



Perception Accounting
Accountants with Vision

PERCEPTION ACCOUNTING

August 2022 - Issue 5

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Should I buy an electric car through my company?

Historically, buying cars used to be a common method of extracting funds from a business, however, in recent years the government have made it prohibitively expensive for the employee due to huge tax rises.

This has all changed on the condition that you purchase an electric vehicle. The government offers significant financial incentives in this area.

What are the benefits to the employee?

If you are an employee that has been given an electric car from their company, your benefit in kind (BIK) will be 2% of the list price for 2022/23. This means that a £50,000 car only costs the employee £200 or £400 per year in tax depending on whether they are a basic or high-rate tax payer.

What are the benefits to the employer?

When it comes to fully electric cars, you can usually use the vehicle's full cost against your corporation tax costs. This means that for an electric car worth £50,000 you could receive a tax saving of up to £9,500.

One point to note is that the car must be purchased brand new to qualify for the above.

***As with all cars, electric or not, if the car is used 100% for business (highly unusual and only agreed in specific circumstances), you can reclaim 100% of the VAT.** You cannot claim any VAT on a car, electric or otherwise unless it is used 100% for business. If the car is leased or hired 50% can be claimed.

Will there be any upcoming changes?

At the moment there are no plans for the 2% benefit in kind to increase

What are the potential drawbacks?

The drawbacks surrounding an electric vehicle are mostly practical in nature.

Although electric car charging speeds are increasing all the time, the charge time is still slower than using a traditional petrol pump. It should be noted that electricity charges are on the increase and this should be borne in mind.

The range of the vehicle will vary depending on the car purchased, but ultimately electric vehicles have a shorter range than their petrol or diesel counterparts.

These types of vehicles can generally be more expensive to purchase and the resale value can be more volatile than a normal car due to so much value being placed on the battery.

That being said, the future for electric cars is bright. More models are being produced year on year and the technology is improving all the time.



SELF EMPLOYMENT FACTS, HINTS AND TIPS

Important reporting deadlines

Filing your tax return online gives you an extra 3 months to file your return with the deadline being 31st January instead of 31st October for filing paper returns.

31 January 2023 is the deadline for filing online and paying any liability due to HMRC for the 2022 tax year (6 April 2021 – 5 April 2022).

Fines and Penalties

If you file your return late HMRC will issue you a late filing penalty of £100, If your return is later than 3 months the penalty increases and will be £1,200 if you are a year late. HMRC also charge late payment penalties plus interest on the amount overdue.

You can appeal against penalties providing you have a reasonable excuse for being late.



SELFEMPLOYED

Record Keeping

HMRC accept digital copies of records, this means you can scan all of your receipts and store them electronically rather than in physical form. HMRC will accept these scans as long as they are clear and readable. If you use accounting software to maintain your records most software allows you to attach the image directly to that transaction for ease of finding later.

Government Gateway Accounts

Having a government gateway account with HMRC can enable you to see information such as how much you have contributed in national insurance and also give you an estimate of what your state pension would look like.

It is now easier to create an online government gateway as you can now use a Great Britain driving licence as a form of ID for the additional evidence required.

Be mindful of tax bands

From 6 April 2021, the personal allowance has increased to £12,570. Any income up to this amount is tax-free (unless you earn over £100,000 per year).

The tax bands beyond this are as follows:

Basic Rate

£12,571 and £50,270



Higher Rate

£50,271 and £150,000



Additional Rate

above £150,000

Tax Rates

Basic Rate

Income other than dividend income 20% - Dividend Income 8.75%



Higher Rate

Income other than dividend income 40% - Dividend Income 33.75%



Additional Rate

Income other than dividend income 45% - Dividend Income 39.35%

Capital Gains Tax

Every year you have a capital gains allowance. For the 2022-23 tax year this is set at £12,300. After that you would be taxed as follows:

Basic Rate Band

- 10% on regular capital gains
- 18% on residential properties

Higher Rate Band and Above

- 20% on regular capital gains
- 28% on residential properties

It is important to note that if you have capital gains on property you need to file and pay any capital gains within 60 days of completion, and you must have a government gateway for you or your accountant to be able to file the return.





Making Tax Digital

Making Tax Digital is a key part of the government's plans to make it easier for individuals and businesses to get their tax right and keep on top of their affairs.

