

# Exceptional Times

SPRING 2017

## Welcome to the spring edition of The Exceptional Times!

**N**ow that the Chancellor's Spring Budget has been announced, this edition of The Exceptional Times explores and unravels what the recent changes actually mean to you and your business.

Our panel of exceptional experts have come together to highlight the most pertinent points and provide you with all the information you need for

understanding the Budget and the impact it has.

Along with other tips and advice for tackling your tax and accountancy matters, we are also delighted to be unveiling our new chosen charity - Family Matters - and extending an invitation to our annual Charity Golf Day to raise vital funds for this extremely worthy cause.

If you have any questions about the issues raised in this edition of The Exceptional Times, please contact your local office, where a member of our friendly team will be happy to help you.

Sending you warm wishes for a Happy Easter.



**Stewart Pope**  
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## Budget 2017 – Summary



**Gareth Bridgland**  
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**Consultant and Tax Specialist  
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**Chancellor Philip Hammond delivered his first (and last) Spring Budget on 8 March 2017 which aimed to prepare a stronger and fairer Britain for a 'global future'. The next Budget will be delivered in autumn 2017 (replacing the Autumn Statement), followed by a Spring Statement in early 2018.**

Looking at the impact on individuals, it was confirmed that the income tax personal allowance will be increased to £11,500 from April 2017. The basic rate band will be increased to £33,500 for 2017/18, which means that individuals can earn up to £45,000 before being subject to higher rate tax. It was also reaffirmed that by 2020, the tax free personal allowance will be £12,500.

Self-employed individuals may welcome the news that Class 2 National Insurance is due to be abolished from April 2018. They may also have been somewhat concerned about the proposed increases to Class 4 National Insurance (which is based on self-employed profits), announced on Budget day. However, as a result of immediate strong opposition, the Government has performed quite a U-turn, and the proposed changes to Class 4 NICs have been scrapped.

News that the tax free dividend allowance will be reduced from £5,000 to £2,000, with effect from 6 April 2018, would not have been welcomed by company shareholders still trying to get to grips with their increased personal tax liabilities caused as a result of previous changes made to dividend taxation.

For savers it was confirmed that the ISA limit will be increased to £20,000 from April 2017, and that the Junior ISA limit for 2017/18 has been set at £4,128. In addition, from April 2017, any adult under the age of 40 can open a new Lifetime ISA, aimed at helping individuals to save towards a first home (valued up to £450,000), or for their retirement.

This will allow savers to contribute up to £4,000 per year and receive a 25% bonus from the Government for each pound saved, up until their 50th birthday.

Our exceptional team at Perrys produce regular blogs and updates which are published on our website and social media. Over the weeks and months to come more information on the Budget changes will come to light, and we will be there to keep you updated.

**For further details on the Budget (including changes to capital taxes and VAT), please see our Spring Budget Report 2017, located on our website: [www.perrysaccountants.co.uk/literature](http://www.perrysaccountants.co.uk/literature).**

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# 2 of the best

# Meet the experts...

Our team of experts provides the low-down on industry news



**Craig Harman**  
ACCA CTA  
Partner and Tax Specialist

## Inheritance Tax and the £1 Million Threshold

As part of their 2015 manifesto pledge, the Tories made the promise that the inheritance tax threshold would be raised to £1 million if they were successful in the election. They were of course, and the detail behind the new rules was then outlined in the subsequent summer budget of 2015.

The first part of the long-awaited main residence nil rate band will be introduced from April 2017 and phased in over a four year period until April 2020.

Inheritance tax (IHT) in general can be quite complex to understand and the new threshold is no different. This has resulted in a lot of confusion, with a large number of individuals now under the impression that inheritance tax won't be applicable unless the value of their estate is more than the all-important £1 million.

This isn't always guaranteed to be the case as there are certain conditions attached to the new threshold and it is actually £1 million per married couple (so £500,000 each).

Currently, individuals are each entitled to a nil rate band of £325,000 which can be set against their estate on death and will reduce any IHT due. The excess, ignoring any exemptions and reliefs, will be subject to IHT at 40%.

If an individual's entire estate passes to their spouse or civil partner on first death this will be exempt from IHT, regardless of the value. Any unused nil rate band on the death of the first spouse can then be claimed against the estate of the second, enabling a combined estate of £650,000 before any IHT is due.

