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### FIFTH SELF-EMPLOYED INCOME SUPPORT GRANT LAUNCHED LATE JULY

We have now reached the end of July, and the fifth (and final) SEISS grant is now available for the self-employed to claim.

The eligibility criteria remain broadly the same as the fourth grant. Self-employed profits in 2019/20 must not exceed £50,000 and must be more than 50% of your total income. If that test is not met, then the same £50,000 and 50% tests are applied to average profits and total income over the four fiscal years to 2019/20.

Self-employed traders need not have claimed grants under the previous scheme to qualify for the July payment and will be required to confirm that their business profit continues to be adversely affected by Covid-19 in the period May 21 to September 21. The amount that traders will be able to claim will depend on how much their turnover has reduced by, comparing a 20/21 year starting on a date from 1/4/20 to 6/4/20 with a 19/20 or 18/19 reference year. [Full gov.uk guidance here](#)

### FURLOUGH GRANT REDUCED TO 70% IN JULY

July saw the CJRS Furlough grant support from the government via HMRC reduce to 70% of the employee's usual pay for hours not worked. This is despite the fact that "Freedom Day" in England has been delayed four weeks to 19 July 2021, and now called "Terminus Day". The government support to employers reduces to 60% in August and September.

### CORRECTING ERRORS IN EARLIER FURLOUGH CLAIMS

The numerous changes in the method of calculating CJRS furlough grants will no doubt have resulted in errors by some employers.

Remember that you are required to tell HMRC about overclaimed CJRS grants as part of your next claim. You will be asked when making your claim whether you need to adjust the amount down to take account of a previous overclaim. Your new claim amount will be reduced to reflect this. You should keep a record of this adjustment for 6 years.

You should also be aware that HMRC may levy a penalty even if the error is careless or due to a misinterpretation of the rules.

You might therefore like us to check any previous claims that you have made.

If you have made an error that has resulted in an underclaimed amount, you should contact HMRC to amend your claim. As you are increasing the amount of your claim HMRC will need to conduct additional checks.

## PLEASE LET US HAVE DETAILS OF YOUR SEISS GRANTS FOR YOUR 2020/21 TAX RETURN

As you are probably aware tax agents were not able to claim SEISS grants on their client's behalf, and we do not currently have access to the amounts you have claimed.

**If you are self-employed and have received any SEISS grants in 2020/21 can you please let us have details of the amounts received so that we can include the correct amounts in your return. The amounts received are taxable but should not be included in your turnover as that would mean double counting.**

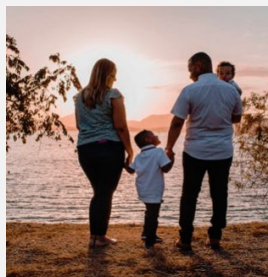
## TAX FREE CHILDCARE ACCOUNT SUBSIDISES SUMMER CAMP COSTS

If you have children under 12 who attend a nursery, after school club, playscheme, childminder or you are considering sending them to a summer camp you should think about setting up a tax-free childcare account. The government adds 25% to the amounts that you save in the account up to £2,000 for each child so £8,000 is topped up to £10,000 (a higher amount applies for disabled children). The account is then used to pay Ofsted registered childcare providers.

Note that it doesn't need to be the child's parents paying into the account, uncles, aunts, grandparents and others can also make payments.

Note also that you are not eligible if you or your partner have adjusted net income in excess of £100,000 for the current tax year.

This scheme will gradually replace childcare vouchers which many employers continue to provide to employees. These are free from tax and national insurance (there are limits) and can be used to pay for childcare until the child is 16. Childcare voucher schemes can no longer be set up but employees already eligible can continue to benefit.





## Pension Spotlight...

### Pension contribution is tax efficient for both employee and employer

Pension contributions to approved pension funds on behalf of employees and directors continue to be a tax-free benefit provided the annual input limit is not breached. The contributions are also deductible for the employer provided incurred wholly and exclusively for the purposes of the trade and paid before the end of the accounting period of the business.

