

PERCEPTION POST

THE OFFICIAL NEWSLETTER OF PERCEPTION ACCOUNTING

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WELCOME

Welcome to the second edition of our Perception Post, we hope you find it to be informative and a useful bi-monthly addition to your email inbox.

January has as you can imagine been a very busy and productive month, thank you to all those that sent in their tax return information on time and tut tut to you people that didn't and haven't yet!

So, slap on a face mask, pour a gin, put your feet up and read on!

DID YOU KNOW?

The first-ever recorded human name in history belonged to an accountant!

More than 5000 years back it was an accountant named Kushin who happened to record his name on a parchment of paper. The writing read 'A total of 29,086 measures of barley were received over the course of 37 months' with the signature of Kushim underneath.

The British introduced Income Tax as a temporary measure to finance the war against France.

British Prime Minister William Pitt the Younger, on January 9th 1799 introduced income tax to help cover the cost of his country's war with France. It goes without saying that the British ruling class stuck with it even after the war and hence it is still here today.

'Bookkeeping' is the only English word to contain as many as three sets of double letters back-to-back.

GRANTS TO LOOK AT



The Low Carbon Across the South and East (LoCASE) programme, supported by the European Regional Development Fund, is a free business support programme in the South and East. It can help your business to become more competitive and profitable while protecting the environment and encouraging low carbon solutions. It provides grants for businesses of up to £10,000 as well as training workshops and fully funded events. Targeted business support is on offer for companies who offer “green” or low carbon goods and services.

You cannot get funding if your business:

- is in administration, insolvent or has been struck off the Companies House register
- has exceeded the permitted subsidy allowance

Covid-19 Restart Grant

Help with the cost of reopening your business following Covid-19 closure



The Restart Grant scheme supports businesses in reopening safely as COVID-19 restrictions are lifted. Grants are available from 1 April 2021. Eligible businesses in the non-essential retail sector may be entitled to a one-off cash grant of up to £6,000 from their local council. Eligible businesses in the hospitality, accommodation, leisure, personal care and gym sectors may be entitled to a one-off cash grant of up to £18,000 from their local council.

Eligibility

Your business may be eligible if it is:

- based in England
- rate-paying
- in the non-essential retail, hospitality, accommodation, leisure, personal care or gym sectors
- trading on 1 April 2021

Maidstone Borough Council offers up to £6,000 for firms hit hard by Omicron

Council chiefs in Maidstone are contacting businesses in key sectors to see if they are eligible for new off-grants from the government to help fight the challenges brought about by the Omicron variant of Covid.

Hospitality, leisure and accommodation businesses are being approached by Maidstone Borough Council with eligible businesses able to claim up to £6,000 - a support package first announced last month.

Cllr Martin Round, chair of the economic, regeneration and leisure committee said: “I know of so many hospitality businesses that were really relying on Christmas to help increase their trade and unfortunately the growth in the Omicron variant put paid to this. Sadly, many customers had to cancel bookings leaving our pubs and restaurants in dire straits again. I hope that this new government grant will help, if only in a small way.

“We are using our database of contacts, however it has been some months since we last approached these businesses and we know things can move fast so we would really like to hear from anyone who thinks they might be eligible.

NEWS BITES

Supply chain issues disrupt 75% of firms in the South East, according to research by Gallagher

Supply chain problems have caused disruption to three-quarters (75%) of businesses in the South East in the past 12 months, according to the latest research. Risk management firm and insurance broker Gallagher says its survey revealed businesses in the region experienced serious supply chain disruption six times, on average. And it says the impact was so severe 35% of companies shut down elements of their business as a consequence. Other findings revealed 30% were left out of pocket after having to turn down customer orders, while 22% had to absorb increased costs as scarcity of some goods saw prices rise.



