

**Bullimores**



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# Newsletter

NOVEMBER 2019



**STOP PRESS**

We've launched our new website

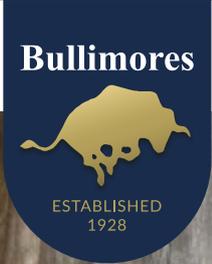
[www.bullimores.co.uk](http://www.bullimores.co.uk)

BULLIMORES CHARTERED ACCOUNTANTS

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Join our mailing list

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Like our office this is a Brexit opinion free zone, as business has to keep going whatever the eventual outcome, but please check the 'News' page on our website for any urgent action that may be required.

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## Personal tax on property affected by Budget proposals from 6th April 2020



The full Budget in November 2018 was never enacted, but it is possible that some proposals will be passed quickly as part of the 2019 Finance Act effective in April 2020:

- Lettings Relief may only be given if you have shared occupancy of the premises with your tenant, effectively abolishing lettings relief for many landlords with let properties.
- The period of claim for Private Residence Relief may be reduced. So that on the sale of a property that has been your only or main residence and then let, only the last 9 months of ownership of that property after you have moved out of it may qualify for relief. At the moment, the period eligible for relief is 18 months. Where the taxpayer is moving into a nursing or care home, the period eligible for relief may remain at 36 months.
- From 6th April 2020, you may be required to submit a provisional calculation of the gain on the sale of residential property within 30 days of completion and pay the tax due. You will have to wait until the submission of your tax return before you can fully adjust for any tax that is due or recoverable.

Therefore, if you are thinking of selling a property that qualifies now for the reliefs available pre April 2020, it might be worth considering a sale in the new few months. If you have other losses that can be crystallised, doing this before a property sale that is after April 2020 may reduce the tax payable.

These measures may never be passed but we shall be happy to help with any calculations if this might affect you.

**Teacher:** *Why do you always get so dirty?*

**Pupil:** *Well, I'm a lot closer to the ground than you are.*

**Teacher:** *Name one important thing we have today that we didn't have ten years ago.*

**Pupil:** *Me!*



## Scams - Protect yourself

Scam tactics have varied over the years, but most rely on our inherent desire to trust someone who phones or emails us. Recent scams have included people duped by callers supposedly from HMRC or BT and hacking into the email account of small businesses to send clients seemingly legitimate messages suggesting that the company's bank details have changed. Some have reported receiving emails from a name they were expecting but only on closer inspection, often too late, their email address differed by something as simple as the inversion of two letters. Victims have transferred large sums, sometimes deposits for homes, to the fraudster's account.



Some obvious pointers, but easily forgotten when dealing with persuasive callers or urgent email requests:

- If in doubt, take the caller's number and check this to an independent source.
- Never ever give secure bank account details even if the caller offers a refund.
- Never let the caller have remote access to your computer.
- Don't forget to update the operating system on your phone, tablet or computer as soon as it becomes available and install anti-virus software.
- When shopping online check that there is a padlock in the address bar indicating a secure connection.
- If buying online do not pay by bank transfer. Always use a credit card or a payment option that offers protection.
- Don't be scared to double-check, a legitimate trader will understand and applaud – better to be safe than sorry.

There are other important protections and the National Crime Agency advises that individuals and businesses visit the websites of Cyber Aware, Get Safe Online and the National Cyber Security Centre.

What hasn't changed is how these crimes make victims feel, where the impact felt is far beyond the financial loss.

## Pensioner Freedoms

A Royal London Pensions survey found that people with small pension pots often have other employment related pensions and are using their pots as an additional banking facility. The survey showed people with larger portfolios of at least £250,000 are more cautious with the way in which they draw, and it seems more likely that they will be reliant on those funds for income in retirement. The survey comes to the conclusion that there is little reason for concern since pension freedoms are not being used irresponsibly.



## Protecting your assets

### YOU MAY THINK THAT PRE-NUPTIAL AND POST-NUPTIAL AGREEMENTS ARE STRICTLY FOR CELEBRITIES AND MULTIMILLIONAIRES – BUT YOU WOULD BE WRONG.

What a couple accumulate between them during their marriage or civil partnership is usually shared equally on divorce, but there may be circumstances where both parties agree to ring-fence their assets or gifts made by parents and grandparents. A pre-nup can now be enforced by the courts as part of their discretion in financial settlement cases, provided all of the conditions are met and unless it would not be fair to hold the parties to the agreement. Legal advice is needed but here are some initial tips on how to broach a difficult subject if you are planning to make a substantial gift to a family member.

