

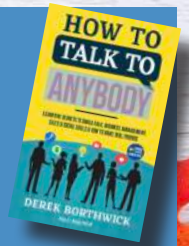


November  
2023

# Newsletter

Welcome to  
our November  
Newsletter

## BOOK OF THE MONTH



How To Talk To Anybody  
Derek Borthwick

Using scientific principles of communication and ©POWER2MIND technology, it will have you talking and communicating to anyone with confidence, charm and conviction. This will massively transform all areas of your life, in ways that you may only have dreamed of. You will learn how to: Skyrocket your communication skills in your career, personal and intimate life; effortlessly talk to anyone, anytime, anywhere and in any situation; powerfully take control of any conversation; intuitively master small talk; effectively develop unstoppable charisma; naturally get anyone to like you, and successfully talk to difficult people. In Part One, you will learn how people are wired, what they respond to, and what motivates them. In Part Two, you will learn how to use all the principles and techniques to be a truly masterful communicator. Included with the book is the bonus proprietary Rapid Learning Accelerator Audio Program. This will help program your mind on a fast track to success.

Goodreads.com

Michelle Buzzard | Director

Welcome to our November newsletter. We trust you kept safe and well during the adverse weather we have experienced recently. Unbelievably we are nearly at the end of the year and we hope that 2023 has seen a growth in your business and rewarding downtime in your personal life in equal balance. Now is a good time to think about implementing a plan for 2024, so if you would like advice on our Goals to Growth service, please contact me. We will bring you the Autumn budget news later in November.

## Halloween Shenanigans!

On 31st October, the James Todd team took part in a 'best halloween costume' competition in aid of the local Food Bank that we support. The payroll team stole the show with their efforts pictured here! Well done team - brilliant effort!



Happy Birthday to Ola Kostrzewska from our Payroll team, who celebrated her 30th birthday on October 12th.

We hope you enjoyed your celebrations Ola. Best wishes from all the team.

See our  
back page  
for...

'Important  
Dates to  
Remember'.

## One widget or two? Covid support payments still on HMRC's radar

With support schemes having lost between £3.3 billion and £7.3 billion to error and fraud, HMRC isn't letting go now.

It's still checking that claims under schemes like the Coronavirus Job Retention Scheme (CJRS or furlough scheme), met all necessary conditions.

Any employers who used the furlough scheme, and have yet to review details of their claim, are advised to make time to do so. If this brings any errors or uncertainties to light, it is best to contact HMRC at once. Repayment of any money received in error will be needed, but it is just as important that HMRC is formally notified that support has been overclaimed. Where errors are disclosed voluntarily (rather than at HMRC prompting), and HMRC is satisfied as to the full cooperation of the taxpayer, it can reduce the amount of any penalty it may seek to charge.

Cases over eligibility to Covid support are already starting to come before the Tax Tribunal, and they make useful reminders of the key points to check.

One area where HMRC has picked up many errors is around eligibility in the first phase of the furlough scheme, when employees were not permitted to do any work at all for their employer.

This was the area where one small business, which ran parent and baby groups, children's events and after-school clubs, was held by the Tribunal to have fallen the wrong side of the rules. The company relied heavily on generating interest via social media posts: and the question was whether the fact that a director/employee posted on the business Facebook account while she was on furlough, meant she was 'working'. Because if it did, it made the furlough claim invalid. Although the Tribunal voiced considerable sympathy for the business, it pointed out that its job is to look at the facts of a case, and apply the law to the facts involved. It has 'no jurisdiction to consider the fairness of the legislation or of HMRC's behaviour'.

In this case, though the number of social media posts fell off dramatically during the period in question, the Tribunal held to the letter of the rules. And in its own words, the rules were 'all or nothing . . . An employee who was turning out 100 widgets a day would still be working if they only turned out three widgets a day.' The verdict was in HMRC's favour and meant that the business had to repay furlough monies of nearly £9,500.

The case is a reminder of the complexity of the furlough rules, and the possibility of quite unintentional error. For help reviewing past claims, or concerns about pandemic support received, do please contact us.

## New employee checks

HMRC is publicising a new way that employers can be provided with an employee's National Insurance number (NINO).

Apple iPhone users have now been given the functionality to store the NINO in their Apple Wallet: online, or through the HMRC App. This means that new employees may increasingly provide proof of their NINO by using their Apple Wallet, rather than giving the employer the traditional NINO confirmation letter from HMRC.

HMRC is reassuring employers that this makes valid proof, and can be accepted in just the same way that the traditional letter would be. At the moment, it's a service only available to Apple users, but HMRC is working to extend it to Android phone users in due course. It will provide an update when it's made provisions for the NINO to be saved to the Google Wallet.

