



# ynergy

Spring 2016

Stopfords - Chartered Accountants & Business Development Specialists

## BUDGET 2016

### A SPOONFUL OF SUGAR MAKES THE MEDICINE GO DOWN

**One of the main themes of the Chancellor's March 2016 Budget was to ensure that the next generation inherits a strong economy, is better educated and grow up fit and healthy.**

His proposed "sugar tax" on the soft drinks industry will be used to fund longer school days for those that want to offer their pupils a wider range of activities, including extra sport.

He again stressed his prudence in concentrating on debt repayment and the importance of "mending the roof while the sun shines", although he acknowledged that there were numerous factors that could impact on his "bullish" growth forecasts and promises of future budget surpluses.

There will be further changes affecting savers and he hinted that there could be yet further changes to pensions, but not for the time being.

Here are the key points:

#### PERSONAL TAX:

- Personal Tax free allowance increases to £11,500 from 6 April 2017.
- Main rates of income tax remain unchanged.
- The higher rate tax threshold increases to £45,000 from 6 April 2017.
- From April 2016, headline rate of Capital Gains Tax to be cut by 8%.
- Capital Gains Tax exemption for employee shareholder scheme shares to be capped at £100,000.
- Introduction of Entrepreneurs' Relief for long-term investors in unlisted trading companies.
- ISA allowance increased from 6 April 2017 to £20,000.
- New Lifetime ISA for 18 - 40 year olds with a maximum saving of £4,000 per annum and a Government bonus of £1,000 per annum until the age of 50.
- No major changes to pension tax rules.

#### BUSINESS TAX:

- Corporation tax rate to be reduced to 17% by April 2020.
- Utilisation of tax losses to be restricted for companies with profits exceeding £5m.
- Threshold for small business rate relief increased from £6,000 to £15,000 in April 2017.
- New banded rates of SDLT on commercial properties from Midnight on 16 March 2016.
- New 'sugar levy' on soft drink industry from April 2018.
- Changes to large company corporation tax payment dates from April 2019.
- Loans to participators charge increased from 25% to 32.5%.
- Attack on the use of personal service companies.
- Two new tax free allowances of £1,000 introduced from April 2017 for the "sharing economy".
- From April 2018 Class 2 NI for the self-employed to be scrapped.
- From April 2018 termination payments above £30,000 will attract Employers NI.
- Beer, spirits and cider duty frozen.

Our summary focuses on the issues likely to affect you, your family and your business. To help you decipher what was said we have included our own comments. If you have any questions please do not hesitate to contact us for advice.

The Budget proposals may be subject to amendment in a Finance Act.

A full summary of the Budget is available to download on our website. Visit [www.stopfords.co.uk](http://www.stopfords.co.uk).

Call us in Mansfield - 01623 420 269 or in Chesterfield - 01246 385 385

# RENEWALS BASIS IS BACK FOR BUY TO LET LANDLORDS

**Following the restriction of tax relief for mortgage interest and the 3% increase in Stamp Duty Land Tax, all is not doom and gloom for buy to let landlords.**

Following on from the consultation this summer, the draft Finance Bill 2016 includes the legislation to reintroduce tax relief for the replacement of furnishings in buy to let properties from 6 April 2016.

This will apply to both furnished and unfurnished lettings and will mean that the cost of replacing items such as cookers and washing machines will again qualify for relief following the withdrawal of a concession on 6 April 2013.

Note that the alternative, and simpler, 10% wear and tear allowance will be withdrawn from 6 April 2016 for those letting

properties fully furnished.

Those letting properties under the more stringent furnished holiday letting rules will continue to be able to claim the Annual Investment Allowance which provides 100% tax relief for the initial furnishing as well as renewal of furniture in holiday properties.



## 1 MARCH 2016 - FUEL ONLY MILEAGE RATES FOR COMPANY CARS/RECLAIM OF VAT ON PRIVATE CAR MILEAGE

**When an employee is provided with a company car, to avoid a taxable car fuel benefit, fuel must only be provided for business travel.**

To ensure this is the case, two methods are available, the first being preferable:

1. The employee initially pays for all fuel. The employee logs their business miles and makes a claim to the company at the correct rate per mile for these miles.
2. The company initially pays for all fuel. The employee logs their business & private miles and repays the company at the correct rate per mile for the private miles.

Several years ago HMRC started to issue 'Advisory Fuel Rates', which they allow for the above calculations without any proof of the actual fuel cost per mile.