The first £100,000 of the new main residence nil rate band will be introduced from April 2017 and added to the existing £325,000 (provided the conditions are met).

A further £25,000 is then to be phased in each tax year, until the maximum £175,000 (£500,000 including the existing nil rate band) is reached by April 2020.

The new nil rate band is only available when a main residence is passed on death to a direct descendant such as a child or grandchild. Therefore any individuals able to take advantage of the new threshold should review their existing Will, particularly if drafted prior to 2007, and update if necessary.

In order to benefit in full, the value of the deceased's estate must also be below £2 million. Once this threshold is exceeded the new main residence nil rate band will be tapered by £1 for every £2 above £2 million. Therefore once fully phased in by April 2020, an individual with an estate exceeding £2.35 million will not benefit from the new allowance (the existing £325,000 will remain unchanged).

Unmarried partners are unable to transfer the allowance in the same way as a married couple, therefore additional planning is likely to be required.

**If you would like advice about inheritance tax, wills or probate, please get in touch with your local Perrys office.**

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**Victoria Pearson**  
ACA FCCA  
Consultant

## Making Tax Digital (MTD)

You would be hard pushed not to have seen something either in the news or social media recently regarding Making Tax Digital (MTD). The idea is to get everyone to talk to HMRC on a digital platform. HMRC has said they want every individual and business to have access to their own personalised digital tax account which will enable them to get their tax right and keep on top of their affairs.

### Individuals

For individuals you will be able to view your personal tax account on a near to real time basis as closely as possible. Information will be collected from employers, banks, building societies and other government departments and you will be able to check that your details are complete and correct.

### Businesses

For the majority of businesses, self-employed people and landlords you will need to keep digital records and provide these details to HMRC on a quarterly basis. This information will be provided to HMRC through various software packages.

### What is the time frame

At present there is a pilot scheme which anyone can sign up to and starts from April 2017. After this date you will fall into one of three categories and, as stated above, you will need to keep a digital record and provide quarterly updates to HMRC.

These compulsory dates are as follows:

- **April 2018** – Small businesses, self-employed and landlords with annual turnover above the VAT threshold (from April 2017 £85,000) and with profits chargeable to income tax and paying Class 4 NICs.

- **April 2019** – Small businesses, self-employed and landlords with annual turnover above £10,000 but below the VAT threshold.
- **April 2020** – Limited companies.

Small businesses, self-employed people and landlords with annual turnover less than £10,000 are currently exempt from keeping digital records and providing quarterly updates.

The final regulations are still being debated and software packages produced and so currently nothing is set in stone. However HMRC is adamant that MTD will happen and therefore to discuss the implications and how this might affect you and your business please contact your local Perrys branch.

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# Client case study:

## The Sussex Chef



We speak to Ben Horle from catering company Sussex Chef and find out more about how Perrys' expertise has helped him to improve his business.

### Tell us about your business

I run a catering company called Sussex Chef, which is based in Mid Sussex. We cater for a variety of corporate events such as canapé parties and working lunches as well as family celebrations including weddings and birthdays. Alongside this, we have a number of contracts in place providing catering for workplaces such as West Sussex Fire and Rescue Service.

### Why did you decide to start your own business?

I had always wanted my own business and after 10 years cooking in different restaurants and hotels I was getting itchy feet working split shifts and needed a change. I decided to turn my hand to event catering and have never looked back since. I worked for event caterers for around five years learning the market, but I felt that the majority of companies didn't offer the level of food that I wanted to cook. I realised there was a gap in the market for customers looking for higher quality, niche menus so I decided to make the most of the opportunity and opened Sussex Chef five years ago.



### What's your favourite thing about the work you do?

I don't think of what I do as a business, but more a way of life. The perks are most definitely bringing people happiness and enjoyment. I am also privileged in that I get to choose who I work with and have an excellent team around me, who are consistently pushing the business forwards.

I love meeting people and helping them to celebrate their special occasions or supporting them with more challenging events. The whole team makes sure that the service we provide is as smooth and easy as possible for customers so they can completely focus on their day.

### What is the biggest challenge you have faced?

One of the biggest challenges has been my daily battle with dyslexia and finding the right staff that can deal with a topic I have little understanding of, like accountancy. Whilst Perrys isn't the cheapest service, the extra attention to detail and level of advice they provide far outweighs any marginal saving we could have made by choosing another company. The seamless integration they offer between their accountancy and bookkeeping services has greatly reduced administration and allowed me to focus on my customers.

