

THE BUSINESS GODPARENT

SPRING 2019 | Issue 2

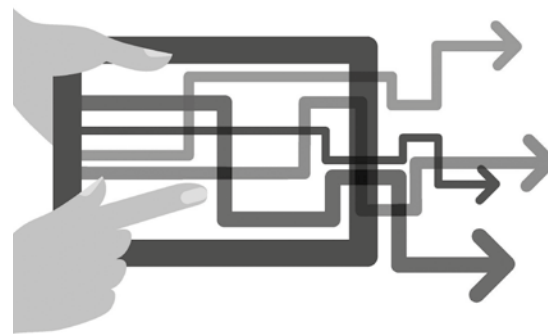


RED SOFA INTERVIEW

ANN BREBNER TIME FOR YOU

Ann Brebner from Time For You takes a seat on the Red Sofa.

PAGE 2



ESSENDON'S FAQ'S

8 FAQ'S ON MAKING TAX DIGITAL

Essendon answer your questions on going digital this tax year.

PAGE 3

THE BUSINESS GODPARENT

Welcome to the 2nd edition of The Business Godparent. A publication that aims to provide business owners with valuable updates, useful tips, guidance on technology, and friendly support.

Despite the country suffering from Brexit fatigue and bewilderment at what is going on, we still all need to continue to navigate the choppy waters. And though it may not be easy at times, fear not, for Essendon remains here for its clients to help guide each ship safely into port.

As you will see from the photo, I am standing admiring a client's pea shoots coming up. Spring is now in the air, so let's keep calm and enjoy the new season.

ROGER EDDOWES
BUSINESS GODPARENT



DOWNLOAD THE
METAVERSE APP
AND SCAN ME



TAX YEAR, 6 APRIL - 5 APRIL, WHY ON EARTH?

What have the Romans ever done for us? Well, quite a lot, actually, with respect to our funny tax year. And it's all to do with the switch from the Julian calendar (proposed by Julius Caesar in 46BC) to the Gregorian calendar in 1582.

Let us explain. After the switch was made, it was some time before scholars realised that the Julian calendar had been inaccurate to the tune of 9 solar days. But even back then, England, liking to buck the European trend, had stuck with the old regime until September 1752. And it was only at this point they discovered that another 2 days had been lost.

In a bid to right this shocking wrong, 2nd September was followed by 14th September that year. But to ensure the treasury still had enough coins coming in, the missing days were added to the end of the year. In the Middle Ages, because the legal year began on Lady Day (25th March), this meant the tax year switched to beginning 5th April. Then a little matter of a leap year adjustment was made in 1800, and hey presto! The new tax year became as we now know it; 6th April.

BIG WELCOME
TO HOLLY!

We're delighted to have the opportunity to introduce you to the newest member of our Accounts team... Say hi to Holly Tucker.

Holly started at Essendon in March, having already gained nearly three years' experience at another accounts practice. She stepped on to the first rung of the accounting ladder at college, kicking things off with the AAT course and gaining Level 2 and Level 3 whilst she was there. It was then she moved to her first position in the big wide world and studied for the final level of AAT whilst working. But we're really pleased that we're now the lucky practice enjoying her company and her skills as she further develops her career in accountancy.

On a day-to-day basis, Holly's role includes bookkeeping, VAT returns, and preparing the paperwork for client accounts. Now, therefore, when you send in those bags of receipts and bank statements, it's Holly who may well have the joy of digging through them. We'd ask you to be kind... just to begin with.

But when Holly's not wading through piles of invoices, she'll usually be found at the stables, mucking out, grooming, and polishing tack. You might even catch her out on her horse too; particularly in the summer, when she's a regular attendee at local show jumping events, cross country gatherings, and sponsored rides.



DOWNLOAD THE
METAVERSE APP
AND SCAN ME



Interviewer: Hi Ann. Thanks for giving us your time to sit on the red sofa and give us both an insight into your business, Time For You, and why Essendon are your accountants of choice. So, please tell us about your new business...

Ann: Thank you for inviting me onto the red sofa, the famous red sofa... My name's Ann Brebner, I've got a couple of businesses. Time For You Domestic Cleaning, and Work Place Cleaning Solutions. The emphasis being on cleaning. We clean homes and offices all over Northamptonshire. I have been doing that for fifteen years. It's a hard job to find fantastic cleaners for our clients.

Interviewer: So why Essendon, with plenty of accountants to choose from, what made you choose Roger and his team for Time For You?

