



Insights

ISSUE 3 WINTER 2024



Whether you're a business owner aiming to maximise your potential or someone needing help with personal tax returns, our team at RB Accountancy Services are here to support you.

We use the latest cloud accounting software and draw on years of experience to make sure you're compliant and have up-to-date information, helping you to make the best decisions for your business or personal finances.

You'll find us at the Waters Edge Business Centre in Barton upon Humber, where we're easy to reach for all your accountancy needs. Plus, we offer convenient parking facilities. Our dedicated team provides a personalised service, whether you prefer in-person consultations or virtual meetings. We look forward to supporting your financial journey!

WELCOME TO THE WINTER 2024 EDITION OF OUR QUARTERLY NEWSLETTER



As we approach the end of 2024, we're delighted to bring you the third edition of our quarterly newsletter. In this issue, we've gathered valuable insights and updates designed to support both you and your business.



This quarter's newsletter includes an overview of the improved HMRC App, which aims to make personal tax management simpler and more efficient. We've also highlighted key takeaways from the October 2024 Budget, along with payroll tips for businesses preparing to hire seasonal staff this festive season. Additionally, we're shining a spotlight on our VAT services and sharing key details about our Christmas closure dates to keep you informed over the holidays.

We'd like to extend our sincere thanks to all clients who have provided the necessary information for us to work on their 2023/24 Self-Assessment Tax Returns. Your timely responses have been invaluable in helping us plan effectively, ensuring ample time to work on your returns and confirm your tax liabilities well ahead of the January deadline.

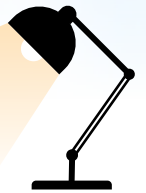
For those who have not yet submitted their information, we kindly urge you to do so as soon as possible. With the HMRC January deadline fast approaching, it's essential that we receive everything now to ensure your returns are completed on time.

Finally, we want to express our gratitude for your continued trust in us this year. We hope you've had a successful 2024 and look forward to working with you in 2025!

Wishing you a very Merry Christmas and a Happy New Year!

SPOTLIGHT ON...

VAT Services



At RB Accountancy Services, we provide VAT services tailored to your business's needs, whether you file monthly, quarterly, or annually. Our goal is to ensure your VAT returns are accurate, compliant, and submitted on time, so you stay fully informed and in control of your VAT obligations.

Our 6-step approach to VAT returns:

- Timely Organisation:** We set up recurring jobs to ensure your VAT returns are completed promptly, every time.
- Thorough Transaction Review:** We audit all transactions to verify correct VAT claims, ensuring no errors are made.
- Optimised VAT Schemes:** We assess your VAT scheme—Cash Accounting or Accrual—to maximise cash flow and compliance.
- Clear Communication:** We notify you of the VAT amount due, giving you time to prepare before payment.
- On-Time Filing:** We file your VAT return on time, as long as we've received all necessary information and approvals from you.
- HMRC Queries Handled for You:** We manage any HMRC queries, saving you time and avoiding unnecessary costs.

We also assist with VAT registration and deregistration, ensuring your business stays compliant with VAT threshold rules. Additionally, we provide support in choosing the right software to ensure compliance with Making Tax Digital (MTD) requirements.

Let us take the stress out of VAT compliance, so you can focus on growing your business. Please contact us for further information.

Christmas Closures



Please note our office will close at 4pm on Friday 20th December 2024 for the Christmas period. We will re-open at 9am on Thursday 2nd January 2025

Key Dates

31st January 2025

HMRC Deadline for submitting online Self-Assessment Tax Returns

31st January 2025

HMRC Deadline for Self-Assessment Tax payments

HMRC APP

A Simple Solution for Managing Taxes

The recently updated HMRC app provides taxpayers with a convenient, secure way to manage their tax information and payments from their mobile device. Designed to simplify tax management, the app offers a host of features aimed at saving time and making essential information easily accessible.

Key Features of the HMRC App:

The app allows users to quickly check important information such as:

- Tax code, National Insurance number, and Unique Taxpayer Reference (UTR) – keeping track of these details in one place.
- Income details and benefits – view information on tax credits, Child Benefit, and other entitlements.
- Employment and income history – look back on employment records and income from the last five years.
- State Pension forecast and National Insurance gaps – check projected pension income and any contribution gaps.