HMRC's ambition is to become one of the most digitally advanced tax administrations in the world.

Making Tax Digital is making fundamental changes to the way the tax system works – transforming tax administration so that it is:

- more effective
- more efficient
- easier for taxpayers to get their tax right

Making Tax Digital (MTD) is due to be rolled out in April 2024 and you need to be ready. Download our free guide by clicking below and be assured that as a Perception Accounting client we are here to help you.

MAKING TAX DIGITAL - FREE GUIDE

FUNDING



In need of some funding for your small business?
These grants should give you a boost, wherever
you're based in the UK.

UPDATED: Securing grants for your small business or start-up is a constant challenge – Here are just a few that you may find useful.

1. The Prince's Trust Enterprise Programme

A good source for help with funding is the Prince's Trust, which offers development awards to help younger people kickstart their business or access training courses.

At present the Trust offers development awards of between £175-£250 for UK residents aged between 16 and 30 who are looking for funds to help with training. They must fit the following criteria:

- Aged 16 to 30 and living in the UK
- Studying less than 14 hours a week or not in compulsory education
- Unemployed or working less than 16 hours a week

Furthermore, development awards can support:

- Accredited course fees up to Level 3 (A level equivalent)
- Tools, equipment or uniforms for a job or qualification
- Job licence fees
- Transport to a new job until your first pay slip

Development awards can't support:

- Living expenses e.g. rent or bills
- Business start-up costs
- Costs for items that have already been paid for
- Gap year or overseas projects
- Level 4 course fees and beyond (i.e. Higher National Certificate or Diploma)

2. Government apprenticeships

The Government website has lots of info about apprenticeships as well as how to register and use the apprenticeship service. You've got different sites for Scotland, Wales and Northern Ireland.

3. Innovate UK Smart Grants programme

Innovate UK Smart Grants help deliver ambitious R&D innovations with significant potential for impact on the UK economy.

Funding rounds are open at various points throughout the year.

4. Gigabit Broadband Voucher Scheme

Gigabit vouchers can be used by small businesses to go towards the cost of installing gigabit-capable broadband connections. SMEs can claim £3,500 against the cost of connection. Find out if you're eligible by using the postcode checker on the website.

5. Other Innovate UK funding opportunities

Innovate UK runs a host of other competitions in more niche areas. These include:

- SBRI competition – Improving Hip Fracture Outcomes Using Data, phase 1
- Commercialising Quantum Technologies: feasibility studies round 2
- ISCF TFI: large collaborative R&D projects
- SBRI: Improving Multimorbidity Acute Care Using Data Analytics, phase 1
- Eureka Eurostars 2: round 15
- ATF: moving the UK automotive sector to zero emissions
- Knowledge transfer partnerships (KTP): 2020 to 2021, round 5
- African agriculture knowledge transfer partnerships (KTP): 2020 to 2021, round 5

6. Seed Enterprise Investment Scheme (SEIS)

You'll have heard of this scheme. It helps start-ups to raise money for their business. You get a maximum of £150,000 including state aid awarded in the three years running up to the date of investment.

Make sure you meet the conditions so investors can claim and keep SEIS tax reliefs relating to their shares. Said tax reliefs will be withheld or withdrawn if you don't meet these conditions for three years after the investment. The money must be spent within three years of the share issue.

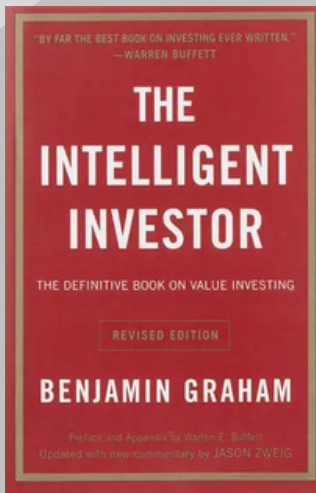
TWO FAVOURITE READS FOR AUGUST & SEPTEMBER

There are 1000's of business books to read. Some are hard work and not worth bothering with and some are hugely beneficial to any business owner.