Employers should check that the employee's name matches what they see in the Apple Wallet. If a record is needed, HMRC advises asking the employee for a screenshot.

It's all part of HMRC's continuing push towards digital service. Issuing confirmation letters by post can take HMRC up to 15 days: on the other hand, HMRC says that using its App to confirm the NINO should only take a matter of minutes. The Personal Tax Account can also be used to view or download, print, save or share a letter showing the NINO.

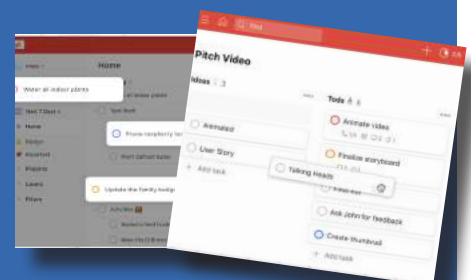
## TOP APP!

### todoist

This app neatly syncs your work and life 'to do's' in a digital organiser.

You can gain a clear overview of everything the week has in store and never lose track of important tasks. With a 'task quick add function' and recurring due dates easily set, sections and subtasks stay neatly organised. Tasks can be delegated whether it be the grocery shopping or a team project.

A free tier is available for 5 personal projects, or you can purchase a Pro plan for £4.99 per month.





# R&D single scheme uncertainty for companies

The government has now consulted on replacing the two existing Research and Development (R&D) schemes for tax relief with a single merged scheme. The result: uncertainty.

In its own words: 'The government has not yet taken a decision on whether to merge and intends to keep open the option of doing so from 2024. A decision on whether to merge will be made at the next fiscal event.'

## *Flashing amber...*

Though the government hasn't yet given the green light, there's a lot of activity to suggest it's at least on flashing amber. Draft legislation has been published and details of how the merged scheme might work are being consulted on.

It's a challenging outcome for companies involved in R&D, because change, if it comes, could come soon. The aim is to replace the existing Research and Development Expenditure Credit (RDEC) and the small and medium-sized enterprise (SME) relief; and the new rules could apply for expenditure incurred on or after 1 April 2024. As many of those who replied to the recent government consultation pointed out, this is a very ambitious timeline.

## *What is likely to come next?..*

The merged scheme is set, broadly, to operate along the lines of the RDEC, rather than the existing SME scheme. The headline rate of tax relief is expected to be 20%, with relief given via an expenditure credit, based on a percentage of R&D costs, offset against the company's tax liability. But there are variations from the current RDEC rules, notably as regards costs for subcontracted R&D work. These are subject to considerable restrictions with RDEC, but it's anticipated that the new merged scheme will generally allow claims for such costs.

The draft legislation uses the more generous version of the PAYE/NICs payable credit cap which is included in the existing SME scheme. A restriction on some overseas expenditure, mostly ruling out relief for outsourced overseas R&D costs, has already been announced, and was originally intended to take effect from 1 April 2023. It now takes effect from 1 April 2024 and will also apply under the new merged scheme. Two other changes being kept under review are the introduction of a minimum expenditure threshold, and reform to the rules on qualifying indirect activities.

## *Not quite a single scheme...*

The provisions for additional relief for R&D-intensive loss-making SMEs (companies where qualifying R&D spending is 40% or more of total expenditure), which have applied for expenditure incurred on or after 1 April 2023, look set to stay. These rules will continue to sit alongside the merged scheme.

## *Be prepared...*

R&D is fairly fizzing with change at the moment. The past year has already seen major changes to the rules around claims procedure, which are only just starting to bed in. HMRC's latest Annual Report and Accounts continues to flag up concerns about 'unacceptable' levels of error and fraud – particularly in the SME scheme, suggesting there is likely to be little let up in its increased compliance activity. Now, with the proposed merged scheme, it looks like off with the old, and on with the new - all over again. Rarely has it been more important to be on top of the R&D rules.

We can put you in contact with specialists that we work closely with to assist with any R&D claims.



## GDPR right of access: new guidance

Under the General Data Protection Regulation (GDPR), individuals have the right to a copy of the personal data that your organisation holds about them. This is often known as a subject access request (SAR). The Information Commissioner's Office (ICO) has recently issued new guidance for businesses and employers about how SARs should be dealt with.

Employers must respond to a SAR from a worker without delay, and within one month from receiving the request. If it's a complex issue, you might be able to extend this for up to two months. But if you don't respond within the right timeframe, or at all, there's the possibility of fines or reprimand from the ICO.

