)
- Widening of the ‘same as’ consent provision now makes it easier for companies in the same group to grant permission to register a proposed name
- Amendments to trading disclosure requirements now means that any company located in an office or other location occupied by 6 or more companies may make its registered name available for inspection on a register
- Fewer ‘sensitive’ words and expressions that cannot be used in a company name

We've published full guidance on our website under Accounting/ Company Secretarial Services – and if you're still unsure as to whether your preferred new company name is eligible, get in touch and we can advise and incorporate on your behalf.

AT AN AWKWARD STAGE...

By 2018, every employer in the UK will have to provide a suitable workplace pension scheme for their workers, automatically enrolling many of their workers and making minimum contributions on their behalf. Around 45,000 small and micro companies will pass their auto enrolment “staging date” (i.e. the date which the scheme has to be in place) between April and December 2015, and more than 1 million will stage during the following two years.

A recent survey of SMEs by National Employment Savings Trust (NEST) revealed that over 80% of small and micro employers have not set up a workplace pension scheme and that whilst 91% of small employers are aware of the changes, only 18% say they understand what the changes mean for their business in practical terms.

This is a rather worrying statistic as it suggests that smaller employers are underestimating both how pensions auto enrolment may affect other aspects of operations e.g. payroll, and also the time required to put schemes in place – a minimum of 6 months is recommended, longer if your organisation is more complex.

We are working with NEST to offer a cost effective auto-enrolment scheme for our SME clients. We can assist you with all aspects of setting up your scheme, from assessing your workforce, implementing (or outsourcing) software systems and communicating changes to your employees. Contact the office today to arrange an initial meeting.

Please note that ESquare Ltd trading as Evans Entwistle does not provide financial advice. Other auto-enrolment solutions aside from NEST are also available - to discuss further, please contact your own IFA or call the office to arrange a meeting with one of our panel IFAs.

CAPITAL IDEAS TO MINIMISE YOUR COMPANY TAX BILL

Capital allowances are a fairly obscure area of tax law which can represent thousands in relief – yet few business owners are clued up on how to claim.



Businesses receive a new allowance for each accounting period.

Using AIA, you can claim up to a total of £500,000 on plant and machinery in the period you bought the item, this being:

Capital allowances can be claimed when you buy assets to use in your business, e.g. plant and machinery, business vehicles etc – and in some cases, you can also claim for less tangible assets, such as R&D, intellectual property and patents.

How does it work?

Some or all of the value of the item is deducted from your profits before you pay tax using the annual investment allowance (AIA). By value, we typically mean the purchase price, unless the item was a gift, or you were already using it before you started the business. In these cases, we use the estimated market value (sale price) of the item.

Since April 2014, it's been estimated that commercial property owners have lost a potential £1.6bn of tax relief by not claiming capital allowances, a staggering figure – and that's just in the property sector.

Capital allowances apply to all businesses - although if you're a sole trader or partner and have an income of £81,000 or less a year, you may be able to use a simpler system called Cash Basis instead.

What's in... and what's not...

You CAN'T claim capital allowances on:

- ✗ things you lease
- ✗ buildings, and elements of it, including doors, gates, shutters, mains water / gas systems
- ✗ land and structures, e.g. bridges, roads, docks
- ✗ items used only for business entertainment, e.g. a yacht *(we all have one of those, right?)*

You CAN claim capital allowances on:

- ✓ items that you keep to use in your business, including cars
- ✓ costs of demolishing plant and machinery
- ✓ parts of a building considered integral, known as ‘integral features’ (e.g. lifts, air conditioning, water systems, etc)
- ✓ some fixtures (e.g. fitted kitchens, bathroom suites, CCTC, etc)
- ✓ alterations to a building to install other plant and machinery (although not repairs)

- when you signed the contract, if payment is due within less than 4 months
- when payment is due due, if it's due more than 4 months later

If you wish to claim more than £500,000, you will need to do so using writing down allowances...plus to add another layer of complexity to claims, some items qualify for a first year allowance – which does not form part of your AIA limit - plus there are enhanced capital allowances (a type of first year allowances) available for several types of energy and water efficient equipment.

Capital allowances are a confusing area of accounting – but fortunately one which we are well versed in. Contact the office to arrange an appointment to discuss what allowances you may be able to claim for – although do remember your claim is time restricted from purchase date, so act fast.

