



**GREAVES  
WEST & AYRE**  
CHARTERED ACCOUNTANTS

**NEWS** SPRING 2022  
Quality Advice • Quality Service

# The Rising Cost of Doing Business



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Businesses are facing a perfect storm of financial pressures. Inflation is already at its highest level for 30 years, with the Bank of England warning that further increases are likely in coming months. This means many firms are shouldering much higher-than-anticipated supply prices along with energy, fuel and transport costs.

In a response to inflationary pressure, the Bank of England has raised the base interest rate three times in as many months. This of course makes borrowing money more costly. In addition, many businesses that took out government loans during the pandemic, such as Bounce Back Loans (BBLs) and Coronavirus Business Interruption Loan Scheme (CBILS), will now be making monthly repayments.

And that's not all. From April 2022 changes in legislation have come into effect that increase the cost of employment:

## National Insurance Contributions (NICs) Increases

NICs are a tax paid by employees and the self-employed on their earnings, and by employers on the earnings of those they employ. In the autumn budget, Chancellor Sunak announced that there would be a temporary hike in NICs to fund an overhaul of the Health and Social Care system. You can read more about the levy on the news section of our website.

From April 2022, the employer NICs rate rose from 13.8% to 15.05% on the earnings each employee receives above the NICs threshold (£9,100 from April 2022). This means that the cost to a business of every employee earning over the threshold will be higher.

For example: one full time employee earning £24,000 in the 2021/22 tax year cost you £2,092.08 in employer NICs per annum. From April this increased by £150.37 to £2,242.45. You can see how your total contributions bill could rise steeply depending on the number of staff you have.

Despite repeated calls for the increase to be axed, the Chancellor confirmed in his spring statement that it would go ahead as planned. He did announce a rise in the threshold at which employees and the self-employed would start paying NICs. However, the threshold for employers will remain the same; the only concession to businesses was an increase in Employers Allowance from £4,000 to £5,000 for those who meet the eligibility criteria.

There is potential to reduce both employee and employer contributions via a salary sacrifice scheme. If this is something that you would like to know more about then please contact GWA's dedicated payroll team.

## National Minimum Wage Increases

The effect of the rise in employer NICs is compounded by a concurrent rise in the National Minimum Wage (NMW). From 1 April 2022 the new rates are:

- National Living Wage (23+) increased from £8.91 to £9.50
- National Minimum Wage (21-22) increased from £8.36 to £9.18
- National Minimum Wage (18-20) increased from £6.56 to £6.83
- National Minimum Wage (16-17) increased from £4.62 to £4.81
- Apprenticeship Wage increased from £4.30 to £4.81

It is a legal requirement for all employers to pay the NMW at the appropriate rate. Once again, further information on the changes is available on the news section of the GWA website.