For most taxpayers the annual input limit is £40,000 and this overall limit applies to contributions by the employee plus contributions made by the employer on the employee's behalf. It is also possible to take advantage of unused relief from the previous three fiscal years.

Payments into the pension fund by the employing business will be deductible against business profits. Currently this will only save 19% corporation tax but from 1 April 2023 will save 25% where profits exceed £250,000 and 26.5% where profits are between £50,000 and £250,000.

Note that these limits are divided by the number of associated companies, i.e. under common control.

Although the contribution on behalf of the employee or director may be tax-free they are generally not able to access the fund until age 55 (set to rise to 57, see page 4).

There have been a number of "schemes" devised over the years to exploit the pension rules.

### HMRC warning not to use unfunded pension arrangements

HMRC are currently attacking a marketed tax avoidance scheme using unfunded pension arrangements to avoid Corporation Tax, Income Tax and National Insurance contributions.



HMRC strongly believes these arrangements do not work and will seek to challenge anyone promoting or using these arrangements and make sure the correct tax is paid.

Users of these arrangements may pay considerable fees to use them yet may still have to repay the tax claimed to be avoided, as well as interest and a penalty. Contact us if you are approached to use such a scheme.



## Pension Spotlight...

### Savers will have to wait until age 57 to access pensions

The normal minimum pension age, the minimum age at which most pension savers can access their pensions without incurring an unauthorised payments tax charge unless they are retiring due to ill health, is to rise from age 55 to 57 in 2028.

The government states that this could encourage individuals to save longer for their retirement, so help ensure that they will have financial security in later life.

Members of uniformed public service pension schemes and those with unqualified rights to take their pension below age 57 will be protected from the change. It has also been decided that individuals will be able to keep their protected pension age if they transfer their pension.

There may be some transitional issues. For example, an individual who does not have a protected pension age and at 5 April 2028 will have reached age 55 and has started, but not completed the process of taking pension savings, before the change in normal minimum pension age. The government says it will provide further advice on the proposed transitional arrangements and provisions in due course.

The normal minimum pension age was introduced in 2006 and it increased from age 50 to 55 in 2010. In 2014 after the consultation, *Freedom and Choice in Pensions*, the government announced it would increase it to age 57 in 2028 to coincide with the rise of state pension age to 67.

## BEWARE MINI-UMBRELLA COMPANY FRAUD

**HMRC are urging businesses to look out for the use of mini-umbrella companies (MUCs) to pay contractors supplying their labour via agencies and other intermediaries. Businesses need to be aware of the financial and reputational risks of such entities in their labour supply chain and carry out due diligence to minimise those risks.**

You may have heard a BBC File on Four radio programme that highlighted the abuse of the £4,000 employment allowance by 48,000 companies set up to take advantage of the allowance to save employers national insurance. Such structures are also being used to avoid VAT and are currently being marketed as a means of side-stepping the "off payroll" working rules.

HMRC have identified criminals creating a series of MUCs that appear unconnected and claiming the NIC employment allowance of £4,000 for each company. The company is then struck off after about 18 months allowing the criminals to potentially avoid paying thousands of pounds of employers' NICs.

The risks to end user organisation include becoming liable for unpaid taxes and national insurance contributions including the overclaimed employment allowance.

The business may also be denied the right to claim input tax if the trader should have known their transactions were connected with VAT fraud.

They may also be penalised for criminal offences relating to national minimum wage and national living wage. The business may also face fines for failure to prevent the criminal facilitation of tax evasion.

Please contact us if you would like us to assist you in carrying out due diligence into your labour supply chain to minimise these risks.

## CHECK THAT YOUR SHARES QUALIFY FOR CGT BUSINESS ASSET DISPOSAL

A recent case before the tax tribunal has confirmed that all of a company's shares are ordinary shares except those that carry a fixed rate of return.