Pandemic sees surge in people seeking early retirement

The impact of the pandemic has seen a surge in the number of people looking to take early retirement, a financial advisor in the county says. Two years of working from home and travel restrictions has seen more people adopt what experts describe as a 'carpe diem' mentality. The Independent Financial Advisers says it has seen a sharp rise in enquiries from those looking to retire early, backing up a recent survey by Aviva which revealed a quarter of those quizzed planned to retire at 60 - some six years before the current state pension age. One in five planned to call it a day at 55.



WHAT'S NEW IN 2022



Late Filing Penalty Deadline Extended

On the 6th January 2022, HMRC announced that there will be no late filing penalties issued as long as Self Assessment tax returns are submitted before 28th February 2022.

Regular penalties will then take effect from 1st March 2022 onwards. For late filing the penalty starts at £100. So if you didn't get your tax return in it's not too late to avoid a penalty and you will not be charged for a late payment until 1st April 2022.

Increase of the rates of Income Tax applicable to dividend income

Dividend tax rates – all rates are increasing by 1.25% so basic rate tax payers will now pay 8.75% (instead of 7.5%) higher rate tax payers will pay 33.75% (instead of 32.5%) and additional rate tax payers will pay 39.35% (instead of 38.1%) these increases come in from April 2022.



COMPANY NEWS

Congratulations!



Well done to Chris for passing both ACCA exams and Dan for passing his AAT exam which they sat in December.

Goodbye

We were sad to see James leave his employment with us and wish him all the best in his new ventures

Good Luck!

Good luck to Lisa who has made the final in two categories at the Kent Women in Business Awards 2022

The Event we sponsored for the RNLI in December raised **£1975!**



As from 1st March our new offices will be:

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



NEW LAWS IN 2022

A swathe of new laws will be coming into effect in the UK in 2022, with revised rules on areas like divorce, driving and the environment potentially having a direct impact on the individual. Refinements surrounding employment, corporate mergers and customs controls will likewise have a bearing on how British businesses behave and what is expected of them. Here is an overview of some of the key new legislation arriving in the new year.

Income and Benefits

Ahead of chancellor Rishi Sunak's Autumn Budget in October, the Treasury announced that the National Living Wage for those aged 23 and over will rise to £9.50 an hour from April 2022, an increase of 6.6 per cent on the current £8.91 per hour.

Those eligible for the National Minimum Wage will also see a rise. Workers aged 21 to 22 will get £9.18 per hour, 83p more than the present £8.36, those aged 18-20 will earn 27p per hour more, taking them from £6.56 to £6.83, and those aged 16-17 will receive 19p more, a boost from £4.62 to £4.81.

The Budget also revealed that the government's Bereavement Support Payment programme is being extended to allow unmarried, cohabiting couples with children to make a claim for financial support from September 2022, when previously the scheme was only available to the married.

A successor to the Widowed Parents Allowance, the programme is intended to support partners of people who die before they reach pensionable age and is worth up to £3,500, plus £350 a month for 18 months.

Budget documents suggest that £200m is forecast to be paid out to claimants who have lost loved ones by 2025/26.

"This legislative change is in progress to enable more families to access support during the most difficult of times and will face full parliamentary scrutiny. Once approved by Parliament, payments could be backdated to 30 August 2018," a Department for Work and Pensions spokesperson said in November.

Environment

Another interesting new rule for drivers coming in next year is the government requirement that all newly-built homes and business premises feature a charging point for electric vehicles (EVs) as standard to encourage their adoption.

It is thought the scheme could add 145,000 new charging points every year, further boosting the national infrastructure to support EVs on top of a pre-existing pledge to add 250,000, all part of the plan to end the sale of petrol and diesel cars by 2030 to curtail the impact of the climate crisis.

Also on the domestic front, the government's £5,000 grant to help homeowners replace their gas boilers with heat pumps will be available from April, although doubts remain about whether that amount will entirely cover the cost of installation and about the effectiveness of the technology at keeping properties warm.

A further new law to encourage sustainable consumerism arrives in April when the government introduces a plastic packaging tax on materials that contain less than 30 per cent of recycled plastics.

All UK manufacturers of plastic packaging, their business customers and importers will be affected and expected to pay £200 per metric tonne of packaging.