In the ICO's own words: 'The right of individuals to access information that organisations hold on them is one that is vital for transparency and is enshrined in law. What we're seeing now is that many employers are misunderstanding the nature of subject access requests, or underestimating the importance of responding to requests.'

In practice, though, what does compliance look like? It might sound straightforward, but reality doesn't always fit text-book scenarios.

To help your staff recognise a request, they need to know that SARs can be made in all sorts of ways: there's no formal procedure needed. Contact can be verbal, in writing – even via social media. Questions as simple as 'what information do you hold on me?' or 'can I have a copy of the notes from my last appraisal?' count as SARs and need an appropriate response. There's no necessity even to use the words 'subject access request' – it's up to your organisation to identify that this is what is being made.

It's important, too, that staff know how to respond and who to pass the request to. A valid request can be made by means of contact with any part of your organisation: it doesn't have to be addressed to a specific person. But the employer's side of the equation is different, and the ICO does expect you to have a designated person, team and email address to deal with SARs.

With more than 15,000 complaints in this area made to the ICO last year, it's important that businesses and employers get it right. Further details can be found on the ICO website.



## Child Benefit - watch the sting in the tail

If you or your partner get Child Benefit, keep the High Income Child Benefit charge (HICBC) in mind.

High income for these purposes is lower than you might think. The charge applies if you, or your partner, individually have income more than £50,000, and

- you or your partner get Child Benefit, or
- someone else gets Child Benefit for a child living with you, and they contribute at least an equal amount towards the child's upkeep.

The charge applies regardless of whether the child living with you is your child, or not. Note, too, that for the HICBC, partner doesn't just mean spouse or civil partner, but includes someone you live with as if you were married.

The threshold to watch is what's called 'adjusted net income'. This is taxable income after deducting Gift Aid payments and pension contributions, but including interest from savings and dividends. If both you, and your partner, have income over the £50,000 threshold, the one with the higher income is responsible for paying HICBC.

The HICBC claws back Child Benefit at a rate of 1% for every £100 of income between £50,000 and £60,000. By the time income reaches £60,000, all Child Benefit payment is effectively lost. You can disclaim the actual Child Benefit payments, so you don't pay the charge.



What takes many people unawares is that it's your responsibility to tell HMRC if your income is over the HICBC limit, making you liable to the charge.

What's more, there are time limits involved. If you don't already submit a self assessment tax return, you need to tell HMRC within six months of the end of the tax year: that's by 5 October of the following tax year. If liable to HICBC, you need to file a self assessment tax return each year – even if you are an employee and usually pay tax through PAYE.

Many people are also taken aback by the fact that if you don't tell HMRC within the relevant timescale, it can charge a penalty for non-notification. This is worked out with reference to what's called the potential lost revenue, and hinges on two factors: whether it considers your behaviour was deliberate or not; and whether it gets the information because it has 'prompted' you, or you provided it voluntarily.

Where couples keep their financial affairs separate, the stakes can increase. It's not unusual to find that someone is faced with a demand for HICBC for a run of years, plus failure to notify penalties, when they weren't even aware that their partner was claiming Child Benefit. This happened to taxpayer, Mr Ashe, who got a 'nudge' letter from HMRC, telling him to check whether he ought to pay the charge - eight years after he had started living with his partner. He simply hadn't known that his partner claimed for her two children. In Mr Ashe's case, HMRC raised an assessment for more than £4,000 for HICBC, and just over £300 in penalties. Fortunately, on this occasion, all the penalties were ultimately cancelled.

The HICBC is set to impact more couples than ever before, as wages rise with inflation, while the HICBC income limit remains fixed. Please do contact us if you have any concerns in this area.

# HMRC detective work means tax bill for eBay trader

Online sales: one of those areas where awareness of tax is often low.

On the one hand, someone with a day job and a sideline on eBay, who didn't think he had any trading income. On the other hand, a bill for over £28,000 from HMRC. This was the dispute that recently came before the Tax Tribunal.

The taxpayer in question worked as a security officer. He hadn't told HMRC he was trading and claimed that he was being harassed by the tax authority. His case rested on the argument that his eBay and PayPal accounts had been repeatedly hacked, and that many of the PayPal transactions under investigation were personal transactions, not trading transactions. HMRC looked at his various eBay names and his presence on another trading platform, noted what he offered for sale, and totted up 793 feedback entries in one twelve-month period alone. It investigated his bank account, which showed payments from Amazon and PayPal, and payments to delivery companies, like Parcel Monkey: and it drew its own conclusions.

