

News



Platinum Certified ProAdvisor

Quickbooks Online Training 2019

Lentells are running a series of QuickBooks online training sessions throughout the year at both our Chard and Taunton offices.

Each session will cover:

- Navigation through QuickBooks Online
- Maintaining the Customers and Suppliers Ledgers
- Performing bank reconciliations
- Amending the QuickBooks Chart of Accounts
- Generating your VAT return
- Generating the QuickBooks Reports
- Preparing Budgets (Plus version only)

| | |
|---------------------------------|---------|
| Tuesday 2nd May | Taunton |
| Thursday 27th June | Chard |
| Wednesday 25th September | Taunton |
| Thursday 28th November | Chard |

There will be a maximum of 5 delegates on each session. For more information, or to book a place, please go to the Events page of our website www.lentells.co.uk/quickbooks-online-training-2019

Making Tax Digital



If you're a small business owner then you're probably aware of the shift to digital tax. This monumental change will see HMRC gradually becoming completely digital. To start with, Making Tax Digital (MTD) is just about VAT. However that will potentially change and all tax – from PAYE to corporation tax – will be covered in due course.

If your business is VAT registered and your annual turnover is at least £85,000, you should have a letter from HMRC about submitting VAT returns under the MTD rules. These rules will apply to VAT periods beginning on and after 1 April 2019.

Businesses that are VAT registered, but whose turnover for the year to 31 March 2019 is less than £85,000, aren't required to be part of MTD at this stage, but they can join it on a voluntary basis by getting in touch with HMRC.

If you're VAT registered, but have a low turnover and decide not to opt into MTD, you'll need to keep an eye on your turnover for each rolling 12 month period. If this total exceeds £85,000 you'll have to join MTD from the start of your next VAT period.

What will MTD change?

Under MTD you must keep all your VAT records in a digital format and submit the VAT return through MTD-compliant software. Note, the current online VAT return form on gov.uk will be closed to all businesses which

have to comply with the new MTD rules. This is because HMRC want to reduce the human errors that happen when people manually type VAT figures into the form.

VAT registered businesses not within the scope of MTD can carry on submitting VAT returns as now, using the online VAT return form on gov.uk.

What will stay the same?

The VAT return will be due on the same day. For quarterly returns this is seven days after the end of the month that follows the end of the VAT quarter.

The VAT due will be payable as it is now – by electronic transfer, BACS, by direct debit or at a bank. Businesses which use the VAT annual accounting scheme or who make payments on account to HMRC, will generally pay the VAT due by standing order.

Software, such as QuickBooks, simplifies the whole process by prompting you to add any missing or required data. It then automatically compiles it in such a way that you or us as your tax agent can easily submit it via HMRC's digital tax system. For now, this means your VAT return, but in time it will affect everything you do.

If you would like more information please talk to your regular office contact or any of our offices who can pass you to the relevant person.



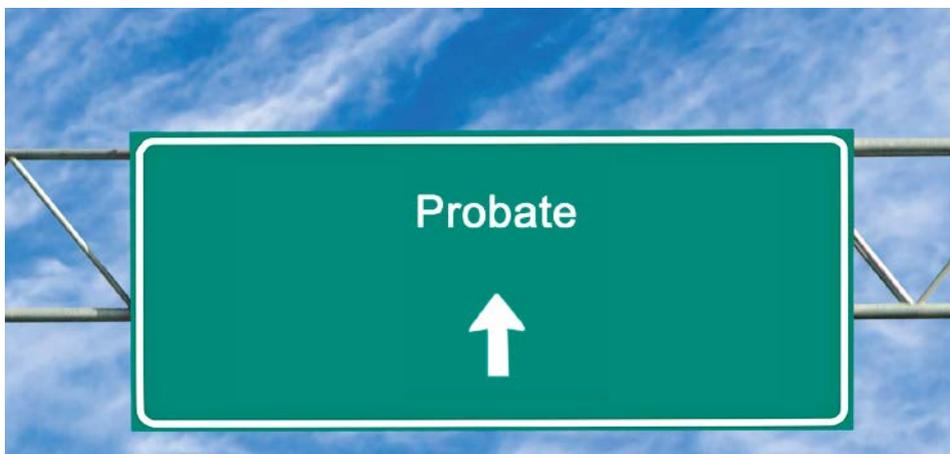
Changes to Private Residence Relief

In the 2018 budget the Chancellor confirmed that as from April 2020 the rules regarding Private Residence Relief (PRR) will be tightened. PRR is designed to protect taxpayers from Capital Gains Tax when selling their homes.

