

WELCOME TO THE SUMMER ISSUE OF PROACTIVITY!

We are delighted to welcome you to the latest edition of *ProActivity*. This issue is full of targeted help and sources of information to assist you and your business cope with the financial impact of the coronavirus.

On page 5 Foxley Kingham Director Paul Bithrey gives practical advice on how to deal with cashflow challenges in these difficult times. And on page 6 we have listed important dates and useful websites, as well as the most recent details of the government furlough scheme and how to apply for a range of business grants and loans.

Although coronavirus has loomed large, the end of the Brexit transition period is speedily approaching. We look at important dates and your 'to do' list for before 31 December on page 3.

As part of our series looking at specific sectors, we talk to Zeeshan Hussain, Director of FK Medical, about the major issues facing GPs and GP practices. See page 4 for more details.

And there is the usual mix of Foxley Kingham and GKP news, updates, and information. As ever, if you have any questions or comments, please do not hesitate to contact us at accountants@fkca.co.uk.



STOP PRESS

We are also delighted to tell you that we will be relaunching *ProActivity* in a new format in the autumn. *ProActivity* will now be delivered straight to your inbox each month, and each issue will focus on specific issues that affect you and your business.

Keep planning and carry on



These are strange times; the coronavirus and resulting lockdown have forced all of us to make significant changes to the way we live and work. Many organisations have changed their entire business models, while others have been forced to simply shut up shop and hope for the best. However, in the midst of this we have seen innovation and flexible thinking as businesses strive to survive in the new normal.

At Foxley Kingham and GKP we are acutely aware of the challenges facing our clients. It is our mission to support, advise, and help them come up with solutions. With this in mind *ProActivity* spoke to Stephen Mason, a Director at both Foxley Kingham and GKP, and asked him what advice he would give to clients.

Firstly, Stephen stressed the importance of having a clear understanding of what is crucial to a business and urged clients to plan. He said, "You need to understand what your KPIs are. You have to go back to basics and see what you have to do to make the business work."

By identifying key aspects of your business, clients can do their utmost to protect them, as well as rationalise any extraneous expenditure.

He goes on, "It will be hard; our clients have got to ask, 'Is the business viable at a reduced level?' For example, if it is a pub running at 60% capacity, is that a viable business? This all goes back to looking at cash flow. And cash is still king."

Plan ahead

The issue of cashflow is key, and cashflow planning is vital; "You need to look ahead, not just to next week but the next 12 months," says Stephen.

"There will be businesses with deferred tax bills, and people who have deferred their personal tax bills. You mustn't put your head in the sand; it may not be today's problem, but in January or February it will be a big problem. You have to identify your problem points and plan how you are going to deal with them."

(For more details and advice on cashflow, see page 5).



Problems and solutions

Although lockdown has thrown up numerous problems, it has also highlighted ways of working that can help businesses in the longer term. "I think that we have really seen the benefits of cloud accounting," says Stephen. "We have managed to plough on, and help our clients keep on top of things." Ensuring businesses have up-to-date and readily accessible information has been key during lockdown and will no doubt continue to be important in the future.

And even the dreaded video conferencing has proved effective. It was a lifeline in strict lockdown, but as businesses prepare to move more people back into offices it is still proving to be a worthwhile tool. As Stephen explains, "People want to come back to the office because it is an important part of their working life. But you can see how we can merge [working with video conferencing] and being in the office so we get the benefits of both. I also think it will help us keep more up to date with clients."

Keep positive

There are other positives that have come out of lockdown. People and businesses have proved to be highly adaptable and Stephen was full of praise for colleagues and clients; "People can adapt and change. It has definitely been a case of just roll your sleeves up and get on with it."

And as for the overall picture, Stephen has one last bit of advice; "Act early. If you think you have a problem don't leave it to the last minute. We can help with cashflow forecasts, bank applications, and getting the right kind of finance in place. Just keep in contact and we can help you through this."

For more information, or to talk to us about any aspect of your business, please contact us at accountants@fkca.co.uk

SUMMER STATEMENT 2020

On 8 July the chancellor Rishi Sunak announced a raft of changes designed to soften the impact of the coronavirus on the economy. They included:



JOB RETENTION BONUS

The government will pay employers a £1,000 bonus for every staff member kept on for three months when the furlough scheme ends in October. The measure could cost £9.4bn if every worker is brought back.



STAMP DUTY

The stamp duty threshold in England and Wales will be raised from £125,000 to £500,000 until the end of March 2021 to help kick start the housing market. This change should cost the government £3.8bn.



