



## Client Update Newsletter

May 2016



Please see over the next few pages an update on some matters of interest relating to the firm and its financial services subsidiary. There are also some technical areas of importance which will affect many clients but have been covered only in general terms. If you require any further information, then please contact us.

**David Drain**  
Managing Partner

### Baddow Races

A reminder that Sunday 15<sup>th</sup> May is the day for the Edmund Carr sponsored Great Baddow Charity Races. It is not too late to sign up for either race. 10 mile - online entry at [www.Runnersworld.co.uk/baddow16](http://www.Runnersworld.co.uk/baddow16). For the 2 mile fun run - details can be found at [www.baddowraces.org.uk](http://www.baddowraces.org.uk) We hope to see some of you there.

### Tom York - Partner

Many of you will already know of Tom as he has been with us for some time, having joined as a trainee back in 2002. We are pleased that he has now become a partner. He recently appeared within Essex Life Magazine in their Leading Lights feature. His specialisations are Academies family businesses and business start ups.



### ECFS move to 122

Due to the success and growth of our financial services division, EC (Financial Services) Limited, we required more space and were fortunate that the office at 122 New London Road became available. After redecoration and refurbishment they moved in immediately after Christmas. We are pleased to say that the business goes from strength to strength and if there are any matters requiring assistance from our team of independent financial advisors then please do not hesitate to contact the partner responsible for your affairs and arrangements can be made for a meeting.

### Academies – Tom York

Our newest sector to the firm has continued to grow and we now look after 11 Academies of varied size. We have an experienced team which is headed up by two partners, Stewart Martin and Tom York. The reporting burden on Academies continues to grow and with our expertise we are always here to assist with all the necessary requirements throughout the school year. With the announcement by David Cameron that the Conservatives aim to convert all schools into Academies, there will be a large number of schools having to convert in the coming years. We will happily attend a meeting with a school, free of charge, to share our experience and knowledge. Please feel free to call to book an appointment.

### Company Secretarial Changes – Maria Chapman

#### People with Significant Control (PSC Register)

From 6 April 2016 you need to start keeping a record of the people who control your company - your PSC's. There are criminal penalties if you don't do this.

For most companies these will be individuals who:

- hold more than 25% of the company's shares
- hold more than 25% of the company's voting rights
- have the right to appoint or remove the majority of directors **OR**
- have the right to, or actually exercises, significant influence or control over the company or have the right to, or actually exercises, significant influence or control over a trust or company that meets one of the above conditions.





### Confirmation statement

From 30 June the annual return is being replaced by the confirmation statement. You will need to review the information we hold about your company and confirm it is correct at the time you make the statement.

As part of your first confirmation statement you must also provide the information contained in your register of people with significant control (PSC).

If we already act for you in regards to your Company Secretarial matters we will be able to make sure this is all complied with in a timely manner as we deal with all your statutory filing at the moment. Please note if it is not clear from the records we hold who is the PSC, we will be asking you for this information, along with any additional information required for the new register, e.g. date of birth.



### **Bookkeeping – Stewart Martin**

Fed up with bookkeeping and accounting or need to rely on regular management information to drive your business forward?

The last few years has seen a progression of online bookkeeping software with Xero being the newest name. As a firm we have invested our time in building up our knowledge of Xero, QuickBooks and Sage and other software packages. Earlier this year the Government announced that between April 2018 to April 2020 all businesses will need to upload their business performance on a quarterly basis to HMRC and pay tax based on those figures. With the cloud based technology

we can assist at all levels from the day to day entry and bank reconciliation up to regular management information at very competitive prices. We have a team of people who have a high level of knowledge and experience first hand and we will be happy to offer assistance. Please feel free to call to discuss your requirements.

### **Tax Changes – Debbie Wakefield & Francis Whitbread**

The digital tax accounts announced by the Chancellor of the Exchequer in 2015 are now getting much closer to be reality, with the process starting later this year with a view to requiring taxpayers to submit digital accounts on a quarterly basis by 2018. As usual, behind the fanfare of the announcement, there is a distinct lack of detail. In particular there is currently no guidance on the information that will be needed, or whether the accounts will be compiled by taxpayers or their advisers. As a firm, we are also concerned about the timetable for the process, which is very ambitious, particularly as previous attempts at digitalisation on this scale by the government, such as the NHS National Programme for IT, have been beset with problems.

Unfortunately, we also need to recognise that the system will be imposed, regardless of any IT or other issues. The question of who compiles the information is in a sense academic, because we have a vital role to play in assisting our clients with what is a radical change to the way income is reported and tax is calculated and collected. Our approach to the auto enrolment pension rules for employers was to act early and provide our clients with as much support as possible and we will be doing the same with digital tax accounts when the detail is made available. An important priority will be to keep the additional costs involved for our clients to an absolute minimum, which will entail looking at each client's situation to identify the best way of complying with the reporting requirements.



