

AUTUMN BUDGET 2017 – UPDATE

- National living wage will rise from £7.50 to £7.83 per hour in April 2018.
- The personal allowance for tax free income will be raised in April 2018 to £11,850. The higher rate threshold will be £46,350.
- VAT threshold is frozen at £85,000
- Business rates will switch from the Retail Price Index measure of inflation to the Consumer Price Index in April 2018 (brought forward by 2 years)
 - 100% council tax will be applied to empty properties
 - Stamp duty will be abolished for first time buyers purchasing properties of up to £300,000 (in more expensive areas, the first £300,000 of up to £500,000 will not be subject to stamp duty)
- From January 2018 households applying for Universal Credit will be able to access a month's worth of support within 5 days via an interest-free advance. This can be repaid over 12 months. Claimants will be eligible for Universal Credit from the day they apply.
 - Fuel duty frozen
 - Diesel cars not meeting emissions standards will be subject to a rise of one band in vehicle excise duty in April 2018.
 - £540 million has been invested to support the growth of electric cars and development of more charging points.
 - An additional £3bn has been set aside to prepare the UK for potential outcomes of Brexit

Oakwood Reminder



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Business is great but we are always looking for more.
Please pass on this newsletter to anyone you feel may benefit.
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JANE'S EDITORIAL

Well here we are at the end of another year together! I encourage you, every year, to stand back from your busy lives and take stock, breathe and refresh yourselves over the holiday time. It is the right time to review how the year has gone, what you want to do next year and how you are going to achieve it.

We at Oakwood, wish you a Happy Christmas and a healthy and prosperous New Year and hope you find the time to read our worthy publication which endeavours to keep you up to date with happenings in the world, some relevant for tax, business or just life and hopefully of interest.

We are always pleased to hear from you, so please call in and say hello when you are passing.

Please note our offices are closed from 5.00 pm on 21st December 2017 and will re-open on Tuesday 2nd January 2018 at 9.00 a.m. Emails will be monitored during this time and if anything is urgent please call Jane on 07961 592563.

Jane and the team.

BIG RISE IN CONTACTLESS MOBILE PAYMENTS

The latest transaction figures from Worldpay show that the total value of all contactless payments made via mobile devices in the UK went up by 336 per cent in the first half of 2017 compared with the same period in 2016.

Around £370 million worth of contactless transactions were made via mobile devices in the first six months of this year, with supermarkets and grocery stores accounting for 55 per cent of transactions.

PENSION CONTRIBUTIONS – WHAT HAPPENS DURING MATERNITY LEAVE?

It is probably fair to say that the honeymoon period which businesses have enjoyed whilst automatic enrolment was phased in, is now coming to an end with a number of companies pending prosecutions in relation to Pension Act breaches. Even when automatic enrolment of employees has successfully taken place, there are still situations that can arise whereby an employer unwittingly falls foul of its obligations to ensure that employees remain active members of pension schemes and/or that contributions are paid into the scheme. The treatment of pension contributions during maternity leave is an issue which has the potential to create litigation risks for the employer.

If an employer has paid contributions into an employee's pension scheme before they began their maternity leave, the employer will still be required to continue making payments. However, the length of time that the employer will make these payments may vary, based on the employment contract terms and the type of pension scheme held by the employee.

It is worth noting that even when an employee does not qualify for maternity pay, there are still circumstances where the employer may be required to make pension contributions, e.g.

- During the period of ordinary maternity leave (first 26 weeks)
- If the contract of employment makes provision for the payments to be made during periods of unpaid leave.

If the contributions are paid into a defined contribution scheme, the following apply:-

- the employer will usually make payments for the required period based on the employee's normal pay (it is worth checking with the pension provider as to whether the employer contributions are conditional on the employee continuing to make contributions during the maternity leave)
- employers will be required to continue making payments for all periods of paid maternity leave. However, during the unpaid part of maternity leave, employers are not required to make these contributions, unless the contract of employment states otherwise. Any periods of unpaid maternity leave will become non-pensionable service and may affect the pension the employee eventually receives.

INCOME FROM PROPERTY RESTRICTIONS

The restriction will be phased in gradually from 6 April 2017 and will be fully in place from 6 April 2020.

You'll still be able to deduct some of your finance costs when you work out your taxable property profits during the transitional period. These deductions will be gradually withdrawn and replaced with a basic rate relief tax reduction.