#### DON'T PUT OFF THE DISCUSSION

– Pre-nups should not be signed under duress and there should be at least three clear weeks between signing the agreement and a wedding ceremony.

#### USE STATISTICS TO MAKE YOUR CASE

– More than 40% of marriages end in divorce so make it clear that it is not a judgment on them but a recognition of the hard facts.

#### BE OPEN ABOUT YOUR INTENTIONS

– Be clear about how much you plan to give and what you would like it to be used for. If you have offered a gift without conditions it is hard to apply some retrospectively.

#### TAKE BOTH PARTNERS INTO YOUR CONFIDENCE

– Be transparent about your intentions with both partners.

#### LOOK AHEAD

– A pre-nup can take into account future gifts that you might make or bequest on your death. This may mean there is no need to alter the pre-nup, although each party should keep this under review with legal advice because circumstances and rules can change. Also check for any changes in inheritance tax rules.

#### SHARE THE LOVE

– Even if you don't approve of the marriage, remember it's not your choice and you have to show respect so welcome your child's or grandchild's partner into your family especially while discussing financial affairs.

#### HOW TO EMBARK ON A PRE-NUP

– Get the job done properly and look for a specialist family lawyer to draft an agreement, even more important with a post-nup.

## Pensioners Beware

SOLLA (Society of Later Life Advisers) are drawing their members attention to the following interesting facts.

It would appear that 160,000 elderly people were receiving continuing healthcare in 2015/16 at a cost of £3.6bn. NHS England expects this to rise to £5.2bn by 2021 and at the same time they expect the local Clinical Commissioning Groups to save nearly £1bn in costs each year by that date.

Clearly the cash-strapped Government have got to find the money from somewhere and here are a few ways proposed recently by the Labour Party:

1. At present people working past retirement age do not pay National Insurance; the proposal is they should pay at least 12% National Insurance as well as the employer.
2. A recommendation from The Resolution Foundation that inheritance tax is abolished to be replaced with a tax free lifetime limit for recipients of £125,000 before a gift tax becomes payable. This is similar to the Irish system which can increase tax take significantly. It is estimated that this could raise £5bn a year.

The Resolution Foundation is also in favour of reforming Council Tax replacing it with flat rate percentage tax on property that raises more tax on houses of high value.

**Teacher:** Tell me frankly, do you say prayers before eating?

**Pupil:** No sir, I don't have to, my Mum is a good cook.

**Teacher:** Your composition on 'My Dog' is exactly the same as your brother's... did you copy?

**Pupil:** No, miss.  
It's the same dog.





## Thoughts from the Grumpy Bull!

**According to published accounts, Google UK Ltd paid £66.8m UK corporation tax on turnover of £1.46bn and Facebook paid £28m corporation tax on turnover of £1.7bn. Europe and the UK Treasury are proposing a tax on revenue to prevent the use of lower tax regimes and target where revenue is generated, since invoicing through Ireland and other low tax regimes is a popular choice. The US Government are particularly unhappy about their large technology firms facing specific global tax rates and this is a fight that will linger on.**

Google changed their strapline from 'don't be evil' to 'do the right thing' in 2015. This presumably is meant as an encouragement for their staff and users but what does it really mean?

Google also have an effective 'pay per click' system where an advertiser pays a pre-agreed amount per click for a high standing on a search. However, it runs on a highest bid method so rankings can change overnight. Some companies pay £25 per click – remember that as you flick between screens!

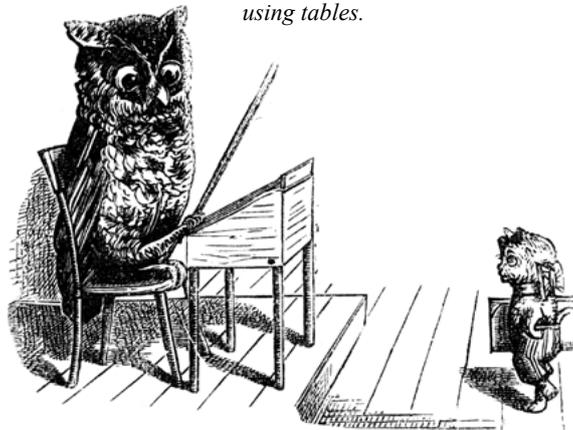


**Teacher:** *Why are you late?*

**Pupil:** *Class started before I got here.*

**Teacher:** *Why are you doing your maths multiplication on the floor?*

**Pupil:** *You told me to do it without using tables.*



## Cybercrime - Protect your business



### CYBERCRIME IS ONE OF THE BIGGEST RISKS FACING BUSINESSES OF ALL SIZES TODAY SO TO HAVE THE FOLLOWING IT PROCESSES IN PLACE CAN HELP:

