

News

Lentells' staff promoted to associate director level

Lentells are delighted to announce that Rob Wegner and Tracey Turner have been promoted to Associate Director level. Rob will take up the position with immediate effect and Tracey from March of next year. Rob will join the Board of Directors in March 2021 and Tracey in March 2022.

Andrew Spear, Lentells Chairman said "These promotions represent a significant development for Lentells, reflecting our impressive growth, as the firm continues to go from strength to strength. Supporting and nurturing our staff is integral to our on-going success. I congratulate Rob and Tracey on their well-deserved promotions which reflect their commitment and hard work over the years".

Both Rob and Tracey have a wealth of experience in the healthcare sector, as well as working across a broad range of other sectors in general practice including retail, agriculture, construction and tourism. They are also both qualified to advise clients on Wills, LPAs and Probate.

Speaking of his promotion Rob said, "I am delighted to be joining the directors of Lentells as recognition of my role as a manager, developing our client base and contributing to the firm's growth".

Tracey added "Lentells are really proactive, they have provided me with the support and training to take the next step in my career; this is a very exciting time to be joining the directors and a great opportunity".



Beware the tax on Covid-19 support



Eligible businesses should by now have accessed any available government support to help reduce the financial implications of the pandemic. Whilst such support is welcomed, businesses need to make sure they understand the tax implications of any support provided.

The following government assistance is classed as taxable income and will normally need to be reported in the accounts on the date of receipt:

- Self-employed income support scheme (SEISS)
- Local authority business grants

There can be a significant delay in the associated tax on the government support falling due e.g. where a business has a March accounts date, and SEISS income was received in June 2020, that will be included in the

March 2021 accounts, with any associated tax not falling due until January 2022.

Reimbursements through the furlough scheme should be reported in the accounts to match the period in which the wage costs were incurred for example, if the accounts date is 31 March 2020 and a furlough reimbursement was received in May 2020 to cover March and April wages, the part for March wages would need to be included in the March 2020 accounts, with the balance reported in the March 2021 accounts.

Any income from government backed loans, such as the bounce back loans, are not classed as taxable income. Tax relief will be available on any interest charges, but no tax relief is available on the capital repayments.



16% to Zero – Going green with low emission cars

As part of its green agenda the UK aims to end the sale of petrol and diesel cars by 2035. As encouragement the government recently announced that any business buying a zero or low emission car from April 2020 will get significant tax breaks.

So how does this work? Currently, company employees are taxed if they have the benefit of a company car, with a percentage of the cars list price having tax charged against it. This can be quite painful for all concerned, however in an eyebrow raising move HMRC have slashed the benefit in kind tax percentage on low emission cars from 16% to 0%.

A model is classed as low emission if its Co2 is between 1-50g/km and will benefit from this 0% rate if purchased new after 6 April 2020. A zero emission car, irrespective of when it was registered, will have the 0% treatment from April 2020.

This means an employee with a zero or low emission car as a company vehicle will have more money in their pocket through tax saved. The company itself will also save money on its national insurance bill.

It's not just companies that can benefit. Sole traders and partnerships can also benefit by receiving 100% deduction against profits on the purchase price paid of any low or zero emission car, however any tax relief is reduced if there is any private use of the vehicle.

Going green is no longer a political or social issue, it now also saves you money!

Lentells are able to advise on all aspects of company car tax and benefits in kind. Please contact us for more details.

REMiNDER



Changes to Capital Gains Tax

New rules introduced on 6 April 2020 mean that you now have just 30 days from the completion of a property sale to calculate the Capital Gains Tax (CGT), report it and pay it to HMRC. This new 'residential property return' is a standalone return to HMRC, which is submitted online.

This is effectively a 'payment on account' and the gain will still need to be reported on a Self-Assessment tax return, when the final tax will be calculated with any underpayment by 31 January after the tax year in question.

If you live in the UK, you will need report and pay CGT when you sell:

- a property that you've not used as your main home
- a holiday home
- a property which you let out for people to live in

- a property that you've inherited and have not used as your main home

You will not have to report or make a payment when you sell if:

- you meet the criteria for full Private Residence Relief
- the sale or disposal was made to a spouse or civil partner
- the gains (including any other chargeable residential property gains in the same tax year) are within your tax free allowance
- you sold the property for a loss
- the property is outside the UK

Failure to report and pay any CGT on time is likely to lead to interest and potentially a penalty.