This is crucial as CGT business asset disposal (BAD) relief requires a shareholder to be entitled to at least 5% of a company's ordinary share capital in addition to being an officer or employee of the company, and for the company to be a trading company or the holding company of a trading group.

These conditions need to be satisfied throughout the 24 months prior to the disposal of the shares. This two-year rule is important if you are considering transferring some of your shares to other family members now that only the first £1 million qualifies for CGT BADR.

There are a number of further conditions that need to be satisfied by the shareholding in addition to the 5% ordinary share capital test. The shareholder must have 5% or more voting control and be entitled to 5% or more of the company's distributable profits, and of its assets should be company be wound up. Those final two conditions do not need to be satisfied where the shareholder would be entitled to receive at least 5% of the proceeds on the hypothetical sale of the whole company.

This tends to be a problem area where a company has a number of different classes of shares.

**If that is the case please contact us so that we can check the eligibility of different shareholders.**

## ADVISORY FUEL RATE FOR COMPANY CARS

These are the suggested reimbursement rates for employees' private mileage using their company car from 1 June 2021.

Where there has been a change the previous rate is shown in brackets.

| Engine Size      | Petrol       | Diesel       | LPG          |
|------------------|--------------|--------------|--------------|
| 1400cc or less   | 11p<br>(10p) |              | 8p<br>(7p)   |
| 1600cc or less   |              | 9p           |              |
| 1401cc to 2000cc | 13p<br>(12p) |              | 9p<br>(8p)   |
| 1601 to 2000cc   |              | 11p          |              |
| Over 2000cc      | 19p<br>(18p) | 13p<br>(12p) | 14p<br>(12p) |

Note that for hybrid cars you must use the petrol or diesel rate. You can continue to use the previous rates for up to 1 month from the date the new rates apply.

## CONNECTING DEVON & SOMERSET MOBILE BOOSTER VOUCHER SCHEME

**Do you live in a rural community? Do you have poor indoor mobile coverage? If so then this voucher scheme may be of interest to you.**

Connecting Devon and Somerset is pleased to announce the roll out of its new mobile booster scheme, aimed at small businesses and households who currently have poor indoor mobile coverage.

The scheme allows businesses and households to apply for an £800 voucher which can be used to acquire a mobile signal booster from a registered scheme supplier. The booster will in turn help to improve indoor mobile coverage for the premises in question. Businesses and residents will need to fill in the below form, self-certifying that they cannot receive an indoor mobile signal. Upon application, a voucher code will be emailed to the applicant which can be used with one of the registered scheme suppliers/installers. It is down to the applicant to research which of the suppliers can install in their area/ which one is best to go with for their needs. Getting in touch with the supplier directly to redeem the voucher and have the equipment installed at the premises.

The application form can be found here: <https://connectingdevonandsomerset.co.uk/mobile-voucher-application-form/>

The list of registered suppliers is here: <https://connectingdevonandsomerset.co.uk/list-of-suppliers-for-mobile-booster-voucher-scheme/>

Speed checker and FAQs can be found here:

<https://www.connectingdevonandsomerset.co.uk/the-cds-mobile-booster-voucher-scheme-guide/>



## PROTECTING YOUR BUSINESS AGAINST FRAUD

### Instances of fraud have increased during the pandemic - what can you do to help mitigate the risks?



Throughout the Covid-19 pandemic, businesses have experienced an increase in the level of fraudulent activity. Many firms have moved their business activities online and with more employees now working from home, there are increased opportunities for fraudsters to target them.

Invoice fraud is on the rise and while not a particularly new scam, it can be catastrophic for businesses who fall victim to it. Invoice fraud occurs when a fake email address is used to contact a business, pretending to be one of the firm's suppliers. The emails tend to mimic those that the firm usually receives from suppliers, including logos and signoffs.

The email will tend to instruct the firm to direct future invoice payments to a different bank account. When the firm receives the next legitimate invoice, they will unwittingly make the payment to the fraudsters bank account. Even if the funds are recalled through your bank, there is no guarantee that the funds can be recovered.