Ann: Ok. So, I've had my businesses for fifteen years. Over those years I've had a number of different accountants. And as I progressed through business, and became more experienced, I realised it was really important to have a relationship, a business relationship, with my accountant. I needed somebody I could approach, that I could ask questions to... That's so important because accountancy and tax is at a different level. We're not dealing with it on a day to day basis, so it's easy to forget what it's all about; from one year to the next. And I wanted to be able to approach someone, so I interviewed a number of accountants, Roger being one of them, Essendon being one of them.

And for me, he stood out from the crowd. He was very open. He explained everything. And that's just what I wanted from my accountant.

Interviewer: Accounting procedures over the next few years are going to revolutionise with 'Making Tax Digital'. How do you see Roger's and Essendon's role in assisting you and Time For You when it becomes law?

Ann: I think it comes back to the relationship I've got with Essendon and Roger. For me, I know I can approach Roger as an adviser. I think it's really important to have that person at the end of the phone who you think, actually... I really need to ask that question... And not feel stupid about asking layman's terms questions. The digitalisation is coming to businesses and it's something that we've got to adapt to. And I feel reassured that I'm a client of Essendon's and they're going to support me throughout that transition period.

Interviewer: I've heard you feel comfortable to ask the 'Ann's' questions. Can you elaborate on this?

Ann: Yeah... obviously my name's Ann! I'm not shy in coming forward, and if I'm in a meeting with Roger or have a tax question I really don't understand, there's no way I'm going to sit back and think... actually, I'm not going to ask my accountant that. Me and Roger have a laugh about it, and I say, "Look, this is an Ann question...", and it's just a question where I need things explaining, I need them explaining in layman's terms.

I might want a follow up email from Roger after our meetings, so he can put it down, so when I do need to revisit that query about accounts, I can actually look at those emails and make sense of it. Because I deal with a lot of business owners, I run a networking group, and one of the biggest things is that business owners do not understand accounts at all. They just get contact from their accountant once a year, and it's really not enough.

Interviewer: There are people out there maybe thinking about changing accountants, or want to start up a new business... What advice would you give them when looking for an accountant?

Ann: I think it comes back to the relationship, and the openness you have with that person you are working with in any business. At the end of the day, people buy from people, and it's really important... even more so with your accountant... to have that relationship. I don't want to see my accountant just once a year. I don't want to just be sent my end of year reports over once a year. I want contact throughout the year because I want to see what else I need to do with my business. So with Essendon, with Roger, who I recommend to my other business associates and friends, it's about the approachability. And that's absolutely key.

Interviewer: So you've heard it, guys, Ann from Time For You an honest, reliable, and affordable domestic cleaner for the home giving you insight into why you should choose Essendon as your accountant of choice.

YOU CAN EXCEL NOW AT MAKING TAX DIGITAL!

How do you fancy making tax digital even easier?! Yes, we like that idea too. And it's not just an empty wish, because VitalTax have developed a superb application to help with just that.

If you're using Excel, this handy piece of software enables you to submit your VAT return without even having to leave the application. You simply highlight the relevant cells and VitalTax will do the rest; including importing all the values into the correct boxes without further ado. One click... and it's there! No templates, no special formats, and no hoops of fire to jump through. You simply define the Excel spreadsheet in VitalTax and press the button.

But VitalTax also offers more. Once you've installed the application from within Excel, created an account, and given the software

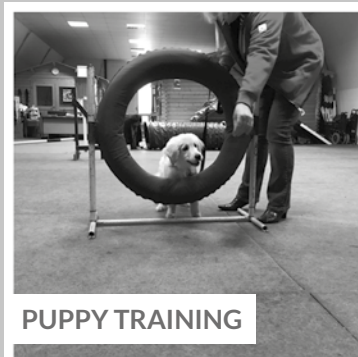
authority to interact with HMRC, you'll have access to all sorts of historical VAT information.

You can check your VAT liabilities and payments. You can view previously submitted returns. And you can do all this without needing to login separately; you're directly in control of your data.

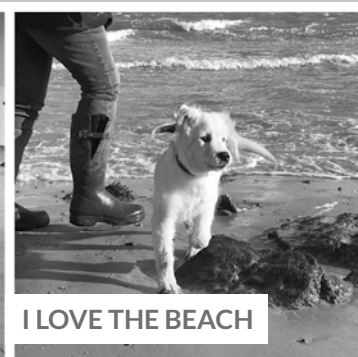
Where can you get VitalTax? It's available to download from the Microsoft Office Store. Supported versions of Excel are: 2013, 2016, 2019 for Windows. 2016 and 2019 for Mac, Office 365, Office Online, and Excel for the iPad.

