



Changes to the VAT flat rate scheme

From April 2017, the Government introduced a new 16.5% flat rate VAT scheme that many 'labour-only' businesses, such as contractors, will have to move to.

This will reduce some of the benefits of flat rate VAT for many self-employed firms. Due to the way the flat rate scheme rates are set (e.g. 14% for business consultants), but with the new rules you'll end up paying more VAT (so a business consultant would pay an extra 2.5% of VAT).

You can read more about these changes [here](#).

Leonherman has many years of experience working with businesses of all shapes and sizes; we work with you to ensure you stay on track and stay one step ahead [get in touch](#) or call **0161 249 5040**

Read on to see our latest blog posts. Keep up to date with our news via our [website](#) or by following us on [Twitter](#)



Protect yourself from HMRC

All change for Making Tax Digital

At Leonherman we can provide you with Fee Protection Insurance to protect you from the costs that may arise as a result of a Tax or VAT Enquiry from HMRC.

A tax investigation could cost you money even if you've done nothing wrong and anyone can be selected; a business, a director or an individual tax payer.

The Fee Protection we can provide is an all-embracing Insurance Policy that provides you with the ultimate protection.

The service covers up to the equivalent of **£100,000** towards our professional fees resulting from a HMRC Enquiry.

We can safeguard you from the risk of unplanned expense... and help you get peace of mind [click here to find out more.](#)

As a valued client we strongly recommend that you take advantage of this insurance policy. The premium is extremely competitive and significantly lower than the fees you will incur if investigated. Simply [get in touch](#) **before the scheme start date of 4 May 2017.**

If you would like to ask us any questions please contact [Julie](#) on **0161 249 5040.**

Plans to force millions of landlords, self-employed people and small businesses to file up to five tax returns online every year have been put on hold ahead of the general election.

Legislation to implement the government's **Making Tax Digital** (MTD) initiative has been removed from the Finance Bill 2017 ahead of the debate on the bill in the House of Commons last week.

During last weeks Finance Bill committee stage debate the Government deleted 72 out of 135 clauses and 18 out of 29 schedules. The residual Bill has been estimated to be roughly 140 pages in length compared to the previous 762 pages, a reduction of more than 80 per cent by volume.

Experts say that its exclusion from the Finance Bill might mean it's delayed by a year, but it might also be an opportunity for the Government to leave the idea to gather dust for rather longer.

We will keep you updated once we hear more, in the meantime if you want to know what you can do to prepare for **Making Tax Digital** (once it does come in) [get in touch](#) with our Tax team on **0161 249 5040.**



New government savings scheme

From April 2017, adults under the age of 40 will be able to open a Lifetime ISA (LISA) and pay in up to £4,000 each tax year.

They will be able to continue making contributions up to the age of 50. The government will add a 25% bonus to these contributions. This means that individuals who save the maximum will receive a £1,000 bonus each year from the Government.

The tax-free funds, including the Government bonus, can be used to help buy a first home worth up to £450,000 at any time from 12 months after first saving into the account.

The funds, including the Government bonus, can be withdrawn from the LISA from age 60 tax-free for any purpose. LISA holders will also be able to access their savings if they become terminally ill.



Spring Budget Summary

The Chancellor, Philip Hammond, delivered his first Spring Budget. He was quoted saying; "The Government was building the foundations of a 'stronger, fairer, more global Britain' and today's Budget provides a 'strong, stable' platform for Brexit negotiations."

We have put together a [Budget Summary](#) here are some of the key points:

National Insurance

- National Insurance contributions were set to rise for the self-employed by 1% to 10% from April 2018, rising again to 11% in 2019
- This has now been scrapped in a well-publicised u-turn by the chancellor at a cost of £500 million a year

National Living Wage

- Increase from £7.20 to £7.50 for those aged 25 and over from April 2017, what impact does this have on your company?

Personal Allowances

If savers make withdrawals before age 60 for other purposes a 25% charge will apply to the amount of withdrawal. This returns the bonus element of the fund (including any interest or growth on that bonus) to the Government.

“Help to Save” aimed at supporting people on low incomes to build up their savings will be available in 2018. The scheme will add a 50% Government bonus on savings up to £50 a month for up to four years.

You can view the full blog [here](#).

Please [get in touch](#) or call **0161 249 5040** to discuss how you can make the most of these tax breaks.

- Increased from £11,000 to £11,500 from April 2017
- The basic rate band to increase from 43,000 to £45,000

Tax Free Dividends

- Tax-free dividend allowance for directors/shareholders will drop from £5,000 to £2,000 from April 2018
- Dividend income paid on shares held in a stocks and shares ISA will remain tax free.

Contact the [Tax Team](#) at Leonherman to discuss how these changes will affect you.

Internal news

Congratulations to [Michael Rigby](#) who has been promoted to the role of Partner, for those of you that have not worked with Michael before, he has a great deal of experience in audit, accounts and business growth strategies.

In celebration of [National Apprenticeship week](#) at the start of March, we wanted to share our experience of running a successful apprenticeship programme.

Leonherman has worked in partnership with Damar Training for the past five years for the recruitment and provision of accredited training programmes.

We would like to congratulate Jack Duffy who has successfully achieved his AAT Advance and Grace Prosser on being Highly Commended for Manager of the year at this years Annual Apprenticeship Awards.

Upcoming Event

We are pleased to announce that due to popular demand our local event Meet Me at The Met will be returning for 2017. This event is aimed at businesses in and around Didsbury.

Come along to share wine and conversation with other business owners and professionals.

When – Wednesday 21st June 5pm – 7pm

Where – The Metropolitan, Didsbury

Why – To network with other like-minded businesses

If you would like to reserve your **free** place please call us on **0161 249 5040** or [email us](#)



leonherman
CHARTERED ACCOUNTANTS & BUSINESS ADVISERS

INFORMAL NETWORKING EVENT. DRINKS & CANAPES SERVED. THIS EVENT IS FREE!

'Meet me at the Met'
5pm-7pm on Wednesday 21st June at the Metropolitan in Didsbury
Please RSVP to partners@leonherman.co.uk or call 0161 249 5040

Key Tax Dates

6th July 2017 - Deadline for submission of 2016/17 forms P11D

19th July 2017 - Deadline for payment of Class 1A National Insurance Contributions (NICs) due on any benefits provided to employees for non-electronic payment

22nd July 2017 - Deadline for payment of Class 1A National Insurance Contributions (NICs) due on any benefits provided to employees for electronic payment

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