From April 2020, the final period exemption when you sell a property you have previously lived in will be reduced by half. Under current rules, PRR allows the owner to exempt the years they lived in the property from their Capital Gains calculation upon sale, plus the final eighteen months of ownership. The new rules have changed this final period of exemption to just nine months. As a result anyone considering selling a property they have previously lived in should be aware that the new rules could affect their Capital Gains Tax liability.

The rules for those who are disabled or in a care home will remain at thirty six months of final period exemption.

In addition there are changes to the rules for Letting Relief, which will now only apply to owner-occupiers. At present, Letting Relief can be worth as much as a £40,000 reduction in the chargeable gain to an owner selling a rental property that was previously their main residence. To date there has been no requirement for the owner to occupy the property at the same time as their tenants. This will no longer be the case. From April 2020 the owner will need to live with their tenants in the property to qualify, effectively ending this relief for many owners.



Changes to Probate Fees

Probate fees are currently £215 (or £155 for those applying through a professional) and there is no fee charged if the estate is worth less than £5,000.

The Government has proposed to replace this system, with the changes expected to come into force for applications made after 1 April 2019. As a result of lack of Parliamentary time, this has been postponed but will come into effect 21 days after any measure has been passed.

Under the new system the threshold for exempt estates would increase from £5,000 to £50,000, which will allow around 25,000 estates per annum to become fee exempt.

The Government's proposed new scale of Probate fees is as follows, but could change before final approval and introduction:

| Value of estate before inheritance tax | Proposed fee |
|---|--------------|
| Up to £50,000 or exempt from requiring a grant of probate | £0 |
| £50,000 - £300,000 | £250 |
| £300,000 - £500,000 | £750 |
| £500,000 - £1m | £2,500 |
| £1m - £1.6m | £4,000 |
| £1.6m - £2m | £5,000 |
| Above £2m | £6,000 |

Lentells Estates and Probate Services are able to offer a comprehensive and competitively priced Probate service. For more information go to <https://www.lentells.co.uk/services/personal/probate-services/probate-benefits> or email probate@lentells.co.uk

Quick Wins to Squeeze the Tax

With the new tax year just starting now is a good time to consider whether you are taking full advantage of any tax relief available. Quick wins are available as follows:

Marriage Allowance

If one spouse in a married couple is a basic rate taxpayer (earning less than £46,350) and the other spouse does not earn enough to use their personal allowance (currently £11,850), it may be possible to transfer 1/10 of the personal allowance to the higher earning spouse, saving tax of up to £238. Claims can also be backdated for earlier qualifying years.

Tax Free Bank Interest

Up to £1,000 of bank interest is tax free for basic rate taxpayers. This reduces to £500 for 40% taxpayers and nil for 45% taxpayers. For savings generating interest above these amounts,



interest can still be paid tax free from ISA accounts, with a maximum investment per year of up to £20,000

Capital Gains

Capital Gains Tax can arise where profits are made on the sale of some assets (excluding a person's principal residence), however the first £11,700 of any gain is tax free. Spouses each receive a tax free allowance, and since no capital gains tax arises on transfers between spouses, it may be worth sharing ownership of an asset with a spouse prior to disposal, to take advantage of their allowance.

Corporation Tax

Companies can make contributions to employee pension funds (including for directors) and qualify for tax relief at 19%, whilst no benefit in kind tax arises on the employee.

Lasting Power of Attorney (LPA)



An LPA is a legal document that allows you to appoint one or more persons (attorneys) to help you make decisions in the future regarding your welfare and financial arrangements should you have an accident, an illness or lose the mental capacity to make your own decisions.

Making an LPA is just as important as making a Will. They serve two separate purposes and should not be considered as an either/or. LPAs relate to management of your affairs during your lifetime whereas Wills relate to the distribution of your estate following your death.

Why it makes sense to have an LPA

Sadly loss of capacity can happen to anyone at any time, not just through old age, but through accident and/or illness – often things that are completely out of our control. Putting in place an LPA while you are fit and healthy gives you the peace of mind that, if necessary, decisions concerning your welfare and financial affairs are being overseen by someone who you trust and who will be acting in the best interests of you and your family.

Do I need an LPA if I have a spouse/partner?

Many people assume that because they are married or in a civil partnership their spouse or partner would automatically be able to deal with their financial affairs and make decisions about healthcare should they lose their capacity to do so. However, without an LPA in place this is not necessarily the case. For example, any assets held in your sole name your partner will not be able to have access to, including ISAs, saving accounts, investments and pensions. In addition, when one account holder of a joint account loses capacity, the other joint holder may not be able to access the funds if there is not an LPA in place.