Go on... give it a go. It won't take long before you're excelling at making tax digital too!

A DAY IN THE LIFE OF POPPY



PUPPY TRAINING



I LOVE THE BEACH

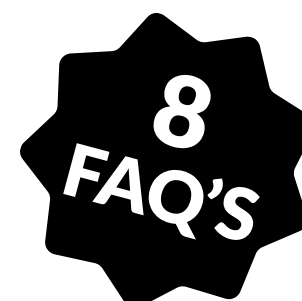


SNEAKY DRINK WHILE THE HOOMANS AREN'T WATCHING



SUCH A TIRING DAY!

ESSENDON'S Q&A ON MAKING TAX DIGITAL



1. **Does my business need to sign up for MTD?**
If your taxable turnover is over £85,000, then yes, you do. However, there are exemptions, for example if it's part of a deferred group, so speak to your accountant if you're not sure.
2. **What if I am VAT registered but my turnover is not above the VAT threshold?**
If your business has a taxable turnover below the VAT threshold you can still sign up for MTD voluntarily, there is no date at the moment for mandatory registration.
3. **When do I have to submit my first MTD return?**
Your first quarter starting from or after April 2019 will be your first MTD return. So, if your quarters run Apr/May/June, you'll need to submit by 7th August. May/June/July, by 7th September, and so on.
4. **How do I submit my returns?**
You can submit your returns either via MTD approved software, or, if you are using Excel, via "Bridging Software". HMRC are not providing any free software for MTD but they have published a list of all MTD Compatible software here: <https://www.tax.service.gov.uk/making-tax-digital-software>. Speak to your accountant if you need help deciding which route to take.
5. **Do I have to change how I keep my records from the 1st of April?**
The requirement to keep digital records does not mean that you will have to scan and store invoices and receipts digitally. You can continue to keep documents in paper-form if you prefer. What is required, however, is that each individual transaction (not summaries) will need to be recorded and stored digitally.
6. **Which transactions do I have to record electronically?**
All transactions of prime entry, for example sales and purchase invoices, and sales and purchase credit notes.
7. **What happens if I make a mistake?**
HMRC has confirmed that there will be a 'soft landing' period between April 2019 and March 2020, in which there will be no financial penalties for record keeping failures.
8. **When will MTD for Income & Corporation Tax launch?**
Although it is in the pipeline, the launch of MTD for Income & Corporation Tax has not yet been announced. The earliest dates for Corporation Tax will be 2020, and Income Tax will be slightly later in 2021.

LENA’S TOP TIP

There are all sorts of facts and myths currently floating around about making tax digital, so we thought we’d clarify a handful for you here. Hopefully to put your mind at rest.

You’ll have to provide more information – FICTION

MTD doesn’t require you to provide more information than you already currently provide, and it also doesn’t require you to send it more frequently either.

You can choose to use spreadsheets for MTD – FACT

Bridging software, such as VitalTax, is now available that enables businesses to submit their VAT return details directly via a spreadsheet. It’s easy to use, and provides ongoing access to your data too.

MTD is going to cost me money – FICTION

There are already several products available (some free, some low cost) that help businesses manage MTD to reduce time spent on the process and mitigate any additional cost to a business.

I’ve still got time to sort MTD – FACT

Businesses are now required to use the service for their next VAT period from 1st April. As most people file quarterly, however, this means many returns won’t be due until August or later. So you do still have time to get things sorted!

MINDBENDERS

SUDOKU

1				9	4	7		5
5	7	3	1		2			
	4			5	3	1		8
	8	1	5	6	7			
			8		1			7
	5	6	4		9			2
4	6						9	
	3		9	1			7	6
9				4				

WORD JUMBLE

Unscramble each of the clue words.

Copy the letters in the numbered cells to other cells with the same number

eatmynp

4

otaccnus

11

ogibopknee

2109

yxrpaseat

127

niucaedg

536

ctpaali

1813

M							T				D					
	1	2	3	4	5			6	7			8	9	10	11	12

“The advisory accountant. Here to navigate you through the choppy waters”

Roger Eddowes - Managing Director



The Business Godparent
is a publication of
Essendon Accounts & Tax

ANSWER: payment, accounts, bookkeeping, taxpayers, guidance, capital. Final word or phrase: Making Tax Digital