Time to Pay for self-assessment taxpayers

The Government has announced an enhanced Time to Pay scheme for self-employed and other self-assessment taxpayers who are struggling to make tax repayments as a result of the Coronavirus pandemic.

Once a tax return has been completed for the 2019/20 tax year, those who have payments to make could have the option of using the online self-serve Time to Pay facility to set up a direct debit and pay any tax that is owed in monthly

instalments, up to a 12-month period. Anyone opting to set up a Time to Pay arrangement will be required to pay interest on the tax owed. Interest will be applied to any outstanding balance from 1 February 2021. Those wishing to set up their own self-serve Time to Pay arrangements must have no outstanding tax returns, other tax debts or other HMRC payment plans set up.

The debt needs to be between £32 and £30,000 and the payment plan needs to be set up no later than 60 days after the due date of a debt. Those with self-assessment tax payments over £30,000, or who need longer than 12 months to pay in full, may still be able to set up a Time to Pay arrangement by contacting HMRC direct.



Working from home

With Coronavirus leading to a surge in homeworking, employees incurring additional costs may be looking to their employers for a reimbursement. To avoid any unintended tax liability for employees, it is important that employers are aware of the rules, before making any reimbursement.

Where employees work from home, HMRC permit a flat rate payment to be made, which is tax deductible by the employer, but does not give rise to a taxable benefit in the hands of the employee. The rate was £4 per week until 5 April 2020, increasing to £6 per week from 6 April 2020.

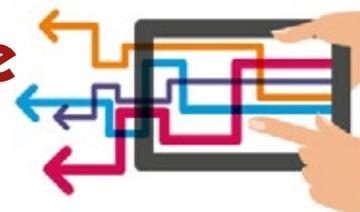
An employer is able to reimburse more than the flat rate provided there is evidence to support any additional costs incurred. Additional costs are only eligible for reimbursement if they have increased as a result of homeworking. This covers the increase in actual costs, for items such as heat, light, insurance, water, telephone or broadband, but not fixed costs such as mortgage interest, rent or rates.

If an employer has provided additional equipment to enable homeworking, no taxable benefit arises where there is insignificant private use of the equipment. As a concession, during the lockdown, where employees have purchased equipment themselves to enable working from home, employers are able to reimburse these costs without any taxable benefit arising.

It is recommended that any payments to employees are supported by a formal expense claim with accompanying receipts where relevant.

Lentells are able to provide support on all aspects of employee benefits, please contact us for further information.

Making Tax Digital to be extended



At present, VAT-registered businesses with a taxable turnover above the VAT threshold (£85,000) are required to follow the Making Tax Digital (MTD) rules by keeping digital records and using software to submit their VAT returns.

The Government plans to extend the MTD initiative, announcing over the summer that all VAT-registered businesses with a taxable turnover below £85,000 will be required to follow MTD rules for their first return starting on or after 1 April 2022.

From April 2023, all unincorporated businesses and landlords turning over more than £10,000 will be expected to keep digital records and use software to update HMRC quarterly through MTD.

Lentells are able to work with you ensuring you are fully prepared for the extension of MTD. As QuickBooks Platinum ProAdvisors we can recommend the best package for your business and provide on-going support and training.

Changes to witnessing of Wills

Historically Wills have had to be witnessed in the physical presence of two independent witnesses for the document to be valid when presented to the courts. However, the social distancing and isolation measures put in place to tackle the coronavirus pandemic has made it increasingly difficult to witness Wills legally. In response, the Government has announced a change in the law, which means that Wills witnessed over video-conferencing platforms are now legally valid.

We understand that the idea of making a Will can be daunting, which means that many of us put it off for another day. That is why we are offering the opportunity to have a free, informal discussion with

one of our experts, either by phone or a virtual meeting.

Making a Will need not be complicated or expensive, but it does require thought and careful planning. We can run through the main areas you need to consider. In addition, we can if appropriate discuss the advantages of drawing up a Lasting Power of Attorney to look after your welfare and financial affairs during your lifetime.

To book an appointment, please email probate@lentells.co.uk with your contact details, letting us know a convenient time to contact to you and whether you would prefer a phone call or virtual meeting.

Stamp Duty Holiday

Anyone purchasing a residential property up until the end of March 2021 will benefit from reduced rates of Stamp Duty. The threshold has been raised from £125,000 to £500,000 for this period, so no tax needs to be paid on the first £500,000.