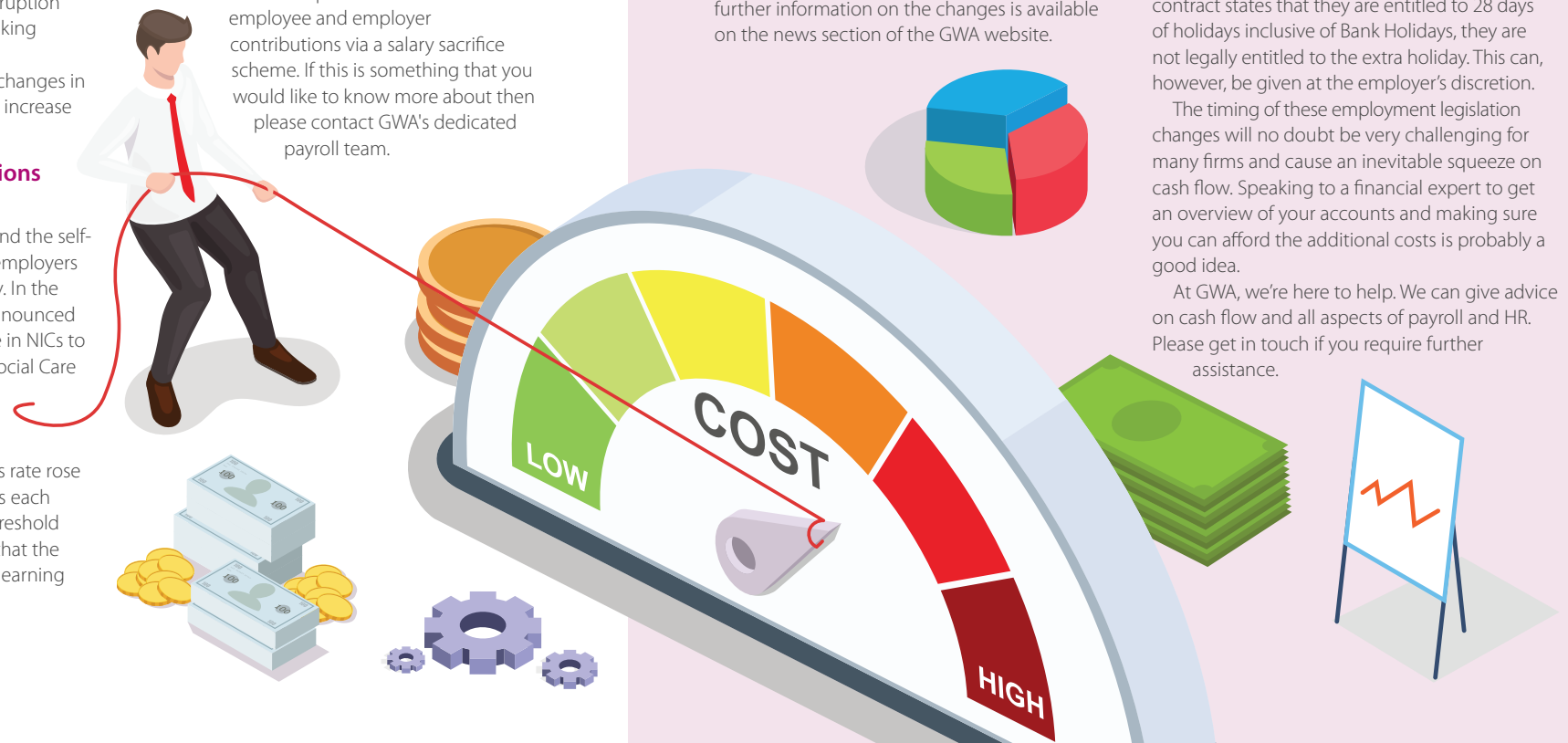
## Queen's Platinum Jubilee Bank Holiday

Earlier this year the Department for Digital, Culture, Media & Sport announced an additional Bank Holiday to celebrate the Queen's 70th anniversary as monarch. The May Bank holiday will be moved to Thursday 2 June and the additional holiday will be on Friday 3 June. Although this applies to the whole of the UK, whether an employee has the right to have the time off depends on the wording of their Terms of Engagement and if they normally work on Bank Holidays.

For example: if an employee's contract says they are entitled to 20 days plus Bank Holidays, they will be entitled to the additional Platinum Jubilee Bank Holiday. However, if an employee's contract states that they are entitled to 28 days of holidays inclusive of Bank Holidays, they are not legally entitled to the extra holiday. This can, however, be given at the employer's discretion.

The timing of these employment legislation changes will no doubt be very challenging for many firms and cause an inevitable squeeze on cash flow. Speaking to a financial expert to get an overview of your accounts and making sure you can afford the additional costs is probably a good idea.

At GWA, we're here to help. We can give advice on cash flow and all aspects of payroll and HR. Please get in touch if you require further assistance.



# Greaves West & Ayre Gains Recognition as a 5 Star Employer

We are proud to announce that Greaves West & Ayre has been awarded a 5\* Award by independent employee engagement platform 'WorkBuzz'. This award recognises the best workplace cultures where employees are proud to work, are motivated to do more, and want to stay for the foreseeable future.

The challenges caused by COVID-19 triggered a re-evaluation of all our ways of operating. We had to be innovative in how we connected with and communicated with you, our clients, and also internally with our team members.

In our last newsletter we made mention of the development of the GWA Academy – an in-house centre of excellence.

Another initiative the firm has deployed is

'WorkBuzz'. This is an independent organisation we partnered with to monitor employee engagement and provide us with valuable feedback on what improvements we can make.

In 2021 and 2022, WorkBuzz invited all GWA employees to provide confidential feedback about their work experience; ranging from their opinions on leadership and the organisational direction, to the efficacy of line managers, strength of teamwork, and how empowered individuals feel to do their roles.

We are delighted to say that the overall response from our team was very positive and was in the top 15% of all WorkBuzz clients worldwide.