VAT CUT FOR HOSPITALITY

The rate of (VAT) on hospitality and tourism will be cut from 20% to 5%. The cut will last until 12 January 2021 and applies to food and non-alcoholic drinks as well as accommodation and admission to attractions across the UK.

BREXIT – IT'S TIME TO GET READY

The coronavirus may have been dominating headlines, but the UK's exit from the EU is still one of the biggest business events in a generation. Make sure you are prepared for the changes.



On 31 December 2020 the Transition Period for the UK's exit of the EU ends; the UK government has announced that it will not accept or seek an extension to this period. The government has also announced that, due to the impact of the coronavirus, changes in border controls will be introduced in three stages. From January 2021 traders importing standard goods, covering everything from clothes to electronics, will need to prepare for basic customs requirements and will have up to six months to complete customs declarations. Although tariffs will need to be paid on all imports, payments can be deferred until the customs declaration has been made. There will be checks on controlled goods like alcohol and tobacco and businesses will also need to consider how they account for VAT on imported goods.

From April 2021 all products of animal origin and all regulated plants and plant products will require pre-notification and the relevant health documentation. From July 2021 traders moving all goods will have to make declarations at the point of importation and pay relevant tariffs.

THINGS TO DO NOW

If you are planning to move goods between the UK and the EU you will need a GB EORI (Economic Operator Registration Identification) number. Registration takes 10 minutes and it is usually processed within three working days.

You need to decide how you want to make customs declarations and whether you would like a third party to deal with customs for you such as freight forwarders, customs agents or brokers, or fast parcel operators.

Check if you can use Transitional Simplified Procedures (TSP). These will make importing easier for an initial period of one year to allow businesses time to prepare for usual import processes.

Prepare to pay VAT and excise duties; familiarise yourself with customs duty rates and due dates.

If you currently receive EU VAT refunds through the electronic system, claims can be made up until Brexit, but the system won't be available after. After Brexit, refunds will need to be claimed directly from EU countries using existing processes for trade outside the EU.

Those employing EU citizens should ensure their workforce is aware of the need to register for the settlement scheme.

Useful websites

www.gov.uk
www.fsb.org.uk
www.britishchambers.org.uk

BREXIT – key dates

2020
26
NOV

Deadline for a trade deal to be presented to the European Parliament if it is to be ratified by the end of the year.

2020
31
DEC

Transition Period ends.

2021
31
JAN

Deadline to apply for grant funding to increase capacity for dealing with customs declarations with training, IT and staff.

2021
APR

All products of animal origin (POAO) and all regulated plants and plant products will require pre-notification and the relevant health documentation.

2021
30
JUN

Deadline for employees who have been continuously resident in the UK for five years or more to apply for settled status under the EU Settlement Scheme.

2021
JUL

Traders moving all goods will have to make declarations at the point of importation and pay relevant tariffs.

FK MEDICAL

ProActivity talks to Zeeshan Hussain about the major issues facing GPs and GP practices.



GPs have played a vital role in the fight against the coronavirus, and although they may not be the first to suffer directly from its impact there are still a number of issues that could significantly affect their funding, remuneration and tax planning. At the very least they will be operating in an increasingly difficult fiscal landscape.

We should also recognise that as the UK (hopefully) emerges into a post-coronavirus world, GPs may be perceived to be higher earners, and so there could be limited political appetite to address any anomalies or errors in the pension and tax systems that affect them. It is therefore imperative that all individual GPs and GP practices are aware of, and compliant with, current regulations.

The main issues that were facing GPs before lockdown are still present. Most notably, the tax complexities of Primary Care Networks, annual allowance charges on pensions, and the long-range consequences of errors in Total Rewards Statements, to name but a few.

The most visible structural issue facing GPs over the last year has been creation of Primary Care Networks. We are now one year on from the introduction of PCNs and GPs and practice managers are, understandably, still getting to grips with the financial complexities of the new networks.

Generally, funds may be held centrally in the PCN (most likely through a lead practice model), however each individual GP practice is liable for any tax owed on the sum. This leads on to the question of how excess funds are treated for tax. There are also issues concerning how a clinical director post should be treated in terms of being an officer or self-employed.

Pensions and annual allowance charges are complex and ongoing issues that we will cover in more detail at a later date. There have been concessions made recently, namely NHS England agreeing to pay annual allowance tax charge for 2019/20 (providing procedures are followed) and increases to the pensions annual allowance taper thresholds from April 2020. Both designed to help ease the burden on GPs.