"The aim of the tax is to provide a clear economic incentive for businesses to use recycled plastic in the manufacture of plastic packaging, which will create greater demand for this material. In turn this will stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfill or incineration," the government has said.

NEW LAWS IN 2022...CONT

Divorce

Among the most interesting revisions to British law in 2022 are those surrounding separation, which is receiving its biggest overhaul in half a century.

The Divorce, Dissolution and Separation Bill obtained Royal Assent in June 2020 meaning that, from 6 April 2022, married couples and civil partners can be separated without the petition containing an accusation of blame towards one or both parties.

This "no fault" approach is intended to reduce the amount of hostility involved in a process that is more often than not acrimonious and traumatic for everyone involved, not least any children caught up in proceedings.

Previously, couples were required to prove the irretrievable breakdown of their relationship as a result of adultery, unreasonable behaviour, desertion, two years of separation with consent or five years of separation without consent.

The change entitles the parties to sign a sole or joint statement declaring that their relationship has definitively broken down and cannot be salvaged.

Such a statement will also be taken as conclusive proof that the divorce is earnestly sought and will prevent one party contesting the matter and dragging it out hopelessly.

To allow for a cooling off period, the parties must now wait 20 weeks from the submission of their statement before a conditional order can be granted, an extension from the present six weeks and one day. After a further six weeks, a final order can then be issued, severing the union for good.

Driving

Rules on the use of phones behind the wheel are being made stricter in 2022, closing a loophole in the current ban on using handsets to make a call that does not cover social media scrolling or shooting photographs and video.

According to the Department of Transport, the new law, which could see drivers fined £200 and hit with six penalty points on their licence, tightens the definition of what constitutes driving to be "more precise" and include idling during traffic jams.

Hands-free devices will still be allowed, however, so long as the phone is held in a cradle attached to the dashboard or windscreen and drivers will still be allowed to use their devices to make contactless payments at toll booths and drive-in restaurants.

Transport secretary Grant Shapps said the revision would help to "protect all road users", adding: "Too many deaths and injuries occur whilst mobile phones are being held."

Several key changes to the Highway Code will also come into effect from 29 January 2022, including the creation of a "hierarchy of road users", establishing priority for those most vulnerable to harm.

Pedestrians are placed at the top of a pyramid, with horse riders, cyclists, motorcyclists and cars on the next tier and vans, buses and lorries at the bottom. Further revisions seek to clarify who gets right of way on the road, how to turn safely into a junction when horses or cyclists are present, what to do when pedestrians are crossing the road when traffic is stalled, granting cyclists priority at roundabouts and not honking horns at walkers standing at zebra crossings to invite them to proceed.

NEW LAWS IN 2022...CONT

Policing

A controversial series of amendments to the Police, Crime, Sentencing and Courts Bill, which have yet to be approved but could potentially enter law in 2022, would see the government empower police officers to stop and search protesters without suspicion and make "locking on" a crime. Additions to the bill, which has already included "draconian" powers to ban protests over noise, were made in late November in response to disruption caused by Insulate Britain climate demonstrations. Members of the House of Lords voiced their anger when the late amendments were made after the bill had already been voted on by MPs while campaigners accused the government of trying to bypass parliamentary scrutiny.

Financial Times columnist Camilla Cavendish memorably branded the move "a monstrous jumble of laws that would not look out of place in Soviet Russia".

The proposals included tougher sentences for blocking motorways and allowing police officers to stop and search anyone at a protest "without suspicion". Anyone an officer "reasonably believes" may "lock on" or obstruct major transport works could also be stopped. Individuals with a history of causing serious disruption also face being banned by the courts from attending certain protests, even if they have not committed an offence.

Employment

A revamp of British working conditions has been expected since a new Employment Bill was first announced in the Queen's Speech of December 2019 in the aftermath of Boris Johnson's election win but has yet to materialise and was not mentioned in Her Majesty's address of May 2021.