You'll be able to use some of your finance costs to work out your property profits and use your remaining finance costs to work out your basic rate tax deduction:

HOW TO SURVIVE AN IT DISASTER

- Undertake a business impact analysis, looking at processes the business needs to function. Then start planning how to mitigate risks most likely to affect those processes.
- Review, test and improve your back-up policy. Don't rely on a single back-up source.
- Use effective anti-virus software. See current reviews at av-comparatives.org.
- Keep a paper record of software passwords, activation keys and licences in a secure off-site location.
- Review your data protection policy. What data do you hold, where is it and who can access it? Encrypt data wherever necessary.
- Consider how the EU General Data Protection Regulation will affect your data protection policy after May 2018.
- Try to maintain high levels of staff awareness about good cyber hygiene, such as which emails they should avoid.
- Keep all your software up to date on all devices for the best protection against malware.

ROTARY CLUB OF CRANLEIGH

Jane is a member of the local **Rotary Club of Cranleigh** and we are looking for volunteers to help out at some of our fundraising events. December is always busy and we could do with help at our **Christmas Carol concert on Wednesday 13 December at 7.00p.m. at the Baptist Church** for an hour or so.

We are organising, with help from the Chamber and Sunflowers, the **Santa Dash for 2017 on Sunday 10 December** in the morning. If you can spare one or two hours to help sell Santa outfits to the runners before the start and/or serve free mulled wine and cake afterwards, we would love to hear from you. We could do with a supply of 'friends' who want to help out without having to join or commit to more than the odd hour here and there to make a difference in our community. **More details from Jane**

COOKING THE BOOKS FOR REAL!

No we're not really but it made you look! Last year we were runner up in the **St Nicolas Christmas Tree Festival** and this year we are aiming to take the crown! Consequently our tree is all about 'Cooking the Books'. The festival is on from **10am Friday 8 December to 5.30 pm Monday 11 December**. Do call in during that time to see our tree amongst the others and do please vote for us.



FIRMS UNAWARE OF NEW CHEQUE CLEARING SYSTEM

Research by the Cheque and Credit Clearing Company has revealed that just 20% of firms and 30% of charities are aware

that a new image-based cheque clearing system is being rolled out across UK banks and building societies, starting this month (November).

Under the new system, bank customers will still write or pay in cheques in the same way, but clearing times will be reduced from **six working days to one day**. It could also enable banks to allow their business customers to pay in images of cheques remotely via mobile banking apps.



IMPORTANT INFORMATION ABOUT CHANGES TO PAYING HMRC

The following payment facilities are being withdrawn from HMRC:-

- Paying at the Post Office will be withdrawn from 15th December 2017
- Personal Credit Card payments will no longer be accepted from 13th January 2018.

Debit card payments and Corporate Credit Cards will continue to be accepted.

Alternative ways to make payments to HMRC (which are more secure and save the expense and time of going to a post office or bank) are:-

- Via Direct Debit
- Online or telephone banking (including Faster Payments, BACS and CHAPS)
- Debit/Corporate Credit card online or by telephone.

QUESTIONS AND ANSWERS

How do I identify a good accountant?

A good accountant can be identified by the following:

- Has great people skills
- Knows your industry
- Can assist you to set up a simple bookkeeping system compatible with the systems they use
- Will not charge you for a quick call or a regular email
- Has a professional client reminder system in place
- Updates you on recent changes within the industry and from the Government that will affect your business
- Explains financial terminology in simple terms
- Is available to discuss your short, medium and long-term strategy openly and objectively
- Has a policy of being open and honest. Provides an estimated bill to help prepare your cash-flow forecast
- Can provide clear terms and conditions of trade prior to engagement

Remember that the onus is still on you to ensure all HMRC paperwork and payments are submitted on time.

What can I do when business is quiet?

It is inevitable that things may start to go quiet. Here are a few useful activities that can be done during those periods:-

- Attend training courses. Courses can expand your skills, assist with growth or help you diversify
- Reassess your business goals. A quiet period is a good time to keep an eye on your competitors, the market, pricing and your terms and conditions.
- Expand your offer. Consider adding more products and/or services. Try to have at least three of four income streams coming into the business
- Network. Social networking is one of the most cost-effective ways to engage with businesses
- Catch up on paperwork. This is the ideal time to ensure that you complete your accounts, ready for submission
- Take a holiday. Time away from the business is the best way to recharge your batteries, think objectively and return to work full of energy.

We are obviously good accountants and we also can help you reassess your business goals and look at the business and where it is going. Call Jane to progress this.