

# Keeping you compliant and keeping you advised

April 2021

This fact sheet sets out the reasons why the benefits provided by our advisory services can make a positive contribution to your business and personal finances.

## Keeping you compliant

HMRC and the Companies Acts determine how quickly and in what format your accounts and tax returns need to be prepared. They also set deadlines for the filing process and will apply penalties if those deadlines are not met.

In both cases, meeting these various deadlines keeps you compliant, no penalties to pay, and as part of the process, we will keep a weather eye on the figures produced to flag up opportunities to save tax or otherwise improve your business or personal finances.

However, there are numerous additional services that we offer where the value we provide exceeds any increase in our fees. The rest of the fact sheets explain how...

## The “Go Digital” trend

During the next few years, HMRC are taking steps to implement their Making Tax Digital (MTD) process to cover various aspects of business taxation, including VAT.

We will all be required to keep our business accounting records in a digital format that can link-up to HMRC's servers. In this way, quarterly data will be transferred from your account's software to HMRC, and this data will be used to determine your tax and certain NIC liabilities.

Potentially, this will be the equivalent of making four tax returns a year instead of one with a further annual check to make sure that the numbers uploaded make sense ( actually there could be as many as 13 returns depending on sources of income).

Many VAT registered businesses already file their VAT returns using this MTD process. Next year, more traders will be drawn into this VAT filing net. The following year, April 2023, all unincorporated businesses, and landlords with turnover above £10,000, will need to adapt to quarterly uploads of data from their accounts' software to HMRC. Companies will likely follow in short measure to complete the encirclement.

***Make no mistake, MTD will add to your compliance costs, whether you manage the process or instruct us to check the quarterly information and upload it to HMRC. We have a proven solution for this which we already operate for clients.***

In which case, why not use the “real-time” data MTD will create to make planning decisions each quarter rather than the financial history painted by annual, historic accounting records that may no longer be relevant to present conditions.

## Advisory services we can offer

The main advisory services we offer fall under the following broad headings:

1. Helping you digitize your accounting records, so you are ready for MTD.
2. Enhancing the range and usefulness of the reports these digital records facilitate.
3. Quarterly reviews (or monthly if appropriate) that examine data to reveal changes or trends. Generally, we create an agenda with clients to cover-off those issues that are identified as key indicators for the success of plans.
4. Cost control advice and support.
5. Frequent tax planning reviews such that plans in place are updated to account for changes in legislation and changes in trading results. This can cover all business and personal taxes and include a strategy to build a realistic pension pot.
6. Reviewing employee benefits to maximize tax effectiveness.
7. Advice if you are thinking of starting a new business.
8. Advice if you want to grow your business.
9. Planning advice to determine and achieve an appropriate exit from your business.

And of course, if you have a specific business or financial problem, we want you to feel free to contact us to see if we can help you find a solution.

## Emerging from lockdown

As we emerge from lockdown, somewhat battered by the experiences of the last year, being able to respond quickly as the economy starts to open will be key to our future success. Those business owners that are prepared to invest in the benefits that digitization and planning offers will be able to react quickly to changing circumstances and be more likely to achieve their long-term plans.

## Time for a fact-find?

Every business has different challenges. When offering targeted business or financial advice it is never the case that there is a one-fit strategy for all.

We would like to offer you the opportunity to discover how you could benefit from a range of our advisory services, and how any costs – primarily our fees – will be more than covered by the benefits our ideas will facilitate.

**To kick-start this process, perhaps we can arrange a fact-find call with yourselves.**

As lockdown is gradually withdrawn and the starting gates open on increased economic activity, we should be ready to meet the challenges it will present. We will be working with many of our clients to ensure they have the best possible resources and plans in place to meet and resolve these issues.

Pick up the phone or send an email, we are here to help...

donald@higginsonandco.com