Types of LPAs

There are two types of LPA. It is possible to draw up one, or both. The same attorney(s) can be appointed for both or someone different can be appointed for each. They are:

- Health and welfare, which appoints an attorney to make decisions regarding medical care, future care needs such as moving into a care home, and life-sustaining treatment. It can only be used once the person can no longer make their own decisions.
- Property and financial affairs, which appoints an attorney to make decisions regarding managing a bank account and investments, paying bills, collecting benefits or a pension and buying and selling property.

LPA for Businesses

If you are a business owner it is important to consider what would happen if you were unable to make decisions. If there is no business LPA in place there may well be issues with bank account signatories, paying creditors and employees and contractual obligations. Without a business LPA in place, an application to the Court of Protection to appoint a deputy to act on your behalf may be needed. There is no guarantee at this stage that the Court will appoint an individual who the business owner would have chosen. This process can also prove more costly and take time, exposing the business to greater risk.

Talk to us about making an LPA

At Lentells we can assist with both the procedure of completing the necessary paperwork as well as advising on all the areas you need to consider ensuring the LPA covers all possible eventualities. If you are writing or amending your Will it makes sense to consider putting an LPA in place at the same time. Alternatively this can be done as a separate exercise at a time to suit you.

Stamp duty land tax payment window cut to 14 days

The payment window for Stamp Duty Land Tax (SDLT) has been halved to 14 days affecting commercial and residential property transactions as from March 1st. In addition there is a new penalty procedure for late filings and payments. The current SDLT threshold is £125,000 for residential properties and £150,000 for non-residential land and properties.

You pay the tax when you:

- buy a freehold property
- buy a new or existing leasehold
- buy a property through a shared ownership scheme
- are transferred land or property in exchange for payment, for example you take on a mortgage or buy a share in a house

First time buyers

There are different rules if you're buying your first home. You get a discount (relief) that means you pay less or no tax if the purchase price is £500,000 or less. First time buyers who qualify for the relief will pay no SDLT on the first £300,000. If the price is between £300,000 and £500,000 they pay 5% on the amount in excess of £300,000 which is a reduction of £5,000 compared to the amount of SDLT they would have paid under the normal rates regime. However, if the purchase price exceeds £500,000 then the full rates of SDLT will apply without any relief.

Penalties

Sellers will pay an automatic fixed penalty for failure to submit a return by the filing date. The amount of the penalty depends on the lateness of the return. There is a fixed penalty of £100 for returns filed up to three months after the filing date, rising to £200 for returns later than three months.



Supporting clients with



AutoEntry

AutoEntry automates data entry by accurately capturing all of your invoices, receipts, expenses and statements and transferring them directly into your chosen accounting software, including QuickBooks, Sage and Xero. This reduces the need for manual data entry, saving you time and money. As all the data will be stored securely in the cloud, there will be no need to file, print and copy any paper documents.

Lentells are delighted to have teamed up with AutoEntry as part of their Partner programme.

As a result all our clients who complete their own bookkeeping can sign up to a twenty eight day free trial of AutoEntry software which includes free online training from the AutoEntry team. If you then decide to subscribe to AutoEntry, you will receive a 50% discount on the first 6 months subscription. To sign up to AutoEntry's Partner Programme go to <https://data.autoentry.com/signup/partner/FBCDB>

We have included AutoEntry as a new built in feature of the Lentells' App. It is easy to use and will take you straight to the login landing page of AutoEntry.

The Lentells' App is free to use and download from both the App Store and Google Play.



Summer Shows 2019

We will be at the following shows this summer and look forward to seeing as many of you as possible. We will be offering refreshments throughout the day and the chance for a welcome sit down and chat. Our agricultural team will be on hand and look forward to welcoming you.

Honiton Show Thursday 1st August

As in previous years, we will be in the Blackdown Hills Business Association's marquee which is always a hive of activity showcasing a fantastic variety of local businesses.

Dunster Show Friday 16th August

Soroptimist Swimathon 2019



Congratulations to our three teams who swam a hugely impressive 288 lengths at the Taunton Soroptimist Swimathon at the end of February.

Since its launch in 1988, the Swimathon has raised over £610,900, the vast majority of which has been given directly to a variety of locally-based charities. The three charities who will benefit this year are St Margaret's Somerset Hospice, Taunton Citizens Advice and Somerset Sight.

Many thanks to everyone who sponsored us and to those who came along on the day to support us.



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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.