Legal experts are expecting such a bill to be on the agenda in 2022 and suggest it could see the formation of a new enforcement body (bringing together HMRC National Minimum Wage Enforcement, the Employment Agency Standards Inspectorate and the Gangmasters and Labour Abuse Authority) to champion staff rights on wages and safeguard against the proliferation of labour exploitation and modern slavery.

Other provisions expected include protection against redundancy for those taking maternity or paternity leave, statutory leave and pay for parents whose children require neonatal care, a right to at least one week's unpaid leave per year for carers, new legislation to ensure tips left in hospitality venues are received by waiting staff and enhanced flexible working rights.

Further dates for businesses to be aware of include the latest gender pay reporting deadlines, mandatory annually for any employer with more than 250 staff, with public organisations due to file on 30 March 2022 and private firms on 4 April 2022, offering snapshots of their circumstances on 31 March 2021 and 5 April 2021 respectively.

An ethnic pay report, examining employee wages along racial lines in addition to gender, might also be included in any forthcoming Employment Bill entertained by the government in a bid to counter institutional prejudice.

A new statutory code of practice is also expected to be drafted this year placing increased pressure on businesses to stamp out sexual harassment in the workplace.

The most dramatic confirmed legal change targeting a specific work environment next year is the mandatory requirement that all frontline NHS staff are vaccinated against Covid or risk losing their jobs. Another legal consideration for businesses to be aware of is the government's extension of its ban on commercial evictions in cases of non-payment of rent until 25 March 2022, a measure initially introduced to help out during the pandemic but since extended several times.

A binding new rent arrears arbitration process has also been introduced for landlords and professional tenants who have not been able to agree concessions or payment plans.

NEW LAWS IN 2022...CONT

Health

The government is bringing in new restrictions on retailers from October 2022 to rein in shops offering promotions on unhealthy soft drinks and snacks high in fat, sugar and salt.

Following consultation with the industry, the change targets medium and large retail businesses like supermarkets and aims to end the practice of offering impulse buys at checkouts, entrances and aisle ends in the hope of guiding shoppers towards making healthier dietary choices.

Public health minister Jo Churchill has said the policy change was intended to tackle obesity and was inspired by the toll taken by the coronavirus and associated lockdowns on citizens' physical wellbeing:

"The Covid-19 pandemic has brought into sharp focus the impact that an unhealthy weight can have on people's health. We know families want the healthy choice to be the easy choice, and restricting promotions on unhealthy foods will help them achieve this."

Business

Commercial enterprises seeking to expand and make acquisitions next year need to be aware of the National Security and Investment Act 2021, which comes into effect from 4 January 2020 and requires businesses seeking to buy particular UK companies to notify the government of their intention to do so, allowing it an opportunity to review related deals even after they have been completed in the interests of national security.

The business secretary, currently Kwasi Kwarteng, will play decision maker and have the authority to impose conditions on any proposed merger if they have reason to believe it could compromise British interests.

From the start of the new financial year, businesses liable for corporation tax will meanwhile be expected to pay a main rate of 19 per cent for all non-ring fenced profits north of £250,000, a rate that is tipped to rise to 25 per cent by 2023.

NEW LAWS IN 2022...CONT

Custom Controls

And finally, how could we forget Brexit?

A raft of new customs measures are being introduced on 1 January 2022 that British businesses trading with Europe ought to be aware of.

Traders will no longer be able to delay making import customs declarations as they were in 2021 under Staged Customs Controls rules, with HMRC advising organisations to be prepared to submit declarations and pay relevant tariffs at the point of import from New Year's Day.

HMRC offers advice on appointing an intermediary to manage this and, for eligible businesses, how to secure Simplified Declarations authorisation to streamline the process.

Tougher border controls coming in will also mean that goods will not be released into circulation without a valid declaration and customs clearance and could end up detained at ports.

To support this tightening, imported goods could, from 1 January, be directed to an Inland Border Facility for inspection if documentary and physical checks cannot be completed on site at the ports, with the submission of an "arrived" export declaration mandatory in certain locations, the responsibility for which may need to be agreed between the importer and their freight carrier.