The temporary rates until the end March 2021 are as follows:

Property Price	Stamp Duty Rate
Up to £500,000	Zero
Over £500,000 to £925,000	5%
Over £925,000 to £1.5m	10%
Above £1.5m	12%

In addition, the Help to Buy Equity Loan Scheme deadline has been extended by

two months, so will now end at the end of February 2021. The deadline for the legal completion of the sale will remain the same, 31 March 2021.

Under the scheme, an equity loan worth up to 20% of a property's value (or up to 40% in London), is used by the buyer to increase their deposit. No interest is payable on the equity loan for the first five years. The loan itself does not need to be repaid until the property is sold, or at the end of the mortgage term, whichever comes first.



Stay up to date with Lentells!

As part of our commitment to provide a comprehensive service, we have developed a number of initiatives to communicate simply and effectively, providing relevant information, advice and support for all our clients.



Our website, www.lentells.co.uk, is the core of all our communications, with its regularly updated newsfeed covering a wide range of topical stories, announcements and deadline reminders.

You can register for free at the top of our Home page to receive a fortnightly roundup of all the key stories.

Also on the website, you will find our newsletters, seminar notes and useful calculators, information on making a Wills, LPAs and Probate, as well as videos and details of our online QuickBooks training sessions.



In addition, our newly launched Podcast is now on the website. To date, the episodes have looked at the NHS Pension and Wills and LPAs. Going forward, we will be adding regular episodes covering a wide selection of topics. All the episodes can be found at <https://www.lentells.co.uk/guides/lentells-podcast>



Do follow us on social media, we post daily on a wide range of topical updates and stories, as well as sharing charity initiatives undertaken by the firm, members of staff and clients.

The Lentells App

We have also developed our own App which offers a range of useful financial tools including AutoEntry, enabling you to capture all your receipts and expenses and transferring them into your chosen software, GPS Mileage Tracker, tax tables and direct access to Cloud Accounting software anywhere, anytime



The Latest Info icon keeps you up-to-date with all Coronavirus related announcements as they happen, for businesses, employees and the self-employed.

The app is free to download from the App Store and Google Play, or by swiping the QR code.



Coronavirus scams – Beware

The increase in people working from home has opened up opportunities for fraudsters to target companies, fuelling a rise in potential scams.

Examples include emails allegedly sent by senior personnel authorising the transfer of funds or requesting financial information, and fraudsters purporting to be company suppliers requesting to change their bank details in order to route funds to a fraudulent account.



It is important that businesses stay vigilant should they receive any such request. If you are at all unsure of the validity of any such request, contact the supplier independently to verify the situation.

For more information regarding avoiding and reporting scams go to:

<https://www.gov.uk/report-suspicious-emails-websites-phishing-report-hmrc-phishing-emails-texts-and-phone-call-scams>



How to contact us

Chard

17-18 Leach Road, Chard Business Park,
Chard, Somerset TA20 1FA
Telephone: 01460 64441
E-mail: chard@lentells.co.uk

Seaton

50 Fore Street, Seaton, Devon EX12 2AD
Telephone: 01297 20584
E-mail: seaton@lentells.co.uk

Taunton

Ash House, Cook Way, Bindon Road,
Taunton, Somerset TA2 6BJ
Telephone: 01823 286274
E-mail: taunton@lentells.co.uk

Cloud Accounting & Software Support

Telephone: 01460 68700
Email: softwaresupport@lentells.co.uk

Payroll & Pensions

Telephone: 01460 68700
E-mail: payroll@lentells.co.uk

Wills, Lasting Power of Attorney & Probate Services

E-mail: probate@lentells.co.uk

Lentells Limited Chartered Certified Accountants

Reg No. 4622793 England. Registered Office: 17 - 18 Leach Road, Chard Business Park, Chard, Somerset. TA20 1FA.

Registered as auditors and regulated for a range of investment business activities in the United Kingdom by the Association of Chartered Certified Accountants

Lentells Estates and Probate Services Limited
Reg No. 11502849 England. Registered Office: 17 - 18 Leach Road, Chard Business Park, Chard, Somerset. TA20 1FA.

Authorised by the Association of Chartered Certified Accountants to carry out the reserved legal activity of non-contentious probate in England and Wales.

Probate services are provided by Lentells Estates and Probate Services Limited, a wholly owned subsidiary of Lentells Limited and will adhere to all GDPR and Data protection policies issued in the name of Lentells Limited.

Neither company is authorised under the Financial Services & Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services to clients because we are regulated by the Association of Chartered Certified Accountants. We can provide these investment services if they are an incidental part of the professional service we have been engaged to provide.