However, we do not intend to rest on our laurels. When it comes to delivering Quality Advice and Quality Service to our clients, our team is one of our most valuable assets.

We are committed to the training and development of our people at all levels across all departments.



# MTD for VAT Deadline Reminder

Making Tax Digital (MTD) became mandatory for all VAT registered businesses on 1 April 2022, regardless of turnover and including those voluntarily registered for VAT.

This means that 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 it will not be possible to submit VAT returns using the current Government Gateway system.

Enrolment for MTD for VAT is not automatic, even if your business is already VAT registered or if you have already converted to approved software. All businesses need to complete a registration process via their Government Gateway account before the end of the first full VAT period after 1 April 2022.

All VAT-registered businesses not registered for MTD must:

1. visit GOV.UK to check you are using a compatible software package
2. keep digital records starting from the start of the first VAT period following 1 April 2022
3. sign up and submit your VAT Return through Making Tax Digital

At GWA, we have been highlighting this change in regulation for quite some time and have already supported many businesses to ensure they are compliant. Therefore, we are confident that the vast majority of GWA clients have already enrolled their business and put the appropriate processes and accounting software in place.

However if, for whatever reason, you still have concerns about your compliance with the new rules, we urge you to contact our dedicated VAT team as soon as possible.





## A Fond Farewell

One of our longest serving team members retires at the end of April. Pamela Wedderburn first joined Greaves West & Ayre 37 years ago in 1985.

Initially, she was temporarily employed as a receptionist and typist to cover maternity leave and was based at the Hide Hill office.

“““

“I’m looking forward to spending more time with my lovely granddaughters and family, visiting my daughter in Australia, having lots of holidays and generally doing what I want, when I want to!”

Pamela

For a good number of years now, Pamela has been assistant to the Practice Manager with responsibility for GWA records, maintaining the firm’s database and administrating our Fee Protection Service, amongst other things.

As well as the growth of the firm and moving to our purpose built new premises in Walkergate, Pamela has witnessed many changes and developments over the years. The digitalisation of the industry has perhaps had the most impact: when Pamela started, there were no computers, instead typewriters were used for everything and all filing was manual. Pamela also commented that having everyone now located under the one roof makes things much easier; she doesn’t miss all the time spent walking between six separate offices.

When asked what she was going to do with her well-earned free time Pamela said “I’m looking forward to spending more time with lovely granddaughters and family, visiting my daughter in Australia, having lots of holidays and generally doing what I want, when I want to!”

Everyone at Greaves West & Ayre thanks Pamela for her hard work and loyalty and sends her their very best wishes for a long, happy and healthy retirement.



## Fuelling the Problem – Changes to Red Diesel Use

The Government has announced that from 1 April 2022 red diesel is no longer permitted for use in all non-road vehicles.

From that date, red diesel will be limited for use in ‘excepted machines’. These are vehicles and machines used for:

- agriculture
- forestry
- horticulture
- fish farming
- cutting verges bordering public roads
- cutting hedges or trees bordering public roads or bordering verges which border public roads
- clearing or otherwise dealing with frost, ice, snow or flooding

Red diesel is still permitted for use for:

- passenger, freight or maintenance vehicles designed to run on rail tracks
- marine craft refuelling and operating in the UK
- machinery used on a golf course
- machinery used on land maintained by a community Amateur Sports Club, or
- vehicles used on land occupied by a travelling fair or travelling circus

Non-commercial premises, e.g. homes and places of worship, may also still use red diesel for heat and off-grid power generation.

Red diesel, also known as ‘rebated fuel’, attracts a reduced VAT rate and significantly less fuel duty than normal or ‘white’ diesel. It contains a red dye so police can easily test for it when they suspect it being used to fuel on-road vehicles.

Up until now, many industries not listed above, such as construction, have legitimately used red diesel to power forklifts, cranes and other machinery which is not used on public roads. Since 1 April this is no longer allowed.

If the change in law affects your business, we hope that you have taken the necessary steps. You should no longer have any stores of red diesel if you are not permitted to use it. If a tank is to be switched from red to white diesel, you should ensure that the tank and lines are flushed out thoroughly to ensure no traces of the marked fuel remain. Since white diesel is a significantly more valuable commodity, you may have concerns about theft which will require additional security measures to be put in place.

The new regulation combined with the wider increases in fuel prices generally, means that this law will have a significant cost implication for many businesses. Alongside rising energy costs, supply costs and NI contributions, the timing is no doubt challenging. Please get in touch if you are concerned about the squeeze on your cash flow, or would like an overview of your financial situation.