We have read a few just to save you the trouble of finding what's good and what isn't

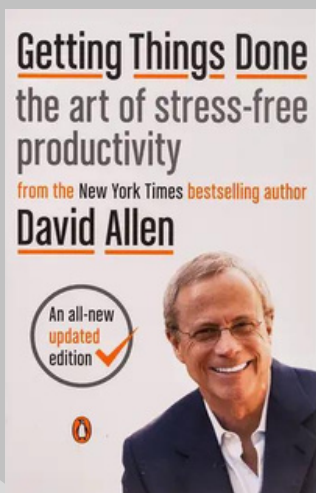


TWO OF THE BEST



The Intelligent Investor

Originally published in 1949 by the "father of value investing," "The Intelligent Investor" by Benjamin Graham delivers realistic financial advice for individuals and businesses looking to grow their wealth. Far from principles that guarantee you'll become a millionaire, this book encourages readers to create practical goals and find success in any size a victory.



Getting Things Done - The Art of Stress Free Productivity

This productivity book is a necessary business read as it teaches readers how to transform the way we work by de-stressing and organizing. Believing that a relaxed mind is most effective, David Allen presents realistic productivity systems and the ways in which we can implement them.

Perception Accounting Company News

A huge congratulations... *Congrats!*

to Georgie who successfully gained her practicing certificate last month and became a director of the company.

Work Experience

A big thank you to Imogen and Jazz who both completed their work experience during July and did an amazing job.

Imogen made brownies for the team as a thank you which were thoroughly enjoyed by us all.

Well done girls, you did us proud!



Exams



Well done to Chris who passed both his ACCA exams with flying colours.

Well done Chris!

Goodbye

We are sorry to say goodbye to Michelle this month.

Wishing her every success in future endeavours.

Welcome

A huge warm welcome to Jas, who joins us as our office administrator. For a lot of you she will be your first point of contact so you should get to know her fairly quickly. She is looking forward to getting to know you all over the next few months.

Perception Accounting Charity Event



THE PERCEPTION ACCOUNTING' DANCEATHON!

The Caldecott Foundation helps children build a better future

Providing vulnerable young people from across the UK with therapeutic residential care, foster families and education.

We have decided to bring some fun into our office and raise money for this fantastic charity

On 10th September we will host a **24hour Danceathon!** from 9am – come along and support us – you can even put on your dancing shoes and join us for a boogie you want to!



dance
dance
dance





How can you be involved?

Firstly we would like to say that the Caldecott Foundation is the most incredible charity that helps children who are vulnerable and who didn't get the start in life that maybe we did to build better lives. The Caldecott Foundation is a leading provider of therapeutic care and education and it relies on charity events like ours to help raise the funds to continue their amazing work.

If you would like to donate please use the link below



JUST GIVING

Please donate



Download our event brochure

Download our brochure for information about who is taking part, how you can advertise with us for this event, request a song and check-in to online streaming for the event



