



Welcome to Focus On... our monthly business bulletin looking at issues relevant to particular sectors and topics of interest.

If you would like to discuss any aspect of our services, please contact Richard Grayson, Managing Partner at Nicholsons, at richard.grayson@nicholsonsca.co.uk or phone 0845 27 66 555.

RTI penalties delayed for smaller firms

HM Revenue & Customs (HMRC) has announced that the introduction of automatic penalties for late real time information (RTI) submissions will be put back for smaller employers.

Automatic penalties were due to start for all employers from 6 October 2014 but on 9 September, HMRC said that employers with fewer than 50 employees would not face automated in-year penalties for late RTI PAYE returns until 6 March 2015.

Those who employ 50 or more people will still face penalties from 6 October 2014.

HMRC said it would be sending electronic messages to all employers to tell them when the penalties would apply to them, based on the number of employees shown in its records.

Ruth Owen, the HMRC's director-general for personal tax, said: "Our most recent figures show that over 95 per cent of PAYE schemes making payments to individuals are successfully reporting in real time.

"We know that those who have had most difficulty adjusting to real time reporting have been small businesses, so this staged approach means they have a little more time to comply with the new arrangements before facing a penalty. We believe this is the best approach for HMRC and our customers, as we all get used to the new in-year penalties."

Where employers believe they have a reasonable excuse for sending a return late, they will be able to appeal using HMRC's new, online appeals process for automated penalties.



Employers urged to act now on auto-enrolment



Hundreds of thousands of small businesses have been urged to check when they need to meet their new workplace pensions duties.

The call from the Pensions Regulator, the UK regulator of work-based pension schemes, follows research published on 24 September revealing that 19 per cent of small employers (employing between five and 29 people) and 49 per cent of micro employers (employing up to four people) were not aware of their staging date, the date on which they need to comply with automatic enrolment laws.

When the regulator checked employers' actual staging date with what the employers believed it to be, accuracy was poor. Among small businesses, only 43 per cent of employers' dates matched the regulator's date and the figure was even lower for micro employers at 28 per cent.

The regulator recommends that employers should start preparing for automatic enrolment 12 months ahead of their staging date. Failure to prepare in good time puts employers at risk of non-compliance and could lead to financial penalties.

Charles Counsell, the regulator's executive director of automatic enrolment, said that automatic enrolment was going well but warned there was no room for complacency.

He said: "Too many small and micro employers still don't know when their staging date is. While we write to employers 12 months ahead of that date, it is important for them to check if they need to be ready by next summer – or later. The easiest way to do this is by using the staging date tool on the regulator's website."

Accounting rules shake-up planned for 11,000 businesses

An estimated 11,000 UK medium-sized businesses could benefit to the tune of £8 million a year as a result of planned changes to accounting rules.

The measures, which would bring the EU's new Accounting Directive into UK law, would allow companies to prepare and file simpler, less detailed accounts with Companies House. These documents currently include the balance sheet, the profit and loss account and the notes to their financial statements.

The actual level of detail they prepare and submit depends on the size of the company, which is decided by referring to three thresholds – the average number of employees, the balance sheet total and net turnover at the balance sheet date.

The UK government is proposing that the

upper limits are used in these categories when determining if a business is classified as a small company.

This would see 11,000 companies, for accounting purposes, move from being classified as a medium-sized company to small. As a result, their reporting would need to be less detailed, reducing the costs involved.

Under the proposals, a company would be classified as small for accounting purposes, if it does not exceed at least two of the following:

- balance sheet of £5.1 million
- net turnover of £10.2 million
- an average of 50 employees.

Announcing the launch of a consultation on the proposals on 1 September, Business Minister

Jo Swinson said: "Any measures that cut red tape and allow more flexibility for financial reporting are a step in the right direction. All our companies should be concentrating on growing their business, not spending their time filling out paperwork for their financial accounts if they really don't have to."

The consultation closes on 24 October.

The UK is required to bring the Accounting Directive into UK law no later than 20 July 2015. However, the government proposes to take up an option permitting that the changes may first apply to financial years beginning on or after 1 January 2016.