Finally, the introduction of Total Reward Statements was heralded as a step towards clarity and transparency in pay and benefits for NHS employees. However, the system has not been without flaws, and it needs to be treated with care and scrutinised on all sides (see box out). GPs and practice managers have to deal with increasingly complex financial arrangements and commercial issues. Being on a sound footing and confident in financial management will be crucial in moving forward in uncertain times.

Watch out! Total Reward Statements

What is a Total Reward Statement?

It is a document which summarises an individual's employment package, including basic pay, allowances, and pension benefits for NHS Pension scheme members.

Why should you check it?

There have been a small number of errors and discrepancies in some statements. Even the smallest errors can have serious consequences as the TRSs will be used to calculate future pension payments.

What should you check?

Dates of qualifying, employment records, salary. Basically, you should check all details in every statement.

Do I have to do anything else?

Yes, you need to submit your TRS to us at FK Medical in the spring of each year as it helps us keep your tax records up to date, and we can help you check for any anomalies.

FK Medical is a sister firm to Foxley Kingham. We provide specialised and up-to-the-minute advice on all financial matters to a growing number of doctors and consultants across Central and South East England.



FK Medical is headed by Darren Fletcher and Zeeshan Hussain.

For more details, please contact us at www.fkca.co.uk.

Our services include:

- Preparation of annual accounts
- Partnership tax computation and tax returns
- Tax planning for the practice and individual GPs
- VAT returns and planning
- Superannuation certificates and pensions forecasts
- Private fee statements
- Drawings calculations
- Financial performance benchmarking, against other local practices and at a national level
- Pension planning

Paul Bithrey talks to Proactivity about how to avoid a Cashflow Crisis

In these times of unprecedented economic uncertainty, how can you keep your cashflow sustainable and your business viable?



One of the things we've learnt from the coronavirus and resulting lockdown is that no-one can predict the future. Looking back even to the start of the year, who would have thought that furlough schemes would be a common part of employment discussions, tax bills would be suspended, and the economy would be subject to what feels like a handbrake turn? Whatever has happened in the past months, one thing is certain; although we may not know the long-term effects on the economy and specific businesses, we do know that no-one will emerge unscathed.

So, how can you ensure that you give your business the best chance of survival? "Planning is everything," says Paul Bithrey, Director at Foxley Kingham. "There will be a lot of businesses that are going to need advice on cashflow planning and business survival."

There are two main areas of planning to consider. The most immediate is cashflow planning, and the second, which is more esoteric but still vital, is the planning involved in deciding the shape and direction of an organisation post-lockdown.

Cashflow

"We will understand the true level of damage from Covid 19 in 12 months time," explains Paul. "The furlough scheme is due to wind up in October, the January tax payments will have caught up with people, and there will be VAT payments in the spring. And people will have to start paying back loans in July. (See page 6 for more details). "The effects will bite hard and it will become clear if businesses will recover or not."

However alarming this sounds, Paul identifies how we can tackle the challenges, "Businesses will know what 95% of their liabilities will be," he says. "They have 12 months to plan."

This planning is vital. Tempting though it may be to bury heads in the sand, businesses have more chance of coming out successfully on the other side if they face the issue head on. The first step is having a clear idea of when any funding runs out and when loans have to be repaid. Businesses can then take an overall view of cashflow and be in a better position to manage. Paul also points out that communication with institutions such as banks will be more successful if you are on the front foot. "Banks have been forced to be supportive," he says, "but their sympathy will not be everlasting. Having a coherent plan to take to the bank is far better than ignoring the issue, or not seriously considering a way out of the situation".

Big picture

Businesses also have to be prepared for change. "Some business will not be able to trade profitably for a while," explains Paul. "So they need to create some kind of vision of how they can exist in the 'new normal'." This kind of preparation will mean looking for new work and revenue streams. It will, unfortunately, mean job losses. "There will be a significant amount of people who face redundancy," he says.

It may also mean taking a step backwards in some ways, as businesses are forced to scale down operations, abandon expansion plans and reconsider capital investments. "It's time to look at all of your resources," says Paul. "Can you introduce any new capital into the business? Are there different ways of working? This is a new experience for everybody and we are all still trying to understand how to move forward."

These uncertain times will call for unprecedented measures. However, help and advice is available. By taking stock and planning, businesses can put themselves in the best position to survive.