When you buy a building from a previous business owner you can only claim for the integral features and fixtures that they claimed for. You must agree the value of the fixtures with the seller - if you don't you can't claim.

Tackle ex pat tax, before you pack...

There's been few glimpses of sunshine of late...but not nearly enough for some of us. If you're thinking of heading for warmer climes on a permanent basis, read our ex-pat tax tips guide...

Expatriate taxation is a complex area of personal taxation, not least because it often involves the interaction of the tax systems of two countries. Yet at the same time, it can create opportunities for saving tax which often go unexploited.

Before you leave...

Before you wave goodbye to Blighty, you are obliged to inform HMRC if you're leaving the UK to live abroad permanently or you're going to work abroad full-time for at least one full tax year. To do this, you'll need to fill in form P85 (handily entitled "Leaving the UK") and state your intentions in term of length of stay outside the UK. This is important as it will determine whether you are classed as "non-resident" or not (see below).

You'll also need to enclose parts 2 and 3 of your P45 form from your employer and if you usually complete a self assessment tax return,

then you'll also need to submit this – although be aware that you can't use the usual HMRC online services to do so; in this specific case, you'll need to send in a paper return (beware earlier filing deadlines!) or file via your accountant who should have specific software to facilitate this. Submitting these documents will advise HMRC that you are leaving the UK for tax purposes, and calculate any rebate you may be due.

Am I now a non-resident?

Your UK residence status affects whether you need to pay tax in the UK on your foreign income. Non-residents only pay tax on their UK income - they don't pay UK tax on their foreign income. Residents normally pay UK tax on all their income, whether it's from the UK or abroad, although special rules apply for UK residents whose permanent home ('domicile') is abroad.

You may be non-resident the day after you leave the UK, and this will be determined by the statutory residence test (SRT) – which applies to income tax, capital gains tax, inheritance tax and corporation tax (although not NI). This has only been in place since 6 April 2013 (although it had been on the legislative agenda for 77 years prior!) and

is a three part test: an automatic overseas test, an automatic UK test and a sufficient ties test. An individual starts with the automatic overseas test, if that is not met the automatic UK test is considered next, and if that is not met the sufficient ties test must be applied. The criteria are complex and are outlined in full on our website under Private Clients.

However, in general terms, whether you're UK resident usually depends on how many days you spend in the UK in the tax year (6 April to 5 April the following year). You're automatically resident if either:

- you spent 183 or more days in the UK in the tax year
- your only home was in the UK - you must have owned, rented or lived in it for at least 91 days in total - and you spent at least 30 days there in the tax year

You're automatically non-resident if either:

- you spent less than 16 days in the UK (or 46 days if you haven't been classed as UK resident for the 3 previous tax years)
- you work abroad full-time (averaging at least 35 hours a week) and spent less than 91 days in the UK, of which less than 31 days were spent working

What are the tax advantages of being non resident?

When you become non-resident for tax purposes in the UK, numerous financial options and alternatives are available to you, for example, if you're taking early retirement abroad you may benefit from moving your pension to an offshore QROPS fund, a Qualifying Recognised Overseas Pension Scheme that's backed by the British government. Funds can also be transferred into offshore pensions and savings. Seek advice on such matters to maximise tax efficiency.

Ex pat pension payments

The state pension is of course a key consideration for people who want to retire abroad. Your UK pensions will still be taxable in the UK unless there's a 'double taxation agreement' covering pensions with the country where you live. If there is a reciprocal agreement, you'll usually pay tax in that country but the state pension will rise in value as it does in the UK e.g. expats who move to a country within the European Economic Area will benefit from the annual state pension increase.

However, there is no agreement with a number of countries including Australia and Canada. In these countries, the state pension is frozen for a UK citizen who moves there. To give an example, a person who retired to Canada 10 years ago would find that their state pension was worth 42% less (or £1,742 in a year) than if they had retired to the US. Worth considering before you stick the pin in the map and take the plunge...

If you get a pension for public service - e.g. civil service or forces - then it will be taxable in the UK and you will need to fill in a tax return to claim your personal tax-free allowances.

Specific ex pat tax points:

Inheritance tax

In the same way that you pay income tax in your new home country, you become liable for inheritance tax (IHT) there too. Generally, it is charged on the whole of your estate above a certain threshold – but certain countries have very specific tax treatments and you will need advice in this area.

National Insurance

You might want to carry on paying National Insurance while you're abroad if you're planning to come back to the UK and/or are going to claim the State Pension later. Note that you cannot claim back any National Insurance when you leave.