- Use a firewall on your computer network.
- Encrypt all sensitive data.
- Keep software updated.
- Use up-to-date antivirus software and subscribe to a threat alert service.
- Avoid using easy passwords (use upper and lower case, numbers and symbols).
- Discourage staff from bringing in their own devices.
- Backup your data regularly.
- Delete suspicious emails without opening.
- Be wary of clicking on links in emails.
- Do not use public wi-fi where you have any concerns about the security. Consider using a virtual private network.
- Test your website and web hosting for any vulnerabilities.
- Invest in a shredder and securely dispose of documents.
- Securely dispose of old laptops and computers by wiping their hard-drives.
- Secure portable devices such as laptops, mobile phones and USB memory sticks.
- Consider a basic cyber incident response plan.

The major banks, together with the National Crime Agency and the local mobile services, are running courses on cyber security. Please seriously consider going to one of these courses as they may change the way you think and operate.

**Teacher:** How do you spell 'crocodile?'

**Pupil:** K-R-O-K-I-D-I-A-L

**Teacher:** No, that's wrong

**Pupil:** Maybe it is wrong, but you asked me how I spell it.



# What you need to know about becoming an executor

Apparently, one in five people who act as executors felt they did not manage the estates according to the deceased wishes because they did not discuss it before their death.

If you are an executor of a parent, sibling or friend's will, these are some of the things you may need to ask them now.

## WHAT IS THE FULL VALUE OF THEIR ESTATE, AND IS THEIR PAPERWORK IN ORDER?

Are you certain you would be able to manage it when they die.

You will need the will itself, property deeds, account numbers, passwords and logins. Also any life insurance policies, investment certificates, pensions and trusts. You will also need contact details of co-executors.

## DO THEY HAVE A FULL LIST OF ASSETS?

Knowing exactly what the person owned will make it easier to value the estate accurately for probate and to settle any inheritance taxes. Make sure you know the details of solicitors, accountants and other relevant financial advisers. They can be helpful in checking you have included everything when filling in the forms you will have to complete.

## HOW DO THEY WANT THEIR ESTATE MANAGED?

Consideration should be given to what the family as a whole wants to do with the family home. If there are siblings, will one hold it, or will it be sold and the proceeds split.

## WHAT SORT OF FUNERAL WOULD THEY LIKE?

It is helpful to know if there are particular wishes. Do they want a burial, cremation, donate their bodies to research or check if they are on the NHS Organ Donor Register.

## WHO DO THEY WANT TO LEAVE THEIR TREASURES TO?

To avoid any rows it is helpful to have a 'letter of wishes' in which they can list which precious items and family heirlooms are meant for whom.

## DISTRIBUTING THE ASSETS.

Once the family have been given what they would like, the executors often resort to a clearance company to dispose of the remainder. Recently one of our clients had a day party for the friends of the deceased couple and asked everyone who attended to take a keepsake which reduced the fees to the clearance company.

## ARE THEIR WILLS UP TO DATE?

For example, the birth of a new grandchild might spur grandparents to include the child specifically in their wills.

## DO THEY HAVE A DIGITAL LEGACY?

It's important to plan how to pass on access to digital assets when writing a will. For example, having access to photos stored on computer, phones and tablets. The Digital Legacy Association has public tutorials that address the issues.

## ARE THEY PREPARED TO PAY AN EXECUTOR?

Being an executor can involve a great deal of work and responsibility, and a payment clause should be written into the will.

## Help with the inevitable

You may be aware that Bullimores are now able to deal with non-contentious probate and executorships and the number of estates that we are dealing with is growing considerably. We do not charge a percentage of the estate as others may be entitled to and we bill only for the time that we expend on drawing together all the information necessary to put in an inheritance tax return. The work varies but can include agreeing the return with HMRC, collecting all the necessary information from banks, investments, managers, insurance companies, pension funds, pension etc etc and defraying any debts, paying for the funeral and wake and eventually distributing the estate to the beneficiaries.

