



**TYRONE
ACCOUNTANCY
SERVICES**

CLIENT NEWSLETTER DECEMBER 2017



Seasons greetings from the entire team at Tyrone Accountancy Services. We would like to wish all our clients a joyous holiday season and peace and cheer in the New Year. Thank you for your continued support and we look forward to working with you in the year to come. During this season we take time to reflect upon the good things we have. We appreciate working with you and hope that the Christmas holidays and the coming year will bring you happiness and success.

LATEST BUDGET NEWS

The Chancellor presented his budget in late November. His report set out a number of actions the government will take including support for more house building. Our summary concentrates on the tax measures which include:

- Increases to the personal allowance and basic rate band
- Dividend allowance for directors
- Improvements to Research and Development (R&D) tax credit regimes
- VAT limit frozen for two year

Personal allowance

The personal allowance is currently £11,500. The personal allowance for 2018/2019 will be £11,850. The basic rate is currently 20%. The band of income tax at this rate is £33,500 so that the threshold at which the 40% band applies is £45,000 for those who are entitled to the full personal allowance.

Company dividend

It has been confirmed the dividend allowance will be reduced from £5,000 to £2,000 from 6 April 2018.

Improving Research and Development (R&D)

A number of measures have been announced to support business investment in R&D including:

- An increase in the rate of the R&D expenditure credit which applies to the large company scheme from 11% to 12% where expenditure is incurred on or after 1 January 2018
- A campaign to increase awareness of eligibility for R&D tax credits among SMEs
- Working with businesses that develop and use key emerging technologies to ensure that there are no barriers to them claiming R&D tax credits

VAT Thresholds

There had been some speculation leading up to the Budget that the VAT registration limit would be significantly reduced. The Chancellor has announced that the VAT registration limit will not change for two years from the current figures of £85,000 and £83,000 respectively.

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LITTLE THINGS MEAN ALOT

In a time of giving, when better to consider addressing the little things that go a long way. We often think about productive management and implementing structure to bring focus to the jobs that need doing, but sometimes we neglect to think about how much more efficiently things can run if we take time to address our people skills.

Team members take note from the behaviour of their managers so the more a manager appears to engage with their work and their organisation, the more engaged their team members become. If you want a happy team firing on all cylinders, take the level of interest you would wish them to. It is also important that your team have the required respect for management which in turn promotes their desire to be respected. One important way to achieve this is to create internal networks and to engage with the organisation. Team members disparage managers with notably smaller networks than their own.

Now it may seem pretty obvious and to many of you it is a default mechanism but it doesn't take much to say 'good morning', the impact however is big. These are known as 'social strokes' that reinforce your connection to team members and colleagues. 'Good morning' is an 'unconditional stroke' that needs nothing to trigger it (apart from your presence). Everyone loves positive comments and being credited for good things we do. Little and often (or it can seem false) will show you are aware of the good work that your team members are doing.

Another form of respect can be gained by allowing people to stretch themselves - despite the moans and groans they secretly enjoy it as it makes them grow as a person (not physically and no torture racks are required!). The chance to do better work, and to grow their skills is motivating and the recognition that they are ready is an endorsement they will value.

Managers that offer more one-on-one time with team members see greater workplace engagement and productivity. Everyone has the desire to feel important and listened to. Ask a question and make sure you listen. People need to feel heard and it also gives you the opportunity to fully think about your next reply and your team members the time to think for themselves.

Highly important is the respect you place on people's needs for a family and social life. Don't expect an inappropriate work-life imbalance. You may be willing to work in your business 24/7 (which you shouldn't by the way) but don't expect it from your team. Furthermore don't accept it as habit. If certain people keep falling behind and never meet deadlines unless burning the midnight oil, they may need your help with better planning.

Finally, it is important for teams to meet regularly. Team meetings are an integral, necessary part of the overall running of the business but make sure it's a team meeting and not a team leader meeting. Initiate the occasional fun meal out or drinks after work - work needn't be just about work. We spend a lot of our lives there after all!

Employee gifts—tax free?

At this time of year some employers may wish to make small gifts to their employees.

A tax exemption is available which should give employers certainty that the benefits provided are exempt and do not result in a reportable employee benefit in kind. In order for the benefit to be exempt it must satisfy the following conditions:

The cost of providing the benefit does not exceed £50 per employee.