Additional Tools and Services:

The HMRC app provides further useful functions, including:

- Estimating and paying Self Assessment or Simple Assessment taxes – keep track of what you owe and make payments directly through the app.
- Setting reminders and reporting changes to tax credits – helping you stay on top of deadlines and adjust benefits as needed.
- Tracking forms and correspondence – view the status of documents sent to HMRC and claim tax refunds if applicable.
- Accessing Help to Save accounts and calculating take-home pay after tax and National Insurance deductions.
- Updating personal information – easily update your address, name, or communication preferences.
- Switching to digital communication – choose electronic notifications from HMRC rather than paper letters.

Secure, Free, and Easy to Use!

Available free of charge, the HMRC app prioritises user security and efficiency, putting tax management at your fingertips. For those looking to simplify their tax affairs, it's an ideal tool for staying organised and up-to-date.

For more information on how to access the app, please visit the [HMRC website \(click here\)](#).

INCOME TAX ALLOWANCES 2024/25

Personal Allowance £12,570

Income Limit for Personal Allowance £100,000

Dividend Allowance £500

Marriage Allowance £1,260

Payroll Tip Seasonal Staff

If you're hiring seasonal staff, remember they still have employment rights:

- Provide a fixed-term contract with clear start and end dates, explicitly stating your right (as the employer) to terminate the contract early if necessary.
- Pay at least the National Minimum Wage for their age, and ensure they accrue holiday pay.
- Issue a payslip detailing gross pay and any deductions for Tax or National Insurance.

Please get in touch, should you require any further information.

OCTOBER 2024 BUDGET

Key Changes for Small Businesses

The October 2024 Budget introduced a range of changes, but the key areas expected to impact small businesses are Employer National Insurance Contributions (NICs), Capital Gains Tax (CGT), and vehicle taxation. Here's a summary of the most important changes:

1. Employer NICs Increase and Employment Allowance Changes

From 6 April 2025, the government will:

- Increase the Employer NICs rate from 13.8% to 15%.
- Lower the Secondary Threshold (the point at which NICs are payable) from £9,100 to £5,000.
- Increase the Employment Allowance from £5,000 to £10,500 and remove the £100,000 eligibility cap.

What This Means for You:

Employers will face higher NIC costs due to the increased rate and lower threshold. However, small businesses may benefit from the expanded Employment Allowance, helping to offset additional costs.

Example:

- **Before (2024-25):** A small employer with a NIC liability of £12,000 benefits from the £5,000 Employment Allowance, reducing the bill to £7,000.
- **After (2025-26):** The NIC liability increases to £13,000 due to the higher rate and lower threshold. With the £10,500 allowance, the liability falls to £2,500.

Key Takeaway: Small businesses stand to benefit from the increased Employment Allowance, while larger employers should prepare for higher NIC expenses.

2. Capital Gains Tax (CGT) Increases

From 30 October 2024, CGT rates will increase:

- Lower rate rises from 10% to 18%.
- Higher rate rises from 20% to 24%.

Business Asset Disposal Relief & Investors' Relief:

Business Asset Disposal Relief (BADR) and Investors' Relief (IR) rates will increase:

- From April 2025: 14%.
- From April 2026: 18%, aligning with the new lower CGT rate.

What This Means for You:

Asset disposals after October 2024 will incur higher CGT charges, even for those relying on reliefs.

Example:

- **Before (2024):** Selling a £2 million business with full BADR results in a CGT bill of £200,000 (10%).
- **After (2026):** The same sale incurs a CGT bill of £360,000 (18%).

Key Takeaway: Business owners should carefully plan asset disposals to minimise exposure to rising CGT rates.

3. Changes to Double Cab Pickup Taxation

From 6 April 2025, double cab pickup trucks (DCPUs) will be reclassified as cars for tax purposes due to their mixed business and personal use.

What This Means for You:

- **Employers:** Higher Benefit-in-Kind (BIK) charges for employees using DCPUs as company vehicles.
- **Employees:** Increased personal tax liabilities.
- **Businesses:** Adjustments to Capital Allowances for DCPUs.
- **However,** if you already own a DCPU or purchase one before April 2025, the old rules will still apply until the earlier of April 2029 or the vehicle is sold / lease expires.

Key Takeaway: Employers should review vehicle policies and explore cost-effective alternatives to mitigate increased tax charges.

What Should You Do Next?

1. **Prepare for NIC increases:** Review payroll budgets and take full advantage of the enhanced Employment Allowance.
2. **Plan for CGT:** Strategise asset disposals to minimise tax exposure.
3. **Review vehicle policies:** Adjust fleet choices in light of the DCPU reclassification.

For advice on how these changes will impact your business, please don't hesitate to get in touch. For more detailed information regarding the October 2024 Budget, visit the [HMRC website \(click here\)](#).