For more information and help in securing the future of your business, please contact us on accountants@fkca.co.uk
For details of important dates please see page 6.

KEY INFORMATION



CORONAVIRUS JOB RETENTION SCHEME

JULY

- The government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (ER NICs) and pension contributions for the hours the employee doesn't work. Employers will have to pay employees for the hours they work.
- Previously furloughed employees can go back to work part-time, with hours and shift patterns to suit the needs of the business. Employers must pay their wages for the time they're in work and can apply for a scheme grant to cover any of their normal hours they are still furloughed for.
- For periods starting on or after 1 July, the maximum number of employees a business can claim for in any period cannot be higher than the maximum number claimed for in a previous period.
- **31 July** – deadline for submitting claims for periods ending on or before 30 June.

AUGUST

- Employers will have to start contributing to the wage costs of paying their furloughed staff. This employer contribution will gradually increase in September and October. The government will continue to pay 80% of wages up to a cap of £2,500 but employers will pay ER NICs and pension contributions.

SEPTEMBER

- The government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee does not work. Employers will pay ER NICs, pension contributions and 10% of wages to make up 80% of the total up to a cap of £2,500.

OCTOBER

- The government will pay 60% of wages up to a cap of £1,875 for the hours the employee does not work. Employers will pay ER NICs, pension contributions and 20% of wages to make up 80% of the total up to a cap of £2,500.
- **31st October** - Coronavirus Job Retention Scheme to end

For more information, go to www.gov.uk

HMRC DEADLINES

5 October 2020 – register for Self-Assessment

31 October 2020 – deadline for paper tax returns

31 January 2021 – deadline for online tax returns

31 January 2021 – deadline for payment of tax

31 March 2021 – deadline for deferred VAT payments

Please note:

31 July 2020 – second payment deadline

There's usually a second payment deadline of 31 July if you make advance payments towards your bill (known as 'payments on account').

However, due to coronavirus, these payments can be delayed. There will be no interest charged or penalties incurred if payment is made before 31 January 2021.

For more information, go to www.gov.uk

SELF-EMPLOYMENT INCOME SUPPORT SCHEME

13 July 2020 – deadline for the first SEISS grant.

The first SEISS grant is a taxable grant of 80% of average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total.

17 August 2020 – online applications for the second SEISS grant open. The second grant will be a taxable grant worth 70% of your average monthly trading profits, paid out in a single instalment covering a further three months' worth of profits, and capped at £6,570 in total.

19 October 2020 – Deadline for applications for the second and final grant.

You can claim for the second and final grant even if you did not make a claim for the first grant.

A NOTE ON BOUNCE BACK LOANS

The Bounce Bank Loan Scheme was designed to help small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000.

The government guarantees 100% of the loan and are no fees or interest to pay for the first 12 months. The length of the loan is six years, but it can be repaid early without incurring a fee.

After 12 months the interest rate will 2.5% a year. Businesses who took out these loans should plan to factor in fees and repayments 12 months from when they took out the loan.

For more information, go to www.british-business-bank.co.uk

During lockdown we have discovered the joys of video conferencing and temperamental WiFi, juggled childcare, dealt with day-to-day challenges over email and phone, and found ways to work with and support our clients. As we emerge from lockdown and (hopefully) move back towards some kind of normality, we will continue to work with our clients in the most flexible and supportive way.

In the meantime, here is a snapshot of what we've been up to in the past few months.

Foxley Kingham at home



Sam Brown from Foxley Kingham describes how he coped with working at home in lockdown.

Job title at present: Client manager, father, and mender of broken things.

"With many companies making drastic changes to ensure they keep everyone safe during lockdown, I found myself reflecting on how my working life has changed in the last few months.

Naturally the commute is fantastic! Far more favourable than a half hour drive into the office; it's a tough and dangerous walk from my bedroom, across the hall, down 13 steps and a right into the home office. I switch my PC on and in less than three minutes I'm connected and raring to go (well, as much as I can be first thing in the morning!).

Today my day has involved various audit and accounts reviews, a bit of tax planning and supergluing a statue for my daughter. (She was devastated when it broke into two pieces, and I'm apparently pretty great for putting it back together.)

Another benefit to this home working is that coffee at home turns up regularly. This could be due to the fact that my wife, who's new office is one half of the dining table in our kitchen, is clearly in need of the caffeine hit. Or else she's putting off something she doesn't want to start!