SCAM ALERT

Round up of the latest scams

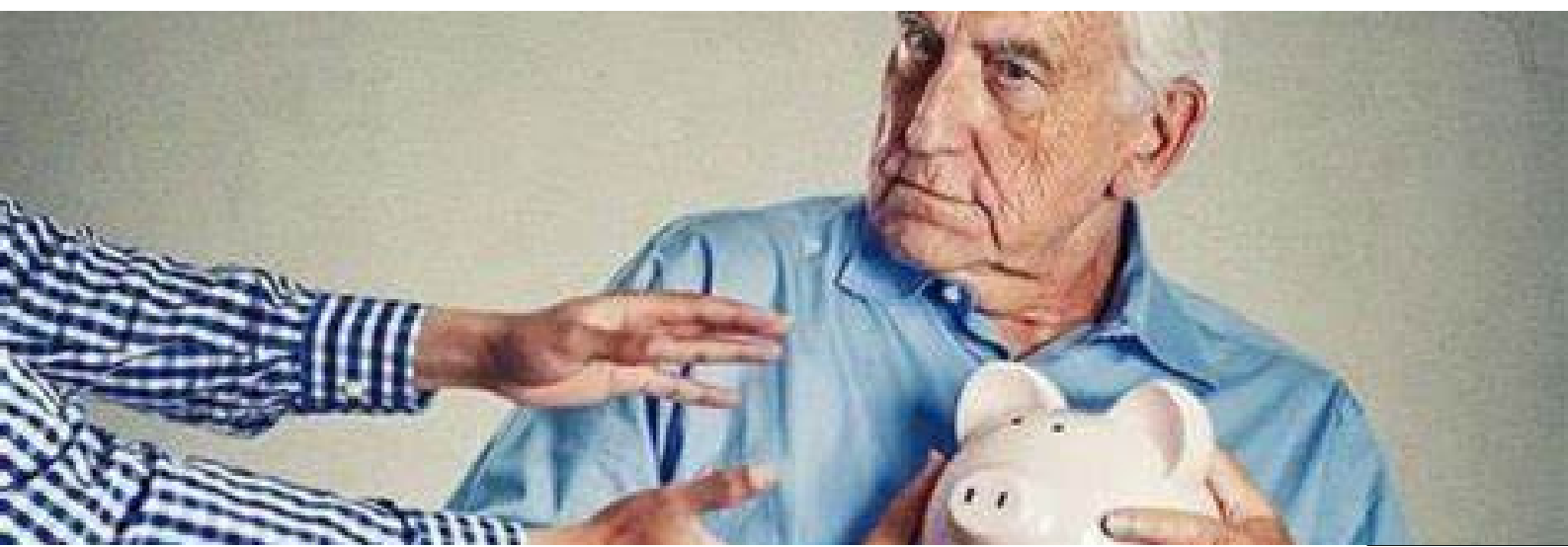
Pension pot scams

Scammers are exploiting pension reforms and the uncertainty created by the pandemic to trick them out of their life savings.

Because people now have the option to release their retirement savings, scammers no longer need to access the money directly from a pension scheme. Increasingly, scammers are persuading people to transfer their savings from the safety of established pension schemes into inappropriate or even non-existent investments.

* Be wary of free pension review offers. If you are contacted out of the blue about your pension, it's likely to be a scam

* Check the FCA's Financial Services Register to make sure that anyone offering you advice or other financial services is authorised by the FCA. And only use the details provided on the FCA Register - not details a firm gives you, in case they are pretending to be an FCA authorised firm.





Fake Police Calls



Watch out for fake calls (from a withheld number) by someone who says they're a police officer, giving a name, police station and police ID, and claiming that you have been a victim or serious fraud on your bank account.

This has happened to a couple of the people we support in the South East. One client was told by the fake police caller that they had arrested someone who had been using her bank card. He said that he didn't want any card details but would put her on to a 'secure line' to her bank when she could give them the information they needed. He also gave her the name of the person they had in custody asking if she knew him or whether there was anyone in the household who knew him. This was a way of finding out about who she lived with.

Luckily the people became suspicious at the mention of 'secure line' and hung up!
Never give out your bank details, pin or transfer money.

These callers have no connection with the police. The police or your bank will never contact you out of the blue to ask for your PIN, password, or to transfer money to another account to keep it safe.

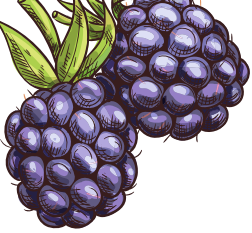
Anyone who has given out their personal information to a caller they now think was a fraudster should contact their bank immediately.

Green Homes Grant scam

From September 2020, homeowners will be able to apply for vouchers of up to £5,000 for energy efficient home improvements - beware of letters or cold calls from someone claiming to be able to help you with the new government grant. To get the voucher, you'll need to complete an online application for a recommended home improvement, get a quote from a listed supplier and have the quote approved. This new scheme fits in with a popular scam where consumers are contacted by phone and mail to explain that they can help consumers with applying for a grant, find suppliers and get the work done for them for a fee. Once the fee has been paid, no work is ever carried out and the money is gone!

Report any letters or calls to Action Fraud on 0300 123 2040 or send the letter to Freepost, NTSST, Mail Marshals

Click [HERE](#) for more information about the Green Homes grant.