The Tribunal did not accept the taxpayer's version of events. 'The explanations . . . are not credible given the volume of transactions, the period over which they are recorded and the transfers involving his Barclays account.' In fact, it considered that HMRC's treatment was bordering on the generous. HMRC's reading of the case won the day: online sales were held to amount to trading.

The case shows HMRC's capability when it comes to trawling data in pursuit of transactions it thinks are taxable. With new rules set to apply from 1 January 2024, giving the tax authority greater access to information on the income of those using digital platforms to sell goods and services, HMRC looks set to turn digital detective more often.

## Paying voluntary National Insurance contributions

It's all about plugging holes in your National Insurance record. And that in turn, is about making sure there are enough years of National Insurance contributions (NICs), or National Insurance credits, to get the full State Pension. Gaps in the contributions record can occur for all sorts of reasons. They can happen, for example, if you are self-employed, but have not paid contributions because of small profits; or are employed with low earnings; are unemployed and didn't claim benefits; or have been living or working outside the UK.

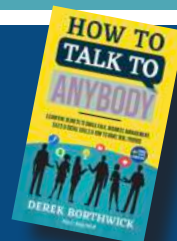
It is possible to make voluntary contributions to fill in gaps in the record, though time limits and eligibility requirements apply. Usually, you can only pay for gaps in the National Insurance record for the past six years. But as part of the transitional arrangements introduced alongside the new State Pension, there is a more generous deadline, applying for certain specific tax years.

For the tax years from April 2006 to April 2017, the deadline for contributions is 5 April 2025. This is a further extension: the government's original intention had been to allow contributions only until 31 July 2023. The provision particularly impacts men born after 5 April 1951, or women born after 5 April 1953, for whom retirement planning will be on the horizon. The new deadline gives them more time to decide whether voluntary contributions will be of benefit, and allow them to access State Pension entitlements. But it could also benefit anyone looking to make good a gap in the contributions record for the past six years.

Voluntary contributions don't always increase the State Pension, so it's important to check the position before making a decision. You can find out how to check your NI record, get a State Pension forecast, decide if making a voluntary contribution is worthwhile, and make a payment on gov.uk. You can also check your NI record through your Personal Tax Account.

## Monthly Quiz

Win a copy of our  
book of the month



**Q.** Add together three of the numbers below to score 30.  
Each number can be used as many times as you wish.  
How many different combinations are there?

0 2 3 5 10 15 20 25

*Congratulations to Pam Scott who won the last competition. The answer was '18 would be doing Yoga'. Thank you for all the entries!*

Enter: [info@jamestoddandco.co.uk](mailto:info@jamestoddandco.co.uk)

## QUOTE OF THE MONTH

*"Your best is far better than you can imagine.  
You can do far more than you think you can.  
Do not be a muedicocre version of yourself.  
Go out and do what you once thought  
impossible and rise up to a new level  
of achievement!"*

*-Chris Lesak-*







## Build Respect and Gain Influence

Whilst some people can be so hungry for power that they inadvertently trample over peers and employees to gain it, there is a friendlier option. Forging working relationships and treating others with respect is a more certain way to establish influence. Here are some considerations to bear in mind to be met with almost certain reciprocal respect from your team and establishing you as an influential leader.

MONTHLY  
MINDSET

Follow through...

Never renege on promises and always commit to getting the job done in as timely a fashion as possible. Discipline and a 'just do it' attitude will help combat the struggle of time management. If you agree to do something, do it with 100% commitment and enthusiasm.

No job is beneath you...

Rather than waste time arguing about who should be completing a task, get stuck in yourself. If you are prepared to do any job, no matter how menial, others are more likely to follow your example. The bonus is, everything gets done.

Actions speak louder than words...

No one is interested in what hasn't happened yet. In order to earn respect, you must demonstrate your capabilities.

Least said, soon is mended...

The more you say, the more likely you are to hurt someone's feelings. Hold back your thoughts as these are liable to change. Never speak in the heat of an argument. Always calm down first. Furthermore, you will learn more by listening. It goes without saying you really shouldn't bad mouth others or undermine their capabilities, but you really shouldn't put yourself down either. Bragging isn't desirable but neither is self deprecation.

Keep your private life private...

It can be tempting to befriend everyone and tell them your problems. In reality, it makes you look vulnerable and less in control.

Save personal talks for those who really care about you. Keep conversations appropriate.