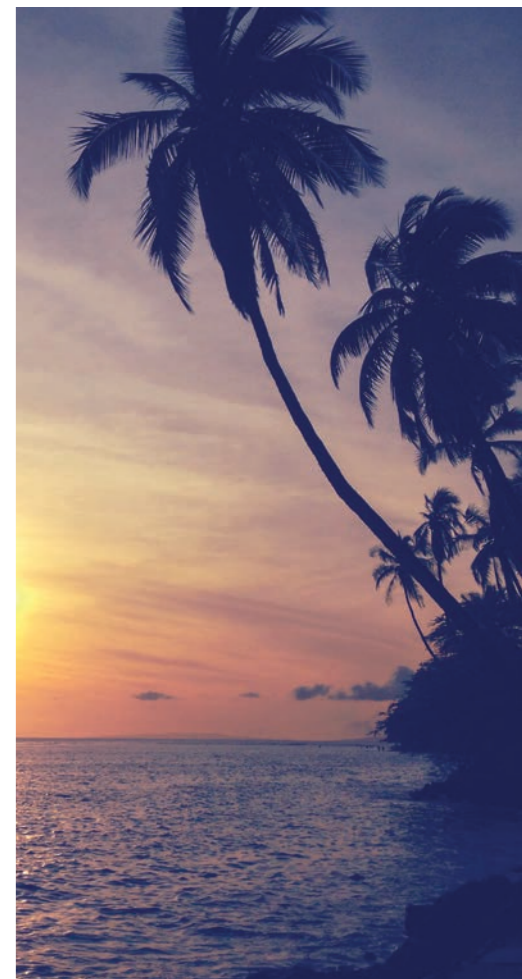
Capital Gains Tax

If you are planning to be abroad for several years, you may be able to minimise UK capital gains tax if you sell UK assets whilst non-resident. This can be hugely beneficial if you have assets which are rich in capital gain. In order to take advantage of this relief certain criteria apply, including non-residency for 5 complete tax years.

Guidance for ex pat landlords

Tenants (or their letting agents) have a responsibility to deduct basic rate tax from any rent paid to non-resident landlords. If you wish to continue receiving UK rental income gross whilst you are non-resident, then submit Form NRL1 to the HMRC Centre for Non-Residents.

HMRC should then grant approval for rents to be paid gross and notify the tenant/agent as appropriate. Your rental profits will still remain taxable in the UK but this arrangement should help with cash-flow.



Who else do I need to notify?

Before you pick up that Pina Colada, do also inform the following of your new non-resident status:

- Benefits Offices e.g. if you were claiming Jobseekers Allowance
- Local Council (to leave a forwarding address for voting purposes as your UK citizenship and hence right to vote will not be affected if you move or retire abroad)
- Pensions Providers (contact the International Pension Centre for specific advice)

AVOID APRIL (PENSION) FOOLERY



From April 6, the pension pendulum swings firmly from provider to consumer, as sweeping changes take place in terms of the way that individuals can draw down their pensions.

Auto-enrolment has swept five million workers into defined contribution schemes in the past 2.5 years...and that number will be ten million come 2018.

If you're 55 or over and have a defined contribution pension (a pension based on how much has been paid into your pot), it's your decision how you take the money, whether that pot comes from a private pension you set up yourself, a workplace pension you paid into, or both.

As per now, you can usually take 25% of your **defined contribution** pension pot tax free, with the rest taxed as normal income. For basic rate taxpayers that means a tax charge on withdrawals of 20 per cent.

The remaining 75% you can take as:

1. An annuity:

Effectively you buy an insurance policy that gives you an income for the rest of your life; this is still a good option for those that prefer the security of a guaranteed set income – however, the key advice here is to shop around as not all annuities are the same, and millions have lost out in the past by not choosing the right product for their needs. And once an annuity is purchased, you cannot change it – so take your time if this is your preferred pension plan.

2. Flexible income:

Your pot stays invested while you take money from it as and when you choose; this is a great option for those who wish to have more flexibility in their finances, and if you are smart, you can run your pension as a highly tax efficient vehicle. If the amount you draw from your pension – together with any other income – falls below your personal allowance, there is no tax to pay. The personal allowance from 6th April 2015 is £10,500 – so if you can manage on £875 a month or less, then you won't lose a single hard earned penny in tax. In future, it is expected that pension providers will offer bank account style facilities for pension with cashcards to facilitate ad-hoc withdrawals, making for a fully flexible source of income. In practice however, no provider actually seems geared up to do this from April 6th.