The rates are reviewed and adjusted each quarter 1 March/1 June/1 September/1 December.

The rates from 1 March 2016 are:

ENGINE SIZE	PETROL	DIESEL	LPG
1400cc or less	10p	8p	7p
1401cc to 1600cc	12p	8p	8p
1601cc to 2000cc	12p	10p	8p
Over 2000cc	19p	11p	13p

*Hybrid cars are treated as petrol or diesel as appropriate.*



Employers and employees need to revise their calculations accordingly. You are allowed to continue on the previous rates for one month.

Different rates can be used but these have to be specifically agreed with HMRC by providing documentation and calculations to show why the rate you wish to use is sensible.

These rates are also those used for reclaiming VAT on mileage allowances paid to employees for business mileage in their private cars.

HMRC website <https://www.gov.uk/government/publications/advisory-fuel-rates> shows current and earlier rates for information.

## REMINDER FOR ALL CONTRACTORS IN THE CONSTRUCTION INDUSTRY SCHEME

From April 2016 all contractors will have to submit their CIS monthly returns online and HM Revenue and Customs will no longer accept paper returns from this date.

Any contractor's that are still filing paper returns will need to register for HMRC's CIS online service by visiting the following link <https://online.hmrc.gov.uk/registration/organisation>

In addition to this HMRC's telephone service for verifying the rate of CIS tax to deduct from subcontractors will no longer be available from April 2017 and it will be mandatory to use the online verification service.

Stopford's can you help with this process and we do offer a service for filing the CIS monthly returns on your behalf. If you would like any more information please contact Steven Strawther on 01623 420269 or e-mail [steven@stopfords.co.uk](mailto:steven@stopfords.co.uk)



## ARE YOU AWARE OF THE SAVINGS ALLOWANCE?

You maybe aware that from April 2016 the first £1,000 of interest received by a basic rate taxpayer, and £500 by a higher rate taxpayer is not taxable (additional rate taxpayers do not benefit from this).

Therefore, if you have your own limited company and it owes money to you in the form of a Directors Loan Account, it may be worth paying your interest.

This will be looked at further in your next pre end or final accounts meeting.



## CHOOSING THE RIGHT CONVEYANCING SOLICITOR

When you purchase a house, it is probably the single most expensive purchase you will ever make in your life. Therefore, you need to be sure the solicitors you have chosen to do your Conveyancing are fully competent to protect you and your new home. The Law Society run an accreditation scheme called 'CQS', to assist you in finding a solicitor you can trust.

The Law Society President Andrew Caplen said that the CQS accreditation is the hallmark of high standards and establishes a level of credibility for regulators, lenders, insurers and consumers.

CQS is the quality mark of the home-buying sector and enables consumers to identify practices that provide a quality residential conveyancing service. With so many different conveyancing service providers out there, CQS helps home-buyers and sellers seek out those that can provide a safe and efficient level of service.

The scheme requires practices to undergo a strict assessment, compulsory training, self reporting, random audits and annual reviews in order to maintain CQS status. It is open only to members of the Law Society who meet the demanding standards set by the scheme and has the support of the Council of Mortgage Lenders, the Building Societies Association, Legal Ombudsman and the Association of British Insurers.

Stopfords client, Alcocks Solicitors, who already boast Lexcel accreditation for general practice, are also CQS accredited.

If you are looking at buying or selling your home, please contact Alcocks Solicitors who will be delighted to guide you through the process. Please call 01623 460444 or email [enquiries@alcocks-solicitors.co.uk](mailto:enquiries@alcocks-solicitors.co.uk) for further information.

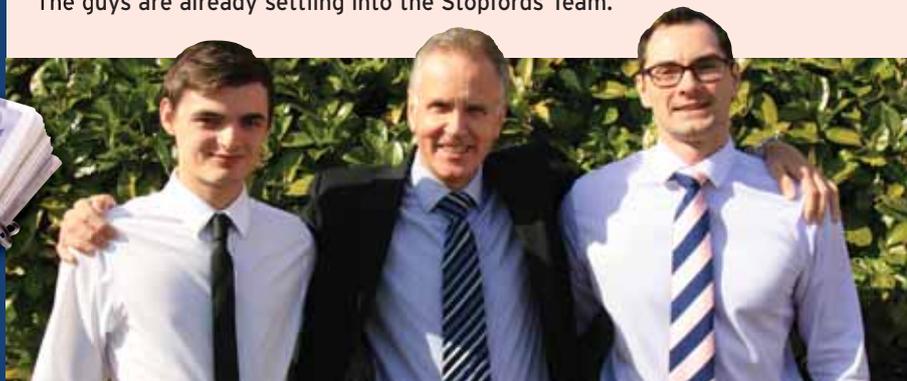
## Team News...