It will also consult on whether companies should be able to apply the new regulations ahead of this date.

Digital businesses urged to sign up for new VAT service

Thousands of UK businesses supplying digital services across the European Union (EU) will be able to register for a new online VAT service from 20 October.

Signing up to the VAT Mini One Stop Shop (VAT MOSS) means they will not have to register for VAT separately in each EU member state where they do business.

The digital services affected include most types of broadcasting, telecommunications and e-service supplies, such as telephone services, supplies of music, films and games and downloads of apps, images, text or other information.

From 1 January 2015, the place of supply, and

therefore taxation, of EU business-to-consumer supplies of digital services will change. Currently the place of taxation is where the supplier is established but from January it will be where the consumer lives.

Sally Beggs, deputy director of indirect tax at HM Revenue & Customs (HMRC), said: "The VAT MOSS will save digital services suppliers from having to register for VAT in every member state where they do business, removing a significant administrative burden. Businesses with their main operation or headquarters in the UK will register with HMRC to use the service."

Between 27,000 and 42,000 UK businesses are expected to register for VAT MOSS, which will go live on 1 January.



Bereavement at work guidance launched

New guidance has been published to help employers support employees following bereavement.

Workplace expert Acas, which published the guide on 17 September, said that research had found that a third of employees who had suffered bereavement in the past five years felt they had not been treated with compassion by their employer.

Acas' new guide has been developed in partnership with Cruse Bereavement Care, bereavement leave campaigner Lucy Herd and other organisations.

Acas chair Sir Brendan Barber said: "Grief from the death of a loved one can be an extremely sad and emotional experience for anyone. It can affect people in different ways in the workplace and managers should have the skills needed to handle it.

"Our guide aims to help employers manage this difficult situation with their employee in the immediate aftermath of bereavement as well as longer term.

"It includes advice for managers on how to get the balance right in order to be supportive, compassionate, flexible and practical towards

employees who are dealing with bereavement."

Debbie Kerslake, chief executive of Cruse Bereavement Care – which works with more than 40,000 bereaved people each year – said: "This new guide provides extremely helpful and straightforward advice for employers and managers about what to do when an employee is bereaved, from taking the first call, helping the employee return to work to providing ongoing support."

Acas' guidance covers key points including:

- employers can prepare for managing bereavement in the workplace by having a clear policy on it and training managers, HR teams and selected staff to have compassionate and effective conversations with bereaved colleagues
- some employees may feel able to return to work very swiftly while others may need more time
- it is often difficult for bereaved employees to judge how they will feel in the workplace and a swift return to work does not necessarily mean that an employee will not need support
- there are likely to be ups and downs as a person suffering from grief adjusts to life without the person they lost
- employers need to be mindful of the family unit of the bereaved employee and appreciate that a flexible approach, such as offering part-time hours or flexible working, can be helpful in supporting and retaining the employee and minimising sick days.



Latest fuel advisory rates published

HM Revenue & Customs (HMRC) has updated its advisory fuel rates, applying to all journeys on or after 1 September 2014.

HMRC-approved advisory fuel rates apply where employers reimburse employees for business travel in their company cars, and where employees reimburse the cost of fuel used for private travel in a company car. There is no fuel benefit charge if the advisory rates are used.

The figures quoted will also be accepted by HMRC

for VAT purposes, though employers are reminded to retain receipts. The new rates per mile are:

Engine size	Petrol	Diesel	LPG
1400cc or less	14p	-	9p
1401cc to 2000cc	16p	-	11p
1600cc or less	-	11p	-
1601cc to 2000cc	-	13p	-
Over 2000cc	24p	17p	16p

Hybrid cars are treated as either petrol or diesel cars for this purpose.

The rates are reviewed four times a year and any changes take effect at the beginning of each calendar quarter, on 1 March, 1 June, 1 September and 1 December.

They are published on HMRC's website shortly before the date of change. For one month from the date of change, employers are able to use either the previous or new rates.

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