15 times the usual volume of those eligible are expected to apply to take some of their nest egg post April 6th

3. Cash:

You take your whole pot in one go. When this new option was introduced in the 2014 Budget, there were fears that those reaching 55 may on a whim withdraw the lot and embark on a whirlwind round the world cruise... returning penniless a year later! A minority may indeed wish to blow the lot, but the resulting tax bill on big withdrawals will curb this... and anyway, responsible savers tend to make responsible retirees.

You can also mix some of these options or leave part of the pot untouched, meaning that your pension could grow further - and as long as the money stays invested, there is no tax to pay.

What else is changing?

A further change from April 2015 is the scrapping of the 55% tax charge on pension savings passed on to relatives after death. If the scheme member dies before the age of 75, all defined contribution pension pots can be bequeathed to a beneficiary **tax-free**. If a scheme member dies after the age of 75 a lump sum handed over to a beneficiary will be taxed at 45 per cent, rather than the current 55 per cent. If the sum is taken as income instead, the recipient pays tax on it only at the same rate they would on any other income.

Typically, experts suggest people set aside 12% of their gross salary each year to put into a pension.

In short, the new rules bring an end to the "straightjacket" of previous pension provision, and instead offer financial flexibility to millions on how to spend the pot of pennies that they themselves have spent decades accumulating.

A MARRIAGE MADE IN HEAVEN



If your income is less than £10,600 in the 2015/16 tax year, you may be able to reduce your husband, wife or civil partner's tax bill by up to £212. Now there's a way to win marital brownie points!

The new Marriage Allowance will let you transfer some of your Personal Allowance to your partner, and you'll be able to claim if all of the following apply:

- you're married or in a civil partnership
- you have an annual income of less than £10,600, including pensions, savings and investments
- your spouse or civil partner has an annual income of between £10,601 and £42,385
- you were both born on or after 6 April 1935

If you or your partner were born before 6 April 1935, you may be able to claim Married Couple's Allowance instead.

Register your interest via:

www.tax.service.gov.uk/marriage-allowance to get an email telling you when you are able to claim.

THE TIMELY DEMISE OF THE TAX RETURN?



As accountants, we were rather interested in the budget announcement regarding the "death" of end-of-year tax returns, which are to be scrapped in favour of "real-time" online accounts by 2020.

The finer detail is yet to be revealed; however within five years the annual return will be phased out and replaced via a single digital tax account pre-populated with automatic income data collated from third parties such as employers, banks and investment firms. Taxpayers will also be given a login and password so they can submit tax information regularly, making tax bills more closely related

to current performance. Individuals and small businesses will submit accounts throughout the year via computer, tablet or smartphone, removing the need to submit an end-of-year return, and will be able to pay their tax at any point, spreading the cost if they so wish by paying in instalments.

The switch is expected to start with five million small businesses and the first 10 million individuals as soon as early 2016 – a timescale which, in our opinion, seems optimistic, having witnessed the issues caused by the roll out of auto-enrolment, a HMRC change of similar IT magnitude.

CLIENT CORNER

PENARTH DENTAL HEALTHCARE

Cymraeg

This issue, we speak to Ed Williams BDS (Wales), PGDip, Director and Principal Dentist of Penarth Dental Healthcare.



Ed, tell us about yourself and the business...

I've been qualified for 23 years, and after having worked in a large corporate style practice in Newport for some time, I decided I wanted to work for myself in a smaller, more personable environment. Back in 2001, there was a Government initiative to bring NHS dentists to the Vale, and as I've always loved the feel of Penarth, it made sense to set the business up here. We started by renting no 3 Stanwell Road, and then when the opportunity arose, we purchased no 5, a former jewellers, where we are now. We undertook extensive renovations, making the site fully accessible, and now have a modern well established practice.

Why would we choose PDH?

We see people, not teeth, and we speak in layman's terms so our patients understand exactly what needs to be done. Oh, and we guarantee an excellent job!

How many are in the PDH team?

Kayleigh is my dental nurse, Deb and Sue make up our hygiene team, and Michelle and her daughter Gemma are our receptionists. It's a small team but we're very family oriented and make it our business to know all of our clients personally.

Dentistry is about a lot more than check ups and a scale & polish these days - what other services do you offer?

