

Making Tax Digital for VAT – The Last Step

Now is the Time
to Act



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Making Tax Digital (MTD) - 'Not that old chestnut' we hear you say. As your accountants, we make no apologies whatsoever for bringing the topic up again and urge you to read on for our latest update.

MTD, announced back in the 2015 budget by George Osborne, is the biggest shake-up in taxation legislation for over two decades. If you have a VAT-registered business with a taxable turnover over £85,000, you are already required to keep digital records and, using compatible software, digitally file your VAT returns. This is called Making Tax Digital (MTD) for VAT.

Some businesses, with a turnover under the VAT threshold, voluntarily opt to register for VAT, usually because they mainly deal with VAT-registered clients. Currently, these businesses are not required to sign up for MTD for VAT, but can do so if they wish.

However, from 1 April 2022, all VAT-registered businesses in the UK must be MTD for VAT compliant, regardless of turnover. This means all VAT returns will need to be completed and submitted using a compatible software package that connects to HMRC's systems. Manual records and some existing accounting software packages will no longer be acceptable and the current Government Gateway system for submitting VAT returns will be withdrawn.

At Greaves West & Ayre we have been actively promoting the use of cloud-based accounting software for a number of years.



We believe that there are many benefits for our clients as well as ourselves, aside from compliance with the MTD regulations. These include multi user access, being able to give a clear overview of your financial situation in real time from virtually anywhere and mitigating the cost of expensive software updates.

We have a dedicated team who are here to help you adapt to the changes. We can discuss your specific requirements and answer your queries to ensure your business is ready before the deadline. **If you are a VAT-registered business not yet submitting your VAT returns under the MTD system, we urge you to contact us as soon as possible.**

The Government has also announced that from April 2023 **Making Tax Digital for Income Tax** will be introduced. From this date, any self-employed person or landlord who earns more than £10,000 in total (before the deduction of expenses and other tax reliefs) will be required to digitally file records of their income and expenditure with HMRC on a quarterly basis. This will mean keeping digital business records using software which is approved by HMRC and compatible with their systems. Further information and software announcements are being released all the time. We are monitoring all updates and will provide further details on this stage of MTD in due course.

MTD compliance is mandatory. Non-compliance will result in penalties being imposed by HMRC, therefore the earlier you prepare for the changes the better. Whether you need to have your books in order and systems updated by April 2022 or April 2023, we're here to help.



GWA and Three Counties Ltd Update

In July 2019 Greaves West & Ayre purchased Three Counties Ltd, a financial services and investment management company based in Bournmoor County Durham. Two years and a global pandemic on, we thought it was time to check how things were going.



John Coats (JHC) is a Chartered Accountant and Independent Financial Advisor. A partner at GWA since 1992, John is a Board Member of Three Counties Ltd.



David Hepple (DH) is an Independent Financial Advisor and has been a Director of Three Counties for 5 years.



Corryn Wild (CW) is a Chartered Financial Planner and has been a Director of Three Counties since 2019.



Martin Howe (MH) is also a Director of Three Counties and has over 20 years' experience in financial services.

[Read our full update >](#)

“We see both firms continuing to move forward together positively...”

Q: Buying another company was an uncharacteristic move for GWA. Could you remind us how that came about?

JHC: GWA had already worked closely with another Three Counties director, Andrew Alexander, for a number of years prior to the takeover, so a relationship was already there. A lot of synergies existed and we knew we would work well together.

DH: Three Counties was 30 years old and the then chairman wanted to retire. It was identified that the culture and ethos of the two organisations were very similar, so that was the main driving force that brought us together. We like to describe it as more of an 'Evolution' than a 'Revolution'.

Q: You mentioned similar culture and ethos, could you expand on that?

CW: GWA and Three Counties both put their clients at the heart of every decision. At each turn we want to do the right things for the right reason.

MH: Both firms like to work with people on an ongoing relational basis, rather than just doing one-off transactional work.

JHC: Yes - we all want to build ongoing, lasting relationships across the generations.

CW: We also both recognise the importance of chartered status. GWA is a firm of Chartered Accountants, Three Counties is a firm of Chartered Financial Planners and GWA Wealth Management is working towards chartership too. This means our staff are highly trained and qualified and have a breadth and depth of knowledge. It gives our clients the reassurance that they are in safe hands.

Q: You have maintained very separate branding and identities, what is the thinking behind that?

JHC: Both GWA and Three Counties have built up their individual reputations over a significant period of time and both are well recognised within the geographical areas where they are based. That is something we didn't want to lose.

CW: Although both firms have shared objectives and values, we have very distinctive identities and personalities. Hopefully the variations in the brands mean that we can resonate with a wider cross-section of clients.