We can also help with end of life tax planning giving families financial peace of mind. In the event of a death if you need help please don't hesitate to contact us even if the individual concerned was not a client of ours.

## VAT registered business automatically allocated an EORI number

HMRC has been stepping up efforts to ensure that small businesses are ready to trade post-Brexit by automatically enrolling companies. More than 88,000 VAT registered companies across the UK will be allocated an Economic Operator Registration and Identification (EORI) number in order to keep trading with customers and suppliers in the EU after the UK has left.

EORI numbers are a unique ID number allocated to businesses that enables them to be identified by Customs authorities when doing business with other traders. If businesses do not have an EORI number post-Brexit, they may be unable to continue to trade with EU Member States.

If a business is not VAT registered, it will still need to register for an EORI number if it wants to trade with customers and suppliers in EU Member States.

After getting an EORI number, businesses will need to decide whether to complete customs declarations themselves, or employ a customs agent to do this.



## Thoughts from the Grumpy Bull!

**Never trust a civil servant or politician without business experience to run a wheel stall let alone a country. The inexperienced European bankers have cut interest rates again, which will further reduce the earnings of the banks with a result that some will go bust or have to be bailed out or forcibly merged one with another resulting in an even bigger mess.**

It is insane to effectively force financial institutions to lend money to the Government in the knowledge that they will not get back the loan they made in the first place. At the moment the ECB is charging people minus 0.5% for every year they leave their money with the ECB. So after 10 years €100 invested is repaid at €95 for each £100.

On the other side of the equation, the ECB is forcing banks to buy this rubbish stock at €100 for €100 in order to meet their liquidity requirements forced upon them by the financial services regulator.

## Green Thoughts



**We're proud that Dorking is an environmentally active town. We can always do more but these are recent projects that we are aware of. Please let us know about any others so that we can help spread the word:**

### Repair Café

1st Saturday of every month  
at Dorking Christian Centre

### Food Float

Selling local produce  
every Friday and Saturday  
morning

### Community Fridge

Redistribution of the excess  
food from supermarkets,  
restaurants, cafes and  
suppliers held at Dorking  
Christian Centre and  
Harvest Community Church

### Refill Mole Valley

Encouraging reduction in  
single use plastics

### Waitrose

Trialing leaving packaging in  
the shop

### Trash into Cash

The Grange Centre collects  
and sends crisp packets for  
recycling

As eco-friendly accountants we at Bullimores also take our social responsibilities very seriously. In 2015 we put solar panels on our building, which besides being good for the environment has been a good investment since we produce more electricity than we consume putting it back into the National Grid – what could be more environmentally friendly than that!

Since then, in 2017 we were one of the first in Dorking to install an electric car charging points for staff and clients, although we have had to draw the line at others stealing charge during the night!

At the end of 2018 we went paper-lite and have robust systems in place. We also recycle our computers, print cartridges, toners, cardboard and all non-client related paper. We are replacing all light bulbs with LED bulbs, including strip lights.

## Charitable activities

### WE LOVE CAKE AND DRESSING DOWN ESPECIALLY IF IT'S FOR CHARITY.



We have recently supported Jeans for Genes – wearing denim and eating cake, Macmillan – a student bake off with amazing cakes and Wear it Pink – some rather tasteless pink outfits and fondant cakes. To burn off all those calories we enter a team each year in the Rotary Club Swimathon at Dorking Sports Centre – no cake at the poolside though!

## In house news



Charlotte Duncan gave birth to a healthy baby boy. Charlotte qualified as a Chartered Accountant in 2017 and is specialising in personal tax as a manager assisting Carolyn Scott. She is now studying for further tax qualifications.



Who said accountants aren't romantic? Nick Boot has just married one of our past successful students, Claire, who qualified and is now working in industry. Claire is the daughter of one of our clients so we really are keeping it in the family. The wedding was a very happy event on a blissfully sunny September day. This is our fifth Bullimores wedding!

**Teacher:** What do you call a person who keeps on talking when people are no longer interested?

**Pupil:** A teacher



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CHARTERED ACCOUNTANTS

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