The best way to protect your business against fraud is to educate your staff. Your firm should deliver regular training sessions to all staff on common security threats (online and offline) as well as prevention measures that they can implement. Training should include case studies which show how to spot a fake email address and all staff should be trained to question any request from suppliers regarding changes to payment details and so forth.

Next, you should focus on defending your firm's systems and data effectively. These days, most financial transactions take place online, so put appropriate systems and processes in place to prevent fraud.

Your firm should also invest in an up to date cyber security software package including a firewall, data encryption, automatic back-up of all data and password management. Finally, all staff should change their password on a regular basis.

## DEVELOPING THE NEXT GENERATION OF BUSINESS LEADERS

### **Businesses need to invest in nurturing the next generation of talent.**

Regardless of the industry that you work in, how you and your management team nurture the next generation of talent in the first decade of their careers can have a huge impact on their prospects for the future.

Given that the world of business is constantly evolving, it can be quite difficult to pin down exactly what career progression looks like for your people. However, one thing is certain, if we don't develop the next generation, we will not have any future leaders.

So what can today's business leaders do in order to support the development of tomorrow's talent?

Fostering a culture of knowledge sharing across the business, between different levels of staff, can give your juniors the opportunity to learn new skills and develop their capabilities.

Businesses also need to recognise the value of soft skills and actively teach them. Good communication skills, critical thinking, conflict resolution and good decision making skills are some of the most important soft skills that future business leaders need to learn as they come up through the ranks.

When developing your team, it's important to avoid a very narrow focus. Professional development and training should be as broad as possible in order to expose your future leaders to different challenges and ways of thinking.

A proactive stance on diversity is critical at the more junior level in all organisations. If businesses can be more diverse and inclusive at this point in people's careers, then future management teams will consist of a much broader spectrum of people from different backgrounds.

## CROWDFUNDING

Crowdfunding is a way of raising money for a business venture, personal endeavor, or charitable cause, where a large number of people invest in or donate money to the cause.

Crowdfunding is becoming more popular with startup and early-stage businesses which can often struggle to secure funding from traditional lenders such as banks or financial institutions.

As the name suggests, crowdfunding is about engaging a crowd of people to co-fund a particular project. Funding for say, a startup business, can be provided by hundreds or even thousands of individual investors. They all come together to provide money to get a project off the ground and all share in the risk or reward of that project.

Crowdfunding works well in today's social media driven environment as it's all about Telling a story and inspiring people to invest in your particular venture. There are different types of crowdfunding including donation based crowdfunding, equity crowdfunding and debt crowdfunding.

Donation based crowdfunding is where people simply give some money to a new venture. Those who donate often get something tangible in return, such as being one of the first customers to receive the new product or service.

Equity crowdfunding is popular with business start-ups as it allows the new business to offer some shares in exchange for incoming capital.

Debt crowdfunding allows individuals to act as private lenders. Those lenders can spread risk by pooling their funds to lend to a wide variety of businesses.

The debt must be repaid and the repayments usually happen on a monthly basis.

Popular crowdfunding platforms in the UK include **Crowdfunder**, **JustGiving**, **Crowdcube** and **Funding Circle**. Different platforms suit different needs so it is worth doing plenty of research before deciding on using a particular crowdfunding platform.

## CLOSING THE DEAL

### Closing a deal is arguably the most important part of the sales cycle.

Your firm might have a database full of potential leads, your products and services could be the best in your market sector but if you can't close a sales deal, then your business development and marketing efforts will be wasted.

The key to making a sale is to focus on the customer and putting their needs first.

#### Do your research

No matter what industry you are in, knowing the decision maker is key to closing a sale. In many cases, the decision maker will send someone else to go out and verify all the options that are available. You will have to do your research in order to understand who will ultimately be making the purchase decision and try to understand their needs, the solutions that they are looking for and so on.

#### Focus on solutions

Don't try to sell your products or services. Instead, take the time to understand what the problems are that your customer is facing. Try to connect the dots and illustrate how your product or service offers a solution to their particular set of problems. This will help your prospect to understand how your product or service fits with their particular needs.