The employee is not entitled to the voucher as part of a contractual arrangement.

The benefit is not provided in recognition of particular services performed by the employee as part of their employment duties.

Basically the main condition is that the cost of the benefit does not exceed £50. If over the full amount is taxable.

Entertaining costs—reclaiming the VAT

Whilst it seems that HMRC disallow tax relief on most entertaining costs, there are some exceptions. You cannot claim a direct tax deduction if an employee takes a customer for lunch but you are entitled to reclaim VAT on the part of the cost which relates to your employee's meal. If an expense is purely entertainment related, VAT cannot be reclaimed even for the employee's part of it. There is also the curve ball that should the entertainment be for employees as a perk, to improve morale or as a reward, this counts as an expense of employment and so VAT can be reclaimed on the related costs.

CHANGES TO DIESEL COMPANY CARS

Company car benefits are based on CO2 emissions data which has encouraged employees to choose diesel cars due to lower CO2 emissions. The government is trying to reduce the number of diesel cars and will increase the current 3% diesel supplement to 4% from 6 April 2018.

As previously announced radical changes to the company car benefit rules are being introduced in 2020. The benefit in kind for electric cars and hybrid cars with a range of 130 miles or more on the electric motor is being reduced to just 2%. That means that the taxable benefit for such a car with a list price of £30,000 would be just £600 a year. Where the employer allows staff to charge their own electric car at work there will be no taxable benefit.



Theresa May has at last struck a deal with the EU in a bid to move Brexit to talks on to the next phase.

There will be no hard border with Ireland and the rights of EU citizens in the UK citizens in the EU will be protected.

The so-called “divorce bill” is estimated to cost between £35bn and £39 bn

TAX CREDIT DEADLINE

Please remember the deadline for finalising your tax credits is 31 January 2018.

Please ensure your accounts are completed in time in order to meet this deadline.

If you fail to finalise your tax credits by this date HMRC will cease your payments and request that you pay back any money you received during 2017/2018.

GETTING TO KNOW.....



Aaron Coyle is one of the newest additions to our team. Below are a few things about Aaron:

Raised:

Omagh, Co Tyrone

Family:

1 brother

Favourite holiday destination:

NYC

Favourite hobby:

Rugby

Favourite food:

Pizza

Favourite book/movie:

The Wire

Four celebrity dinner guest

Tom Hardy, Brian O’Driscoll, Roy Keane and Ronaldo

Three words to describe Aaron:

Loyal, hard working, perfectionist

progressive | committed | experienced

Did You Know? Fun Christmas Facts

Have you ever wondered about the history of Christmas? Where did our traditions come from, anyway? Here's your daily dish of fun Christmas facts:



Mistletoe is from the Anglo-Saxon word misteltan, which means "little dung twig" because the plant spreads through bird droppings.

The tallest Christmas tree ever cut was a 221-foot Douglas fir, according to the Guinness world records.

It is estimated that the single "White Christmas" by Irving Berlin is the best-selling single of all time, with over 100 million sales worldwide.



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A Very Merry Christmas



According to data analyzed from Facebook posts, Christmas Day is the least favorite day for breakups.

HAPPY HOLIDAYS!!

President Teddy Roosevelt, an environmentalist, banned Christmas trees from the White House in 1912.

Most of Santa's reindeer have male-sounding names, such as Dasher and Comet. However, male reindeers shed their antlers around Christmas, so the reindeer pulling Santa's sleigh are likely not male, but female.

All the gifts in the Twelve Days of Christmas would equal 364 gifts.

Each year, more than 3 billion Christmas cards are sent in the U.S. alone.

Christmas purchases account for 1/6 of all retail sales in the U.S.

The Germans made the first artificial Christmas trees out of dyed goose feathers.

DO NOT OPEN UNTIL
DECEMBER
25
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OFFICE CLOSURE

OUR OFFICE WILL BE CLOSED FROM 25TH DECEMBER 2017 AND WILL RE-OPEN 2ND JANUARY 2018

IMPORTANT DEADLINES

PLEASE REMEMBER THE DEADLINE FOR FILING YOUR TAX RETURN IS 31 JANUARY 2018

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