Summer Pudding



Ingredients

- 750g/1lb 14oz mixed summer fruit (such as raspberries, red, white and blackcurrants, tayberries, loganberries, blackberries, cherries and blueberries)
- 185g/6½oz caster sugar
- 1 medium loaf good-quality white bread, slightly stale
- 2 tbsp cassis or blackcurrant cordial



Method

1. Place the fruit in a pan. Remove the stems from the redcurrants (if using) with a fork, pour the sugar over the fruit and stir gently to mix together.
2. If you have time, cover the pan with a tea towel or cling film and leave for 3-5 hours (or overnight) to get the juices running. Place the pan over a moderate heat and bring gently up to the boil.
3. While the fruit is simmering, cut the bread into thin slices and remove the crusts.
4. When the juices are beginning to flow, raise the heat slightly and simmer for about 2-3 minutes. Then turn off the heat and stir in the cassis or blackcurrant cordial.
5. Cut a round out of one slice of bread to fit the bottom of the bowl, then cut the remaining slices into triangular wedges.
6. Dip one side of the bread circle into the juices in the pan containing the fruit, then place the circle in the bottom of the pudding basin, juice-side down. Do the same with the bread triangles, dipping one side of the bread into the juices before placing them around the edge of the bowl, with the dipped side facing outwards. The tips of the bread triangles will be sticking up from the top of the bowl at this stage.
7. Once the bowl is completely lined with the juice-soaked bread (be sure to plug any gaps with small pieces of bread if necessary), spoon all of the fruit and its juices into the pudding basin. Trim the tips of bread from around the edge. Cover the top of the fruit with more wedges of bread. Place the pudding basin on a plate to collect any juices.
8. Find a saucer that fits neatly inside the bowl. Place it on top to cover the upper layer of bread, then weigh the saucer down with weights - bags of rice, tins of baked beans, or whatever comes to hand. Let it cool, then place in the fridge overnight.
9. The next day, remove the weights and the saucer. Run a thin blade around the edges, then invert the basin onto a shallow serving plate.
10. Turn the pudding out, cut into thick slices and serve the summer pudding with cream.



Enjoy!

Final thoughts from the MD

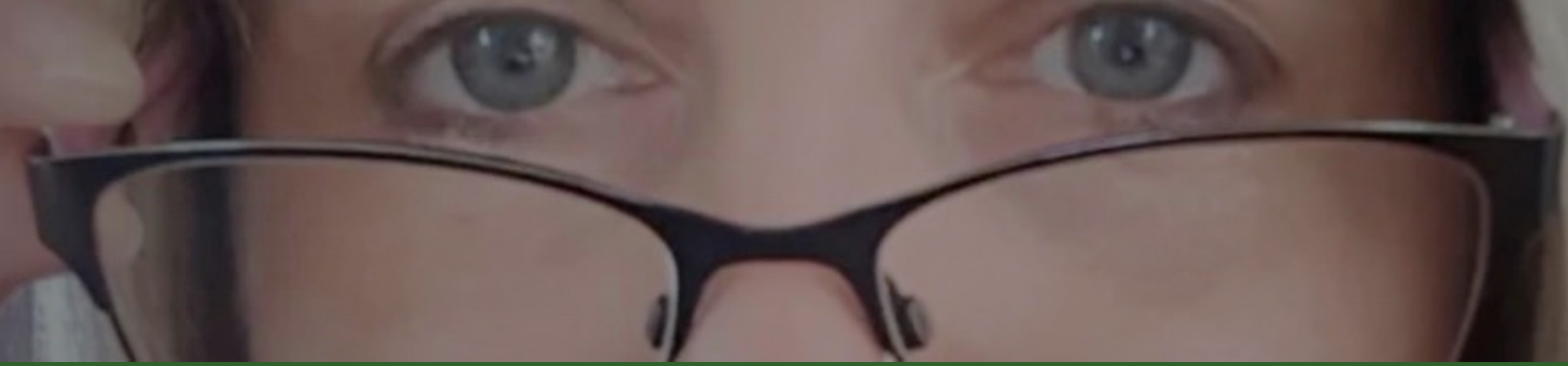
It has been a busy and challenging couple of months for everyone, with a new Prime Minister currently being decided upon, unbelievable price hikes in all areas of our lives and strikes and discontent seeming to be everywhere. Thank goodness the summer is upon us and everyone can take a well-earned rest and hopefully come back refreshed and raring to go!

I am over the moon that Georgie has successfully been granted her practicing certificate. This is a big deal in the accountancy world and gives the practice a whole new layer of capacity, which means we can welcome even more clients and still maintain our current high service levels. I am also very proud to have been able to make her a director of the company, a position she thoroughly deserves.

I wish everyone a fabulous summer.

Lisa Brown





The Cobalt Building, 1600
Eureka Park, Lower
Pemberton, Ashford, Kent
TN25 4BF

perceptionaccounting.com



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