MH: Also confidence in the shared values means that we are able to refer clients from one organisation to the other without the fear of damaging our individual reputations. It has been a comfort to Three Counties' clients that the company was getting involved with a long-established firm like GWA.

Q: In 2019 GWA said, 'Having Three Counties as part of the family would make both organisations stronger and be able to provide a better service to all of our clients.' Has that been proved true?

DH: The relationship between the two firms has evolved positively behind the scenes without any massive changes that clients would notice, which was the point really - we wanted to continue to deliver the same high level of personal service to each client. Most changes have been at a management level.

JHC: We combined our investment committees into one, our operations committees into one and our risk and compliance committees into one. That means we make joint decisions and then take them back to the individual organisations and apply them in the most appropriate way. We have

also appointed a new Business Development Officer, David Simpson, who works evenly and equally across both firms attracting new clients.

CW: I believe that each firm has been able to learn from the other and we have moved forward together.

DH: At Three Counties, we have been able to expand the range of services we can offer to our clients through GWA, for example tax and accountancy.

MH: It has also been a huge benefit to Three Counties to have access to an in-house IT department, especially in the early days of the first lockdown.

Q That moves us nicely on - what were the main challenges of continuing to look after your clients during the COVID pandemic?

CW: When the first lockdown was announced in March 2020, our primary objective was to let our clients know that we were still open for business and we were still available for them in this very uncertain time. We did lots of phoning and emailing our clients, just checking that they were alright. With the pandemic came a market crash so it was a hugely worrying time in terms of investments.

JHC: We had suitably diversified for market adjustment and as a result were able to continue to put our clients first. For example, when we saw the advantage in moving out of an investment class into cash we did so without hesitation, knowing it was the best decision for our clients and even though there would be a loss of income to GWA and Three Counties.

MH: And there was no negative impact on our level of service or our response times to our clients. GWA's IT team responded rapidly to the requirement for everyone to work from home and within a couple of days we were fully operational.

We weren't just marooned with a mobile phone and laptop. We were able to access the full range of software required for background information and to issue up-to-date reports and statistics, without compromising on security. Some of the adaptations we've made to our way of working actually enhance the services we offer eg online meetings and reviews.

CW: Early in the lockdown our objective of being visible to our clients and actively getting in touch with them led us to try new ways of communication. After the success of a couple of market updates via Zoom, both firms started hosting online Webinars. These have been hugely popular with our clients giving really positive feedback, so we will definitely continue with those too.

DH: The pandemic has in some ways been a great leveller. Previously we found it harder to compete with the large IFA firms with huge marketing budgets but during lockdown everyone was reduced to what they could do with the internet. Both GWA and Three Counties were able to show they are stable firms that had the infrastructure in place to punch above their weight, but small enough to deliver that essential personal service to clients.

Q: Finally, any ideas for where the next 24 months will take you?

JHC: We see both firms continuing to move forward together positively, expanding and enhancing the services we already offer and we are actively recruiting for new staff across the board to help us to do that. We are currently working on some exciting strategic projects and new innovations in terms of investment opportunities which we believe will benefit all of our clients, present and future. Watch this space!



Apprenticeships Explained

Apprenticeships are now available in the UK to anyone over the age of 16 and not in full time education. This means they are not restricted to school leavers but available to anyone who wishes to gain new skills, develop existing ones or generally improve their employability. For employers, it is a great way to upskill your workforce.

An apprenticeship is a genuine job which has a training or skills development programme running alongside it. Employers who want to take on an apprentice must have an apprenticeship agreement in place and comply with the rates of pay set out by the government.

Apprenticeships have changed significantly over the years and now, as well as the levels 2 – 3 which are the equivalent of a GCSE to A level, you can do higher level apprenticeships (level 4-7) which are the equivalent of university degrees. The scheme comprises a combination of on the