# Up and Coming

National Apprenticeship week in February and Scottish Apprenticeship Week in March shone a light on the vital role that apprenticeships play in businesses and the economy. As we mentioned in our last newsletter, GWA has had the pleasure of recently welcoming many new faces to the team at all levels and across all departments. This time around, we thought we'd introduce a few of our younger trainees and see how they are settling in. So please meet Isabella, Jamie, Jay and Taylor.



## Isabella Seale (IS)

After graduating from Durham University, Isabella joined GWA's Graduate Chartered Accountant Training Scheme last July.



## Jamie McIntosh (JMc)

Jamie joined our Tax team in July 2021 shortly after leaving school. Jamie is working towards a Certificate in Finance, Accounting and Business (CFAB), a Level 4 Apprenticeship that can be a step towards becoming a Chartered Accountant.



## Jay Baverstock (JB)

Jay is from Berwick and joined our IT team in August 2021. He is working towards a Level 3 Information Communication Technician Apprenticeship with Kaplan.



## Taylor Aldred (TA)

Originally from Haddington, Taylor started working in our Berwick office last July after completing an Accounting Diploma. Taylor works within our Accounts department and is studying towards Level 7 Chartered Accountant Apprenticeship.

## What prompted you to apply for a job at GWA?

- TA:** I knew the firm because my dad is a client and I liked the business ethos. Having gained a Diploma in Accountancy, I knew I wanted to continue in that field and kept an eye out for opportunities at GWA.
- JB:** Within Berwick, GWA has a reputation as a good employer, so I looked for opportunities when I left school.
- IS:** I was studying Maths at Durham and wanted to pursue a career in accountancy. I knew I wanted to stay in the North East and I looked for a firm that gave a wide range of opportunities without being too big – GWA fitted the bill.

## What has impressed you most so far?

- JMc:** It's a fairly chilled working atmosphere. Everyone is relaxed and makes time for you, even if they are busy.
- JB:** I like the people. They're all friendly and say hello.
- IS:** For me, the best part is the challenge of the work and the freedom to be given a task and get on with it.
- TA:** I've enjoyed putting the theory I learned through studying for my Diploma into practice. You are allowed to make mistakes and learn from them with the safety net that there is always someone to help you and give you advice.

## What has been the most difficult about starting a new role, and for some of you in a new place, during a pandemic?

- JB:** I found going to a full-time 9 to 5 job straight from school a big adjustment.
- IS:** Studying alongside work is a real challenge. It's quite tiring concentrating all day, especially if you are learning something new, and then having to revise or study in the evening too.
- TA:** I was used to living close to Edinburgh, so when I first moved to Berwick I found it very quiet. Now that COVID restrictions have been eased, I'm looking forward to experiencing more of the social side of work.

**JMc:** Initially I found the pace very fast and

especially struggled with the accounting terminology. In my second week I had to go to Newcastle on a course and I found it all a bit daunting, but I'm glad I stuck with it.

## Where do you see yourself in 3 years time?

- IS:** I'd like to be fully qualified and hopefully still employed here at GWA.
- JB:** Yes, I'd like to still be with GWA too; I'm enjoying my job and hopefully there will be opportunities to progress.
- JMc:** Now that I'm getting the hang of all the lingo, I'm enjoying the work. I would like to be working towards chartership – hopefully still here at GWA.
- TA:** I will hopefully be fully qualified then and would love to be still working at GWA.

We would like to thank Isabella, Jamie, Jay and Taylor for their time and honesty and are delighted that they seem to be enjoying their jobs and Berwick. We are hugely grateful to them and every one of our recent new starters for their enthusiasm and willingness to throw themselves into all aspects of GWA life.

As we continually say, our team is our most important asset. Attracting ambitious people ensures our vision to deliver Quality Advice Quality Service. Clearly, studying and working has its challenges and requires dedication. However, if you have the commitment, are friendly, confident and approachable and will get on well with our clients then a career at GWA may be the ideal choice for you.

We have a wide range of clients across all business types and industries. And, as well as a full range of Accountancy services, we offer VAT, Company Secretarial and Payroll services, HR advice, Wealth Management and IT services. Our size means that we can offer you a breadth of experience without you becoming pigeon-holed. This balance is more difficult to achieve in either very small or very large organisations.

If you're interested in joining the GWA family, then we would love to hear from you.