### How long have you worked with Perrys and why did you choose them as your accountants?

I have been working with Perrys for just over a year. I moved on from my previous accountant because I wasn't feeling valued. The high quality brochures I received from Perrys convinced me that they offered a premium service and I haven't been disappointed.



### How has Perrys helped your business?

Perrys really has taken a load off my shoulders. They truly know and understand their industry and align themselves with contacts that have the same professional values as them. I started out using their accountancy services, and this progressed to bookkeeping, followed by pension enrolment.

Every single solution has been seamless and felt effortless on my part. I see it as no coincidence that the business has been growing at an accelerated rate since I instructed Perrys. It's given the business and the team the breathing space needed to get on with offering our new buffet delivery service [www.sussexchef/lunch](http://www.sussexchef/lunch).

Aside from the day to day accountancy and bookkeeping requirements, Perrys has also gone out of their way to help me with my pension, lots of VAT questions, providing marketing ideas and understanding how to structure my business and money accordingly. Talking to Simon Hayden at Perrys Tunbridge Wells has really helped me to plan robust strategies with relevant, up-to-date and appropriate advice.

To find out more about Sussex Chef, please visit [www.sussexchef.com](http://www.sussexchef.com).

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# Perrys Exceptional Awards 2017 now open for nominations!

Following the success of last year's Perrys Exceptional Awards, we are delighted to announce the launch of our 2017 campaign to recognise and reward inspirational and exceptional individuals, charities and businesses across Kent.

Five awards will be up for grabs this year with the categories confirmed as Perrys Exceptional Small Charity, Perrys Exceptional Large Charity, Perrys Exceptional Business, Perrys Exceptional Business Community Initiative and Perrys Exceptional Individual.

All nominations will be judged by a panel and shortlisted finalists will receive two free tickets to the awards ceremony in November. The winners will be announced during an evening of fine dining in the stunning surroundings of Leeds Castle.

To make a nomination please email [exceptionalawards@pmwcom.co.uk](mailto:exceptionalawards@pmwcom.co.uk) with full details of the category you would like to enter along with the name of the charity, business or individual you are nominating.

For more details, please visit [www.perrysaccountants.co.uk/exceptional-awards-2017](http://www.perrysaccountants.co.uk/exceptional-awards-2017).

The closing dates for nominations is **Monday 31 July 2017.**



## Focus on Perrys' Chosen Charity Family Matters



Family Matters

We are proud to announce that we will be supporting Family Matters - a charity that offers support services to those that have been affected by sexual abuse or rape - and carrying out a number of fundraising initiatives to help raise vital funds for the cause.

Established in 1990, Family Matters is a specialised charitable service and the largest provider of childhood sexual abuse and rape therapy in the country. Their work extends across 14 boroughs in Kent, South East London, Hertfordshire and Shropshire helping over 4,000 people each year.

To find out more, or to make a donation, please visit [www.familymattersuk.org](http://www.familymattersuk.org).

## Join us at our Annual Charity Golf Day on Friday 2 June 2017

Now in its sixth year, the Perrys Annual Charity Golf Day has become a popular event on the summer calendar.

This year we will once again be competing at the beautiful Chart Hills Golf Club in Biddenden to raise funds for Perrys' chosen charity Family Matters.

Entries from all golfers are welcome - from teams of friends and work colleagues to individuals. Tickets for the golf day are £99 per player, which includes a full English breakfast, an 18-hole round of golf, entry into the hole-in-one competition and a three course evening meal.

For all enquiries about our Charity Golf Day, or to reserve your place, please contact Caroline Hoare: [hoare@perry-company.co.uk](mailto:hoare@perry-company.co.uk) (please note that a deposit will be required in order to secure your place).



## Exceptional as Standard - Congratulations to Daniel Powley - top of his class worldwide

Our Tunbridge Wells team member Daniel Powley has achieved the highest mark worldwide for his accountancy examination, ACCA (Association of Chartered Certified

Accountants) Paper Joint P2, with a score of 89 out of 100. Daniel will receive £200 prize money along with a certificate of merit from ACCA. Congratulations Daniel!



## Perrys announces two new Partners at the Practice

We are delighted to announce that Victoria Pearson at our West Malling office and Estelle Hardwick, who runs AMR Bookkeeping Solutions Limited, have been made Partners effective from 1 May. Congratulations to them both!



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