Under the UK's Brexit deal with the EU, goods shipped back and forth between the two could be eligible for tariff preference, a reduced rate of customs duty, providing proof of origin can be presented, confirming either that a product brought into Britain from the bloc was produced or manufactured there or, alternatively, that an export being dispatched to the continent originated in the UK.

A statement of origin from the exporter or the importer making a claim based on their own knowledge of the product will still be required in 2022 to apply for the preference and, in addition, UK businesses exporting to the EU may also now need to provide a supplier declaration when the goods are shipped, a form that was previously accepted retrospectively. Importer-exporters should be aware that the UK's six-digit commodity codes will also be changing on 1 January. HMRC offers more information on this too.

Rules are also changing for lorries, vans and cars towing trailers of goods to Europe, with some journeys having to be registered online from 2 February 2022 and new stipulations applying to freight haulage above 2.5 tonnes from 21 May 2022.

Further revisions to customs controls will be coming into effect later in 2022, with changes concerning safety and security declarations for all imports, Export Health Certificates, Phytosanitary Certificates and physical checks on sanitary and phytosanitary goods at Border Control Posts all in play from 1 July.

THIS MONTHS RECIPE

Valentines Day Cup Cakes

Ingredients

For the muffins

- 175g butter
- 200g light muscovado sugar
- 50g cocoa
- 140g self-raising flour
- 2 large eggs
- 8 white truffles

For the decorations

- 150g butter , softened
- 300g icing sugar
- 1 tsp vanilla extract
- 2 tbsp cocoa
- 8 white chocolate hearts



METHOD

STEP 1

HEAT OVEN TO 180C/160C FAN/ GAS 4 AND LINE A MUFFIN TIN WITH EIGHT PAPER CASES. MELT THE BUTTER IN A SMALL PAN, THEN LEAVE TO COOL FOR 5 MINS. TIP THE SUGAR, COCOA AND FLOUR INTO A FOOD PROCESSOR AND WHIZZ TO GET RID OF ANY LITTLE CLUSTERS OF SUGAR THAT ARE STICKING TOGETHER. TIP IN THE MELTED BUTTER AND EGGS, AND BLITZ TO MAKE A SMOOTH BATTER.

STEP 2

SCOOP A LITTLE OF THE MIXTURE INTO EACH MUFFIN CASE, THEN LIGHTLY PRESS A WHITE CHOCOLATE TRUFFLE IN THE CENTRE. SPOON OVER THE REMAINING MIXTURE, MAKING SURE THAT THE TRUFFLES ARE COVERED. BAKE FOR 15-20 MINS UNTIL THE MIXTURE HAS FIRMED UP. LEAVE TO COOL.

STEP 3

TO DECORATE THE MUFFINS, TIP THE BUTTER AND SUGAR INTO A LARGE BOWL, ADD THE VANILLA AND BEAT WITH AN ELECTRIC HAND WHISK UNTIL REALLY SMOOTH. THINLY SPREAD A LITTLE OF THE VANILLA MIXTURE OVER THE TOP OF THE CAKES TO COVER THEM, TAKING THE ICING DOWN THE SIDES TO MEET THE PAPER CASE. BEAT THE COCOA POWDER INTO THE REST OF THE ICING, THEN PUT IN A PIPING BAG FITTED WITH A LARGE STAR NOZZLE AND PIPE HEARTS ONTO THE TOP OF EACH CAKE. ADD A CHOCOLATE HEART TO DECORATE FOR THE FINAL FLOURISH.

A NOTE FROM THE MD

We survived January with most clients getting their records in on time. I hope all clients have a busy and productive 2022, and I am looking forward to meeting with more clients in person this year!

From March we will be in our new office which I know all of the team are looking forward to.

I'm so pleased to have been nominated for The Kent Women in Business awards. Thank you

Lisa Brown - Perception Accounting



Perception Accounting

Accountants with Vision