#### Objections

Be prepared to handle some objections. Potential clients will have some concerns – maybe they think that your offering is a bit more expensive than your competitors, for example. Rather than resort to discounting, take the time to explain how your product or service offers greater value.

#### Ask for the sale

If you have answered your prospect's questions and provided them with an understanding of the solutions that you can provide, then ask for the sale. Illustrate that you understand their particular requirements, be confident but not arrogant.

A polite but confident way to ask for the sale could be to offer to produce a proposal document which includes the details of the products or services and the pricing proposal for the client to consider. You can then follow up in a day or two, to ask the client if they would like to progress with the proposal. This helps to create a sense of urgency which can encourage your prospect to move forward and close the deal with you. If they are teetering on the edge, this is the time to offer any potential discounts. For example, "if you sign today, I can reduce the price by 5%."

#### Next steps

Follow up promptly with any paperwork in order to finalise the sale. Ensure that you provide your new client with any information that they need and if necessary, arrange any training that will be required, to get them started with using your products or services.

Whether you make the sale or not, you should always follow up. If you did not succeed this time, ask the client why they chose to go elsewhere and what you could do differently next time. You can use this feedback to refine your sales approach, which will help you to become more effective in the future.

## MANAGE YOUR DIARY WITH CALENDLY

**Scheduling meetings, calls or video chats can be hugely time consuming. Calendly can make the process more efficient.**

Calendly is an app for scheduling appointments, meetings, calls and events. It was created in an effort to eliminate the back and forth emailing that is often needed to set up a meeting or call between a group of busy people.

It is designed around automated scheduling features that take the work out of connecting with others. It works with your calendar in Microsoft Office or Google in order to automate appointment scheduling. It even has some clever features which help to avoid meetings being double booked.

Calendly integrates with popular business software such as Zoom, Salesforce, Slack and Microsoft Office. It enables users to set their availability preferences, and then send out their own personalised invitation link to arrange meetings or appointments. The invitee is presented with a selection of available times and dates based around the user's availability, and can choose a time slot that works for them.

Calendly includes suggested meeting lengths of 15, 30, and 60 minutes, but users can create an unlimited number of different event types to suit their needs, set buffer time between appointments, and enforce a minimum scheduling notice period to prevent the last-minute booking of meetings.

Calendly can also be configured to send out confirmation emails, event reminders and notifications. For events or webinars, users can also add links to event confirmation pages and so forth.

Calendly offers a free 14-day trial. From there, you can sign up to Premium, Pro or Enterprise packages, depending on the needs of your business. Monthly packages start from around £6 per month (USD \$8 - as it is an American company).

## DOES SOCIAL MEDIA MARKETING ACTUALLY WORK?

### **Social media marketing is incredibly popular but how do you ensure it actually works for your firm?**

Time is a finite resource. Social media can be a hugely time-consuming undertaking and if it isn't employed effectively it can be a waste of time.

In order to determine whether your firm should invest time, effort and budget into social media marketing, you need to take a step back and look at your target customers and their typical buying habits.

Do your customers use Facebook, LinkedIn or Twitter? If not, then why would you focus on marketing your business on these platforms?

Do your research and make a list of the ways your customers engage with firms such as yours – do they engage online, on the phone or in person? Is there an opportunity to engage with them in a more effective way using social media? Could you and your business create a new and innovative marketing strategy by connecting with customers in different markets?

Social media can be an effective marketing tool for businesses but only if you do it right. Start by thinking about the purpose of your social media strategy. Why should your business be on social media, who else in your industry sector uses it effectively and how could you create brand awareness or win new potential customers from social media platforms?

Businesses can use social media to connect with customers online. However, the key to a successful social media strategy is to engage with people, not sell to them. Create value for your potential customers by providing useful content, illustrating how your products or services are useful to your customers and by avoiding the "hard sell."