There is little more to add at this stage until we have some detail to go with the basic proposal and the purpose of this comment is to highlight the major change that is coming and the bumpy road to digitalisation.





### **Marriage Allowance**

There is a new marriage allowance which came into effect from 6 April 2015 and is applicable to couples but only where the income of one spouse/civil partner is below the personal allowance (i.e. a non tax payer) also, the other spouse/civil partner is taxable at basic rate which, for 2015/16, is between £10,601 and £42,385.

Upon successful application 10% of the non tax paying spouse/civil partner's personal allowance is transferred over to the tax paying spouse/civil partner. This is either given through the PAYE coding or via the annual tax return under self assessment. *If at least one spouse/civil partner was born before 6 April 1935 then it may be more beneficial to claim the married couples allowance instead.*

We may not necessarily be aware of the income of a client's spouse and if you think the new allowance may be available to you then please contact us.

### **Chartered Accountancy Exams**

We are delighted to be able to congratulate Stephen Drain who achieved second place in the South Essex Society order of merit for the 2015 professional stage examinations.

Stephen will be presented with the award by the Deputy President of the Institute of Chartered Accountants at the Business Excellence Awards Dinner at Stock Brook Manor on 19 May 2016. Well done Stephen.



### **Business Protection and Life Cover**

Stephen Franklin of ECFS has recently been heavily engaged with clients in dealing with life cover for businesses. There can be quite serious repercussions for a business should one of the key individuals become seriously ill or die. If for example there are two main directors or partners it would be sensible to have life cover in place so that in the event of a death sufficient money would be made available to enable the purchase of the deceased partner's share of the business and possibly, to provide the business with sufficient funds to enable a successor to be found.



In some businesses substantial bank loans have been taken out and the death of the proprietor or a key person within the organisation could place the business under tremendous pressure financially. Life cover could be provided, with the company as beneficiary and in the event of a death the claim would be sufficient to clear the loan or make a substantial loan repayment thereby easing the pressure. The premiums in many cases are surprisingly low and our IFAs at ECFS Limited will be happy to discuss the matter with you and obtain the best quote.

### **Auto Enrolment Update**

We continue to run our free Seminars for clients on Friday mornings and have been delighted by the success of these meetings and the positive feedback we have received from clients. In the event that you still require advice on Auto Enrolment then please contact Julie Perrin or Sarah Lock who will arrange for you to be accommodated at one of the Friday seminars at your convenience.

### **Eric Williams to become a Deputy**

The title of Deputy President of the South East Essex Society of Chartered Accountants sounds very grand, but the reality of the appointment is far more prosaic. It is a case of, as the current president David Datson, has wryly observed, being in the incorrect place at an inopportune time. I have by various means found myself being put forward.

I take up the role as Deputy President on 26 May, with, in the normal course of events, taking on the mantle as President in May 2017 for a year. Having been a member of this venerable profession for more than 40 years I have to say I'm looking forward to it.





### **Cycling over 250 miles for charity - Francis Whitbread**

Between 29 April and 3 May 2016 I will be cycling just over 250 miles between Debenham in Suffolk and Lothersdale in Yorkshire.

Today I am on the final day of my latest cycle ride to Yorkshire, a ride of 40 miles heading west into the Pennines and journey's end at Lothersdale, near Skipton. When I cycled north to my little cottage in the Dales two years ago I was convinced that trip, the fifth since 2005, would be the last. However, I was persuaded to cycle to Yorkshire again, this time from my new home in Debenham, Suffolk by two fund raising causes that are close to my heart:

- The cost of an autism assistance dog for my wife Jackie's grandson, and
- Funds to enable the Rotary Club of Chelmsford to continue supporting local good causes.

So far I have had four enjoyable but exhausting days cycling, each of around 55 miles, stopping successively overnight at Ely, Kings Cliffe, near Peterborough, Moorhouse, a Nottinghamshire village north of Newark, and Barkston Ash, near Tadcaster in Yorkshire.

The weather has been distinctly unseasonable on occasions during the ride and the wind direction not always where I would like it, but I have also had the chance to enjoy, at first hand, spring time in England's green and pleasant land.

I can see the familiar purple of the Pennines in the distance; a sign that the steepest climbing of my 250 odd mile ride is still to come, but equally journey's end is quite near, with blessed rest for my aching legs!

**If you would like to support me, please let me know and I will also be leaving a sponsor form at the office. Any donations will be split equally between my two causes unless you specify otherwise.**

Thank you.



#### **Disclaimer**

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

**Edmund Carr LLP  
May 2016**

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**If you think this information might be useful to a friend or colleague, please pass it on.**

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