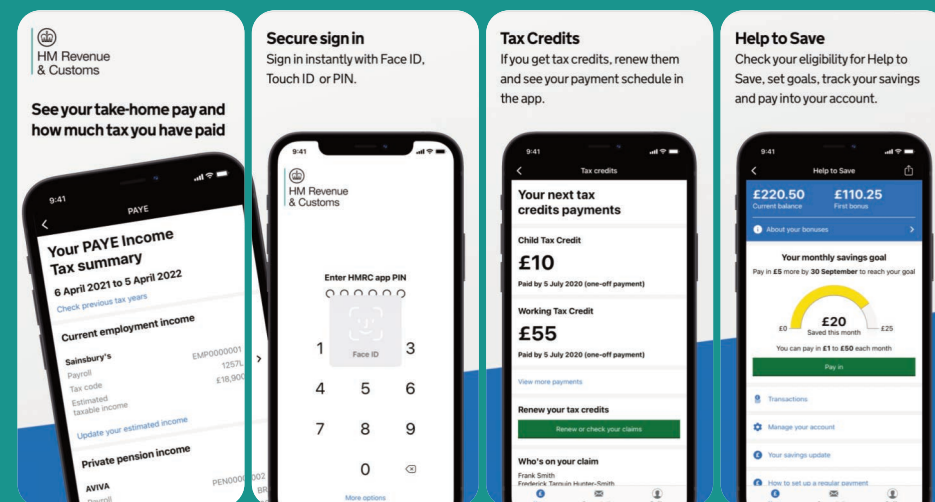
job and off the job training, with 20% of the apprentice's time spent at college or a similar approved place of training - all while receiving a salary.

At Greaves West & Ayre we recognise that university or college is not the best route for everyone. Some of our longest serving, most dedicated colleagues joined us straight out of school and are now Head of Departments. We think that the apprenticeship scheme provides fantastic opportunities for employers and apprentices alike and are in the process of recruiting for our Fast track AAT/ATT-Chartered Accountant training programme and as well as someone to join our in-house IT team.

The government website www.apprenticeships.gov.uk provides more details and support to anyone considering either becoming or employing an apprentice.

Alternatively, if you would like some advice from our in-house HR team on setting up an apprenticeship scheme, please get in touch with the GWA partner in charge of your affairs.

The HMRC App



Did you know that there is a HMRC app which provides you with a quick and easy way to access your personal tax information using a mobile device such as a smartphone or tablet?

You can use the app to view your tax code, National Insurance (NI) number and Unique Taxpayer Reference (UTR) for Self-assessment on the move. You can also use it to estimate how much tax you will have to pay, manage your tax credits and access your Help to Save account. The app also enables you to perform tasks such as tracking forms and letters you've sent,

updating personal details such as your postal address and using the HMRC's calculator to work out your take home pay after tax and NI. Previously this would have required logging on to a computer, if not a lengthy phone call to HMRC.

The app is free to download from either the App Store for iOS or the Google Play Store for Android. Users will need their Government Gateway User ID and password when signing in for the first time. If you don't have these already, you will need to go to the Government Gateway website and register as an individual.

Full details can be found at: www.gov.uk/government/publications/the-official-hmrc-app



Avoid the Cost of HMRC Investigation



Tax investigations by HMRC have been on the rise for a number of years. It may come as a surprise that anyone can be selected for an investigation by HMRC, whether you are a business, a director or an individual taxpayer.

What does an investigation involve and why does it happen?

Put simply, a tax investigation is when HMRC decides to take a closer look at your finances to ensure you, or your business, is paying the right amount of tax, both now and historically. Although it may seem alarming, it does not mean you have done anything wrong; HMRC carries out numerous random investigations in its attempts to reduce the deficit related to tax collection.

If you are selected for investigation, it is a process with which you must legally cooperate. This is also the time to contact your accountant.

The preparation for an HMRC visit can take some time, as can the visit itself along with any

subsequent work requested by HMRC. So, contact us as soon as you are advised of the visit to agree a plan of action.

Who covers the cost of investigation?

HMRC inspections and the related work can be lengthy and, as a result, costly. Unfortunately, the work is not covered by your usual accountancy fees. This is why Greaves West & Ayre offers clients a fee protection service that will safeguard you against unforeseen professional costs arising from any correspondence or visits relating to an enquiry from HMRC.

To help explain further, here are some questions that we are often asked.

What is a Tax Investigation Service?

It is a service which protects our clients who face a tax enquiry. For a small annual fee, we will defend you if you are selected for an investigation without you worrying about the cost. We will

- liaise with HMRC on your behalf
- prepare and defend your case
- handle all correspondence and meetings with the tax inspector

- provide full representation and challenge HMRC's arguments

What does it cover?

The tax investigation service will cover our fees if HMRC investigates you. The service will now also protect you for any investigations into approved Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme payments, as well as gift aid cover and Stamp Duty Land Tax and its regional equivalents.

What is not covered by the service?

The service does not cover routine compliance work such as filing your tax return etc. It also does not cover criminal prosecutions and fraud, as well as any tax interest or penalties that may be payable as a result of an investigation.


How much will it cost me?

This really depends on the size and needs of your business. Please contact us so we can give you a tailored quote. Like any other protection, we all hope that we won't need it but when a costly enquiry starts, our clients have been glad that they paid the small annual charge.

What are the benefits?

Peace of mind. We can't take away the stress and anxiety of being under investigation, but we can provide the best possible support and advice without you having to worry about the cost.