Focus on helping your customers to buy, rather than selling to them. Share case studies, information on key market trends and top tips that are relevant to your target market.

Whether social media marketing works for your business will largely be determined by your target customer base. However, it isn't the only solution out there and you could potentially differentiate your firm by finding other ways to engage with potential customers in a more meaningful or personal way.

## MANAGING MENTAL HEALTH IN THE WORKPLACE

### Supporting your team through turbulent and stressful times.

After dealing with the effects of the pandemic for over a year, many people are feeling isolated working from home, while others are struggling to manage family responsibilities alongside the demands of their day job. What can businesses do to support their people and help them to manage their mental health?



### Start with a plan

Creating a mental health plan for your business can help you to promote wellbeing for your team. A typical plan might include wellbeing tips, tackling causes of work-related stress, a system for recording sickness absences that are related to mental health and training for all staff on stress management.

### Promote an open culture

As ever, communication is key. Business owners and managers should strive to create a culture that encourages open dialogue, where people can discuss issues regarding their mental health without stigma or fear of being judged. This is more important now than ever before, as your team could be juggling a range of interconnected issues such as childcare / family care challenges, financial worries or feelings of loneliness due to working remotely for a long period of time.

In addition to encouraging open dialogue, you could carry out an anonymous internal survey where you ask your team to feed back on their personal wellbeing, stress levels and general mental health. You could also use this as an opportunity to gather feedback on the types of wellbeing measures that the team would like to see from the firm.

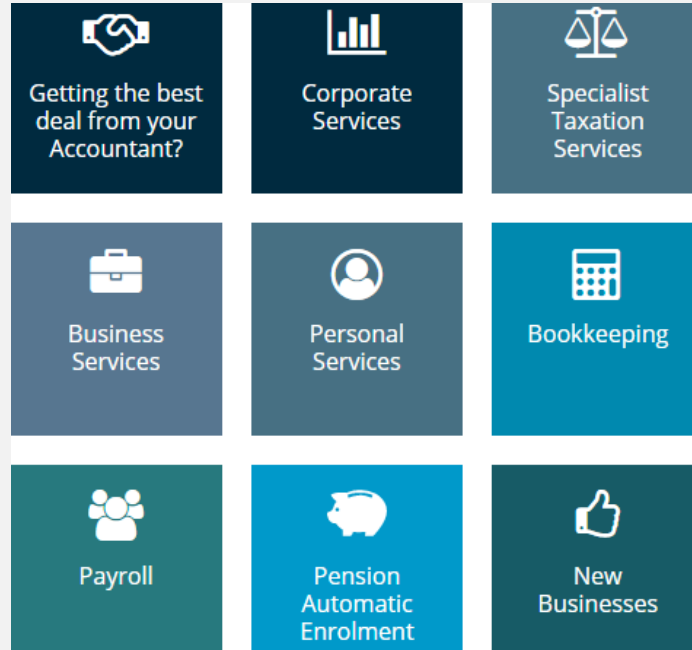
### Spotting problems before they become wider issues

Train the managers in your business to spot problems. Teach them to look out for employees who are showing signs of distress such as regular absenteeism, changes in behaviour or signs of irritable or irrational behaviour. If your team are still working remotely, managers should make contact on a regular basis in order to catch up and “check in” with other team members.

### Offer support where possible

Often the best support that your people need is to feel like they have been listened to. Let your team members know that they have the option to have a confidential conversation about mental health, if ever they need to. Managers can then work with the individual to agree a course of action to manage stress and get them back on track.

## MNA WEBSITE



**LATEST MARSLAND NASH ASSOC. COVID -19 SUPPORT FOR BUSINESS UPDATE [HERE](#)**

Remember we have a comprehensive website at <https://www.marlandnash.com> which contains full details of all of our services, as well as:-

- ⇒ Latest accounts and tax news
- ⇒ Downloads section which includes all our newsletters
- ⇒ Filing deadlines pages
- ⇒ Current tax rates and information pages

Plus much more!