### NEW FACES FOR 2016!

It's always nice to introduce new team members and 2016 has already brought 2 new faces!

Russ Eley (pictured right), our first new face, is a qualified accountant with over 15 years' experience, he will be working predominently with our limited and audit clients. Our second new face for 2016 is Joe Cherry (pictured left) who previously worked for an Accountancy Practice in Kent and after recently moving to the area has joined our Payroll Team alongside Mandy.

The guys are already settling into the Stopfords Team.



## SHAUN NEWHAM

**Trainee Accountant**



Shaun joined Stopfords after completing his A-Levels in the Summer of 2015. As a Trainee Accountant Shaun has been working hard to grow within the Practice and learn the ropes!

Shaun is currently studying for his AAT qualification.

### What is your area of expertise?

I help the accountants by getting the records and accounts in order ready for them to put the figures together for the clients.

### What is the most challenging part of your job?

Learning the different ways that people do their books and records, it feels like no two are the same!

### What part of your role do you enjoy the most?

Learning new skills and techniques to develop my role and to be able to take on more responsibility.

We put the spotlight on Shaun and asked him a few out of hours questions :-

### What is your ideal way of unwinding after a hard day at the office?

Chilling on the sofa watching football.

### What is your favourite film?

Toy Story.

### What is your favourite TV programme?

Top Gear.

### Who would you most like to change place with for the day?

Alan Sugar.



## SPIRE ASSET FUNDING LTD GOES FROM STRENGTH TO STRENGTH

Stopfords client Spire Asset Funding Ltd are a local finance broker that help to provide businesses and individuals with an alternative to traditional bank funding when looking to purchase all types of vehicles and assets.

John Lawson director states; 'The list of assets that can now be funded is growing month by month, enabling us to assist with purchases made by many different types of businesses'

Not an exhaustive list but;

**Transportation & Construction** - all types of wheeled and track mounted assets.

**Machine Tools & Printing** - all types of cutting machines and printing/paper processing.

**Materials Handling** - all types of loading and warehouse equipment.

**IT Equipment** - PC's and servers.

We can provide a number of different funding products by using a panel of

lenders who offer innovative, competitive terms that will be secured against the asset and will stand alone from your businesses current banking facilities.

John also states; 'We work with all types of companies and individuals to provide guidance on which financial packages are best suited and available to them.'

The products that may be used are varied and may not be readily available from typical high street lenders'.

We are fully authorised by the Financial Conduct Authority (FCA) and are members of the National Association of Commercial Finance Brokers (NACFB) and the East Midland Chamber of Commerce.

If you are looking at a potential purchase or would simply like to discuss the different types of assets that may be funded and the products that are available then please give Spire Asset Funding Ltd a call on 01246 264 957 or email [john.lawson@spireassetfunding.co.uk](mailto:john.lawson@spireassetfunding.co.uk)

## RUNNERS UP AT QUESTION OF SPORT EVENING

Stopfords took 2nd place at this year's Question of Sport Evening hosted by the Mansfield Armchair Club at the Mansfield Town Football Club Corporate Venue, 851 Suite.

Glen and the Stopfords Team, consisting of clients and contacts, pulled together their sporting knowledge to secure the runners up place. If you class yourself as a Sports Whizz and would like to join the team next year please contact the office and let us know!

This year's team members were Glen Wood, Steve Jewsbury, Mark Wilcockson, Martin Briggs, Ian Cowlshaw, Paul Delaney, Phil Trueman, Mark Cooper, Jim Wright & Chris Sanders. Well Done Guys!

Also on the night Mark Wilcockson from Rubicon won 2 Mansfield Town Tickets which were given to Amanda's partner and son to enjoy, pictured above.



## YOUR CONTACTS!

**Tricia Cutts** - Tax Advisor

**Ruth Wilson** - Credit Control

**Phil Nicholson and Nichola Clark** - Limited Company

Don't forget that we are Sage Dealers, so for purchases or training please contact Pat Stopford, or for troubleshooting call our reception team who will direct your query to an appropriate member of the team.

## WHO IS THE RIGHT PERSON TO CONTACT....

**Glen Wood** - Sole Trader/Partnership

**Martin Swain** - Chesterfield Contacts

All the team at Stopfords are always happy to handle your queries.

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