We initially started as an NHS practice, but have broadened the scope of our services significantly. We now offer minimally invasive cosmetic dentistry, where our first aim is always to repair, rather than replace. We also have a specialist interest in Oralift, a non-invasive form of facial rejuvenation, as well as our Six Month Smiles programme, an effective, safe and affordable cosmetic braces solution that fits adult lifestyles.

What top tips do you offer to get kids to take care of their teeth?

The best advice for children is to dry brush, and not rinse – I tell them that rinsing washes away the "magic"! The trend towards fresh juice has become the dentists nemesis; whilst I acknowledge the supercharged health

benefits of drinking it, all that fruit sugar can be extremely damaging to teeth, softening the enamel; brushing too soon afterwards can scrape away this enamel, leaving the tooth unprotected. The best advice is to either brush before drinking (yes, I know, it seriously affects the taste) or rinse with a good mouthwash afterwards.

It is estimated that up to 25% of the UK population suffer from dentophobia – that's a scary (sorry!) thought. How do you put people at ease?

I've been dealing with nervous patients for many years, and I find the answer is to try to understand their fears, not overlook them. I operate on a "tell/show/do" principle so clients understand what is about to happen, and once you open that dialogue with clients, you gain their trust – and it's very important not to lose that by springing any surprises! So if you say a procedure no needles required, mean it!



What's next for the practice?

We're just about to undertake an extensive environmentally conscious renovation programme, our aim being to reduce the carbon footprint of dentistry. Traditionally, it's a waste heavy profession; to maintain impeccable cross infection standards, we obviously have to use fresh tubes, bibs and cups for each patient. This creates plastic and paper waste, but we're trying to be use recycled or biodegradable products wherever possible. We're also replacing our current shop windows with heat efficient glazing, have replaced all of our IT equipment with energy efficient models and are looking at solar panels for the roof. I believe that if everyone does their bit then collectively we can make a real difference.



Find out about PDH's nominated charity at: mouthcancerfoundation.org



Dentistry has become more complex in recent years – how do you unwind?

My wife Gaynor and I have 3 sons aged 18, 16 and 10 who keep us rather busy outside work. I also sing as second tenor in a male voice choir, and I love comedy and old British films, one of my favourites being The Italian Job. My ambition is to complete the Italian Job charity drive, which is a fantastic road race following the route of the infamous film. Step one is restoring the Mini I've just bought!

I'm also a "shed" man – I've discovered some of my grandfather's hand tools lately, and have gone back to basics in woodworking, which is the perfect antidote to the hi tech equipment I work with the practice on a daily basis.

You're clearly also passionate about your chosen charity...?

We've seen a significant increase in mouth cancer in recent years, but if caught early enough, it can be treatable – so get a check-up at least once a year and never be embarrassed to mention anything unusual. Our company charity is the Mouth Cancer Foundation, and we've raised £300 so far this year – watch our Twitter and Facebook pages for more fundraising antics later this year... if I do get around to fixing that Mini, I may start a sponsorship "drive" for that epic race!

Facebook: [facebook.com/penarthdental](https://www.facebook.com/penarthdental)
Twitter: [@pdhpenarth](https://twitter.com/pdhpenarth)

Q&A

EE PANEL



Damian Evans

BSc (Hons), FCMA, CGMA,
Chartered Management
Accountant



Matthew Ward

BA (Hons)

“I am about to spend a significant sum on capital equipment for a new venture but have not yet VAT registered. If I wait 3 months until the business commences trading, can I still claim back the VAT on purchases made now?”

...Says Matthew Ward...

You can claim back VAT going back 4 years for items such as capital equipment, fixtures & fittings, etc – essentially anything which is still in use in the business. For items such as stock however that you have since sold without charging VAT on it, you cannot claim back any VAT.

“What is the difference between revenue and receipts?”

...Says Matthew Ward...

A company's revenues are amounts it has earned as the result of business activities such as performing services or selling goods. Under the accrual method of accounting, revenues are reported on the income statement in the period in which they are earned, even when the customer pays later. In this case, when the revenues are earned the company will credit a revenues account and will debit the asset account Accounts Receivable.

A company's receipts usually refers to the cash that it receives - this does not necessarily need to be revenue however! It could be cash borrowed from the bank, disposing of company vehicle and receiving cash that is equal to the vehicle's book value, receiving money from an employee who has had an advance, or receiving funds from an investor for a new share issue.