## A Good Week for...



Extracts from Money Week 6.10.23, 20.10.23 & 27.10.23

*US billionaire hedge-fund manager Ken Griffin has cleared a seven-and-a-half-acre plot of land on Palm Beach, Florida-out of the 27 acres he has acquired over the past decade-to build what could be the world's most expensive house, says The New York Post. Griffin will spend between \$150m and \$400m on construction, with the resulting "mega-estate" on "Billionaires' Row" worth at least \$1bn on completion.*

*A mysterious man with a van has delivered to Dutch art detective Arthur Brand six paintings that had been stolen from Medemblik, a northern Dutch municipality, in September. The combined €100,000 value of the paintings is "relatively minor, but their historical value is not", says Artnet News. One painting depicts England's Dutch king, William III. Brand declined the €10,000 reward for the return of the paintings, asking for a "good book voucher" instead.*

*Former health secretary Matt Hancock has been paid £45,000 for starring on Channel 4's reality television show SAS: Who Dares Wins, says The Mirror. Hancock, who has also starred in the reality TV programme I'm a Celebrity ... Get Me Out of Here!, tackles a series of physically gruelling challenges, for which he was paid roughly £562.50 an hour.*

*Amazon founder and executive chairman Jeff Bezos has bought the 19,000 sq ft estate located next door to his mansion in the Florida neighbourhood known as "Billionaire Bunker" for \$79m, says The Telegraph. Bezos bought the first property earlier this year for a reported \$68m. Other residents of Indian Creek, a village on a private island, include former American football star Tom Brady, singer Julio Iglesias and Ivanka Trump.*

## A Bad Week for...

*Paramount Pictures has had to delay the release of Mission Impossible: Dead Reckoning Part Two, starring Tom Cruise, by nearly a year owing to the actors' strike halting production, says Variety. Part One earned \$240m worldwide in its first five days in July, but audiences will have to wait until the summer of 2025 to find out what happens next.*

*Drivers are typically paying up to 72% more than last year to insure their electric cars, says The Guardian. The main problem is that expensive features and upgrades are common in this type of car, and so repairs are more expensive, too. Meanwhile, car companies' maintenance divisions may lack experience with batteries. One driver's premium jumped from £1,200 to more than £5,000.*


*Officials at Glasgow Museums, a charity which runs the city's Le museums, are unable to account for a plaster version of Auguste Rodin's Bourgeois de Calais, valued at £3m, says BBC News. The sculpture, depicting the plight of the French port's residents during an 11-month siege by the English during the Hundred Years War in the late Middle Ages, had been bought in 1901. It now joins a list of 1,750 items whose whereabouts are currently unknown.*

Our business is helping your business succeed.



## DOWNLOAD OUR TAX APP

The James Todd & Co Tax App has recently been updated and is easily available by visiting our website, clicking on the App link and following the instructions to download it to your device.



Don't forget, with Premium Credit you can spread the cost of your accountancy fees by monthly Direct Debit. Simply contact us today for more information on how to keep life a little more affordable.



## IMPORTANT DATES TO REMEMBER

### November/December 2023

**19th November:** PAYE, Student loan and CIS deductions are due for the month to 5th November 2023. Class 1 NIC to be paid.

**30th November:** Filing of accounts year ended 28th February 2023 due

**1st December:** Deadline for paying Corporation Tax for period ending 28th February 2023.

**7th December:** VAT filing deadline for period ending 31st October 2023.

**19th December:** PAYE, Student loan and CIS deductions are due for the month to 5th December 2023. Class 1 NIC to be paid.

**31st December:** Filing of accounts year ended 31st March 2023 due

### IMPORTANT RATES

Bank Base Rate 5.25% | \$ per £ = 1.15 | € per £ = 1.22



## Introducing Dext...

Formerly known as Receipt Bank, James Todd & Co advocate and utilise this cloud based software with their clients. Providing accounting and bookkeeping solutions, Dext is a forerunner in its field, able to automate invoicing and take the pain out of paperwork. This time-saving tool is a must for any business and we can train you and offer continued support in the use of this product. Call us today to set up a training session and find out what Dext can do for you.



Write: [info@jamestoddandco.co.uk](mailto:info@jamestoddandco.co.uk)  
Read: [www.jamestoddandco.co.uk](http://www.jamestoddandco.co.uk)  
Talk: 01243 776938

Lavant Office  
1&2 The Barn, Oldwick  
West Stoke Road  
Chichester  
PO18 9AA

Chichester Office  
16 Northgate  
Chichester  
West Sussex  
PO19 1BJ

Fareham Office  
Furzehall Farm  
110 Wickham Road  
Fareham,  
Hampshire  
PO16 7JH



Chartered Accountants and Registered Auditors in the South, South East and London