To find out about our latest vacancies, visit the careers page on our website or give us a call.



## Save the Dates

It's hard to believe our last shows were in the summer of 2019. So we are delighted and excited that the summer agricultural show season is returning for 2022 and we hope you will be able to join us!

All being well, we fully intend to have stands at **The Haddington Show** on **Saturday 2 July** and **The Border Union Show** on **Friday 29 and Saturday 30 July**.

Nearer the time, we will send out invitations with further information. In the meantime, make sure you put the dates in your diary.



We look forward to seeing you there!

# New Tax Year – Help and History

The new tax year is with us again and the Chancellor has outlined his spring statement. With the ever-changing tax rules and HMRC penalties for submitting tax returns incorrectly or late, we have a couple of solutions that might help.

The GWA 2022/23 tax booklet summarises many of the rates and allowances fundamental to our business and personal lives. We are sure that you will find it a useful point of reference throughout the coming tax year. It contains lots of information on personal, business, employment, property and capital taxes and includes all the key spring statement changes.

Our tax booklet is intended for use as a quick point of reference. But should you require any further information or just have a simple question, we are only a phone call away.

We would also encourage you to map out the key tax dates for the next 12 months to help stay on the right side of the taxman. Our online tax calendar shows the key tax deadlines, month by month, for personal tax and also for companies and employers.

You can find the booklet and the calendar on our website and then save the link in your favorites bar for easy access next time. If you would like a printed copy of our tax booklet please do get in touch with the partner who looks after your affairs.

Have you ever wondered why our personal tax year starts on 6 April? After all, it seems like a very random date. The explanation goes back centuries, to when people in England were required to pay rents to their landlords on what were known as quarter days; 25 March, 24 June, 29 September and 25 December. The first of these was regarded as the start of the financial year.

In 1582, the old Julian calendar introduced by Julius Caesar was replaced by the Gregorian calendar we use today. The old calendar, although fairly accurate, was slightly too short and had slipped over the years. Much of Europe moved across immediately, but Britain took 170 years longer to move. As a result, our calendar was out of step by 11 days. The solution was, after the taxes had been paid on March 25 1752, 11 days were removed from the calendar and the new tax year started on April 5 1752.

There was one more problem. 1800 was not a leap year in the new Gregorian calendar but would have been in the old Julian system. Therefore, the Treasury moved the year start for a second time from 5 April to 6 April, and this date has remained unchanged ever since.

Whatever the time of year, and whatever your tax concerns, we have a team of experts who are happy to help.



# Staff News



We are sorry to have had to say goodbye to some of our long standing and most valued staff members. Our tax department lost two seasoned professionals: **Tina Pratt** retired at the end of December and **Jean Laing** retired at the end of February. We will also miss **Pamela Wedderburn** who retires in April (see page 6). We thank all three ladies for their many years of loyalty and dedication and wish them long and happy retirements.

Once again we are delighted to welcome lots of new faces to the team. Since our last newsletter **Karen Smith** has joined our Admin team, **Christiaan Hansen** and **Michael Drummond** have both taken up positions in our Tax department, **Angela Edgar** has started in our PAYE department and **Venita da Silve Nolte** has taken on the mantle of Financial Assistant. We also welcome **Paul Allan**, **Rebecca Lawson** and **Catherine Findlay** to our Wealth Management department. We hope they will all settle in quickly and soon feel part of the crew.

We are pleased to announce an addition to our wider GWA family. We send congratulations and very best wishes to Chartered Accountant **Sarah Strathdee** and her husband Neil on the safe arrival of their first child, Lowrie. And, of course, not forgetting doting grandma, **Wendy Strathdee** who heads up our VAT and Bookkeeping team.

# Community News

In December, team members in both our Haddington and Berwick offices ditched their corporate attire for something more seasonal. Not only did the Christmas Jumper days help everyone get into the festive spirit, a collection raised much-needed funds for some local charities.

A total of £460 was split between **Berwick Cancer Cars**, **Great North Air Ambulance** and **Dunbar RNLI**.

With COVID-19 restrictions easing, we are delighted to be able to support more local community organisations and causes. These include **Berwick Operatic Society's** production of *Sister Act*, **Blooming Haddington** who do a great job in keeping the town looking beautiful with their floral displays, **Haddstock** which returns bringing live music, arts and entertainment to Haddington and the **Berwick Food and Beer Festival** that is taking place again from 2 - 5 September.



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