Dealing with day to day business is hard enough, but managing an HMRC investigation in addition can be simply impossible. If you do decide to use our service, you'll be dealing with a trusted and familiar face that knows you and your affairs and has your best interests in mind.



If you would like more details about our fee protection service or if you have any worries or concerns about an HMRC tax enquiry, please get in touch.

A New Website for GWA

We are very excited to announce the launch of our newly designed website.

We've been working on this for a few months and really hope that you like it as much as we do. You will see a new look that has been designed to help you quickly find the information you need as well as provide links to extra information that we believe will be valuable, whether for your personal or business finances.

Our personal approach to accounting, always taking the time to get to understand the individual needs of each of our clients, has been reflected throughout the new website. You'll be

able to access useful resources such as factsheets that provide advice on everything from starting a business to valuing your business for sale, tax-free childcare to pensions, along with easy to use online tax calculators, our latest blogs and all our helpful webinars and video clips.

We think the new website presents a better sense of who we are and how we work both in our offices and in our communities. As GWA continues to grow, our new careers area will highlight our latest vacancies and provide insight into how working with us is challenging, enjoyable and fun.

We would like to thank all of our team members who have put in time and energy to bring the new website to life and our web partners Cargo Creative who have provided fantastic insight and design.

Most importantly, this new website is designed for you, our clients, and therefore we'd love to hear your thoughts. If you'd like to provide us with any feedback or suggestions, then please do get in touch.

...a new look that has been designed to help you quickly find the information you need...

greaveswestayre.co.uk



Community News

As things slowly return to what feels more like normal, we are glad to have had a few more opportunities to support our clients, communities and friends.

External spaces have become more important than ever as we continue to meet with groups of friends outdoors. Therefore we have done our bit in keeping Haddington town centre look its best by contributing to the **Blooming Haddington** initiative which provides hanging baskets and containers of flowers. We also continue our sponsorship of **Duns, Minto, The Glen and Magdalen Fields Golf Clubs**. Although **Berwickshire Point to Point** was cancelled this year once again due to COVID-19 restrictions, we were pleased to help with some of their ongoing costs.

Lastly, we are looking forward to sponsoring the **Berwickshire Charity Truck Run** on 17th July, a fantastic local project to raise funds for the Margaret Kerr Unit and Macmillan Cancer.



Staff News

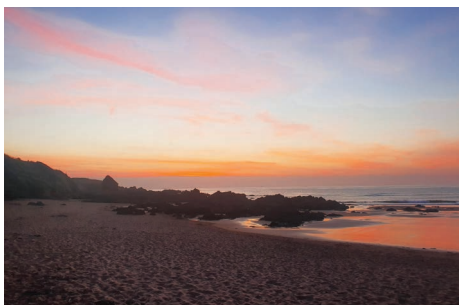


Some of our colleagues have been very productive during the latest lockdown! We congratulate **Neil Robertson** from our Wealth Management team who has passed all his exams to become a Chartered Financial Advisor and also **Joseph Findlay** who has become CII L4 Diploma qualified.

Danielle Campbell and **Sharon Easton** are celebrating very different achievements: Danielle and her husband Ed have had a son, Freddie, while Sharon and partner Peter have had a little girl, Isla. We send warm wishes and congratulations to both families.

Maintaining business as usual over the last 15 months has been one of the biggest challenges in GWA's long history. Our staff and systems have been thoroughly tested and we are proud to have delivered a consistently high level of service to all of our clients throughout the pandemic. Not only that, we have refined our systems and processes and believe that we are in an even stronger position going forward.

Our people are our most important asset and we are committed to employing the best individuals at all levels to enable us to provide a market-leading service to our clients. We are pleased therefore to introduce our latest members of staff: **Hannah Bass**, **Toby Douglas** and **Emma Gaston** have all joined our Wealth Management team as paraplanners and, over the coming weeks, we will be welcoming **Isabella Seale** and **William Crossman** onto our Graduate Trainee programme as well as **Richard Kirkham** as Compliance Officer.



A selection of stunning photos taken by staff during lockdown.



**GREAVES
WEST & AYRE**
CHARTERED ACCOUNTANTS

17 Walkergate, Berwick-upon-Tweed, Northumberland TD15 1DJ

Tel: 01289 306688 Email: berwick@gwayre.co.uk

8 St Ann's Place, Haddington, East Lothian EH41 4BS

Tel: 01620 823211 Email: haddington@gwayre.co.uk

[@GreavesWestAyre](https://www.greaveswestayre.co.uk) [greaveswestayre.co.uk](https://www.greaveswestayre.co.uk)

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