But I think that one of the most significant things about this situation is that it has forced us to question how we work. We are now working far more electronically and have had to embrace paperless working. We are also thinking carefully about communication and how we can work more effectively. All in all, the lockdown has its challenges, but there have been some positive outcomes.

P.S - Wearing shorts pretty much every day for months is a good perk too! I hope I can remember how to tie a tie after all this!"

FK Anniversary Foundation

Unfortunately we had to put our fundraising and charity work on hold during lockdown, although we held a weekly quiz on in June to raise funds for the Foxley Kingham Anniversary Foundation. We are looking forward to getting back up and running and to supporting our local charities.

For more information on what we do, please go to www.facebook.com/FoxleyKinghamAnniversaryFoundation/

INSIDE FOXLEY KINGHAM AND GKP



Let's eat cake

One of the things that we've missed in lockdown has been Board Meeting Day or 'Cake Day' as it is known in the office. Our tradition started years ago when board members were sustained through monthly meetings with cakes and slightly fancier biscuits than our normal day-to-day fare. However, the board members wanted to include everyone, so all staff in the office now get cakes (but happily, they don't have to sit in on the meeting!).

Obviously, lockdown put a spanner in the works. But we found a local baker who (very carefully) delivered an individual cake to all of our employees, including those on furlough. Our first delivery was particularly special as it came at the time when lockdown was very strict, and our staff said our little gift meant a lot.

We are committed to making all our staff feel valued and look forward to a time when we can be back in the office again.

FO XKASH; THE BEST IN ONLINE BOOKKEEPING



If the lockdown has taught us anything, it has been the power and benefits of online working. With this in mind we would urge any clients who have not already done so to contact FoxKash, our independent online bookkeeping support.

Sitting alongside Foxley Kingham, FoxKash is a standalone business, with its own fee structure that offers expert online accounting at an affordable price. We offer bookkeeping and VAT services, Making Tax Digital support and are authorised advisors for Xero, SAGE and Quickbooks. **Go to www.foxkash.co.uk for more information.**

USEFUL WEBSITES

www.advicecentral.org.uk

Staffed advice portal to refer users to the relevant advice agency.

www.british-business-bank.co.uk

Financial information and support

www.britishchambers.org.uk

British Chambers of Commerce

www.centralbedfordshire.gov.uk/CovidInfo

Covid-19 information, email alerts and advice from Central Bedfordshire Council

www.fsb.org.uk

Federation of Small Businesses

www.gov.uk

Central resource for general information, government regulations and information from HMRC

www.luton.gov.uk

Advice on local resources

www.midbedscab.org.uk

Citizen's Advice

www.smallbusiness.co.uk

News and advice for small businesses

www.thinkluton.co.uk

Luton Investment Framework (local advice and resources)

Disclaimer: Please note that we cannot be held responsible in any way for any consequence arising from the information provided in this newsletter. Whilst every effort is made to ensure that accuracy of the content of all FK publications, no decisions should be taken on the basis of information given without reference to specialist advice.

Companies House deadlines extended

The government has extended the deadline for filing documents with Companies House. This is part of a raft of measures designed to relieve the burden on businesses during the coronavirus outbreak.

Affected filings include:

- accounts (deadlines falling between 27 June 2020 and 5 April 2021 extended by three months)
- confirmation statements (extended from 14 to 42 days)
- event-driven filings (changes to your company – extended from 14 to 42 days)
- mortgage charges (extended to 31 days)

Changes in deadlines will vary so for more information go to www.gov.uk or contact us.

Ahoy there, matey!

Support a brilliant charity while having fun on the water.

Due to the coronavirus restrictions LNBP Community Boating (formerly known as the London Narrow Boat Project)

will allow family groups to hire their boats for holidays and short breaks on the Oxford and Grand Union Canals.

LNBP Community Boating is a registered charity and non-profit making voluntary organisation. It was founded in 1981 by a group of teachers, youth workers and canal enthusiasts who recognised the benefit of introducing children and young people, particularly from the inner cities, to the enjoyment of canals and inland waterways. The current restrictions mean that their regular activities have to be put on hold, but they have opened their boats to the general public.

From Saturday 4 July and for the remainder of the 2020 boating season, two boats – Lancelot and Guinevere – can be hired by family groups for weekend or midweek short breaks of two or more day/night trips. Both boats are 12 berth, purpose-built, full-length, modern vessels.

For more information call LNBP's Booking Officer Nigel Smith on 07967 406875 go to www.lnbp.co.uk



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