Send in your business questions to the team at: mail@evansentwistle.co.uk – if we publish your question, we will draft a personal response and also donate £50 to the charity of your choice

“I am looking to start investing in renovating property. Should I buy the property personally or through my existing (non-related) business which is a Limited Company?”

...Says Damian Evans...

As with everything else it all depends on the transaction details. In the 2014 budget the Chancellor announced a 15% stamp duty on all properties sold for more than £500,000 through a limited company so if the property is worth more than this amount using a limited company is unlikely to be the most tax efficient method. It is also worth remembering that limited companies cannot offer assured short-hold tenancies on residential buy to let mortgages so if you decide to keep the property once renovated you would be limited in the type of tenant you could have.

Other considerations are whether this transaction would be considered a trade or investment and as such whether capital gains tax would be payable on the transaction. Companies don't pay capital gains tax and as such don't have the annual personal allowance – currently £11,000 per annum - that a natural person does.

The above is not advice nor should it be construed as such and is given for general purposes only. Appropriate professional advice for your circumstances should be sought before any specific action is taken.

EvansEntwistle
CHARTERED MANAGEMENT ACCOUNTANTS & TAX ADVISORS

PINBOARD

CIMA

Chartered Institute of
Management Accountants

Passed with flying CIMA colours ...part 1!

In March, the practice was selected for a CIMA compliance check which we passed first time with no recommendations for improvement. Regulatory checks are completed on all members by CIMA's professional standards department and it's good to know that all of our practice policies and procedures meet with the exacting high standards of our governing body.

Says Damian Evans, Director:

“We see these checks as an important part of our practice management programme. The CIMA standards span a range of areas, and in achieving 100% compliance, clients are assured that we are bound to a code of ethics, operate to a high level of professional competence, adhere to formal engagement contracts, and - in the highly unlikely event of a dispute – comply with a clear complaints procedure and have full professional indemnity insurance”

Unfortunately, the term “accountant” is not protected as per the legal profession – which means that in theory, anyone can state they are an accountant. That's why we always advise businesses to check their advisors credentials carefully – ask to see professional practising certificates from recognised UK accounting bodies, professional indemnity cover policies, and evidence of compliance checks – otherwise you may find out too late that your “accountant” is little more than a self-taught bookkeeper.

Passed with flying CIMA colours ...part 2!

And in other CIMA news, we're pleased to announce that Matt Ward, Accounting Associate, has passed the Management Accounting module of the CIMA syllabus and is now well on the way to attaining full CIMA status. Congratulations, Matt!



On the run ...again!

The practice's resident runner, Lisa Entwistle, is lacing up her shoes again...all in the name of charity. Having completed 2 Half Marathons and the San Domenico 20 Road race in training in March, now it's the big one! Lisa is set to run the Manchester Marathon on April 19th in aid of our nominated office charity, Marie Curie Hospice in Penarth.

If you would like to donate to this very worthy cause, please visit www.JustGiving.com/Evans-Entwistle

**Marie Curie
Cancer Care**



EE's Lisa is a familiar face at Penarth's Women Mean Business Group, a formidable force of females all hailing from Penarth who meet once a month to network, chat and bounce around brilliant business ideas. Founder Tanya Brooks-Dowsett, owner of local Penarth View magazine says:

“I set up the group as a means to meet with like minded female entrepreneurs... we started back in October 2014 with 8 ladies, and within 6 short months, we now have 35 members, and are looking to run 2 meetings per month to meet demand! Penarth is gripped by girl power!” Email tanya@penarthview.co.uk if you are interested in joining the group.

Have you signed up yet to our monthly e-News?

Keep up to date with all the latest business, economy and tax news by subscribing on the website homepage at www.evansentwistle.co.uk

Recognising the need for
business funding is just the
tip of the iceberg...

...but securing finance can
sometimes feel like raising the Titanic.

Our expert Corporate Finance team, comprised of professionals from the Chartered Institute of Management Accountants (CIMA) and the Chartered Institute of Marketing (CIM), represent a rather unique offering. Working closely with all major UK banks, business angels, private investors, venture capitalists and public sector grant funding bodies, we can help secure the portfolio of finance you need.

We don't forecast plain sailing all the way – but we do guarantee to navigate you in the right direction.

- New Start Support
- Access to Business Growth Finance
- Grant Funding Applications
- Business Case Development
- Market Due Diligence
- Working Capital Finance

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