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Communiqué

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Issue 2 2014

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After a long winter, one of the first signs of Spring for the UK's businesses comes when the Chancellor stands to present his annual Budget. In this issue of Communiqué we summarise some of his main announcements, but also look at some of the long-term issues that many SMEs worry about.

Funding is inevitably top of the list and over the past few issues we've looked at some of the options that are grabbing the headlines as alternatives to bank finance. While crowdfunding and equity finance are gaining in popularity, our recent report, Bank finance – Lost in translation, showed that SMEs often assume that banks will say no when, in reality, three-quarters of the SMEs that seek bank finance within any one year are successful. Sometimes, it's just best to ask.

Sir Michael Snyder,
Senior Partner,
Kingston Smith LLP



SMEs and equity funding

Access to finance is a significant and enduring problem for many, although our recent report, Bank finance – Lost in translation, found that often the problem is one of perception and many SMEs assume bank lending policies to be more negative than they actually are (mostly as a result of media influence).

Kingston Smith Senior Partner Sir Michael Snyder said at the launch of the report that contrary to popular belief, 74% of SMEs that seek bank finance within any one year are successful. 'Encouraging as this is,' he said, 'it does leave a significant number of viable and potentially highly successful small businesses unable to access the finance they need, and this research highlights structural failures in the lending market.'

This has led some SMEs to research other options. In the last issue of Communiqué we discussed crowdfunding, an increasingly popular route. Another, perhaps more recognisable, option is equity-based funding – where an investment is made directly or indirectly into a new or existing business, usually in the form of buying shares or debt securities.



Key points

- 1 Equity-based funding is where an investment is made directly or indirectly into a business, usually in the form of shares
- 2 According to the CBI, just 3% of SMEs have used equity funding
- 3 81% of the companies that have used equity funding would recommend it to others

74% of SMEs that seek bank finance within any one year are successful.

A recent CBI report, *Slice of the Pie*, found that half of all SMEs rely on bank loans for funding, while 36% use overdrafts. By comparison just 3% use equity finance – this lags behind the European average of 7%. That is despite the majority of growing businesses which have used equity finance reporting that it had a positive impact on their company (66%), and four out of five saying that they would use it again to fund business growth. 81% would recommend equity finance to other companies.

The CBI argued that greater awareness and greater use of equity finance could help more firms to invest, grow and boost the long-term health of the UK economy. According to its report, the main worry for SMEs over equity finance is the risk of losing ownership of their business – 46% said this was a concern, and a quarter said they were worried about losing decision-making power. The CBI believes that these concerns are tied to a general lack of awareness about the different types of equity finance that are available.

In order to help businesses find the right type of finance, the CBI has launched a new online tool called FindmyFinance, claiming that 57% of SMEs spend less than an hour researching finance providers. The most successful growing businesses, it says, develop a plan to review their finance needs on a yearly cycle, including maintaining regular contact with finance providers. More information can be found on the CBI's website, www.cbi.org.uk.

The CBI has also made several recommendations to the government to encourage more long term investment, saying that growing businesses need 'patient capital' – finance that can be invested for five years or more – but citing its research which found that most equity finance deals are done on a medium-term basis. Half of business angel, venture capital and private equity investments were made for less than five years.

If you are thinking about raising finance for your business, talk to Kingston Smith for an analysis of the options that are available. Our Bank finance – Lost in translation report can be found at www.ks.co.uk/smebankfinance.



Savers, doers and makers celebrate

The Chancellor of the Exchequer's latest Budget was, he said, 'one for savers, doers and makers'. The intention was to encourage growth in businesses, particularly small but fast-growing companies, and to reward savers who have seen their returns cut sharply as interest rates remain low. Unusually for Budget Day, the speech contained one or two previously unannounced surprises.

One of the biggest was the Government's plans to reform the pension regime, and particularly the removal of the limit on the amount that can be withdrawn from pensions as a cash lump sum, which is expected to come into effect next year.

This effectively means that anyone over the age of 55 will be able, from April 2015, to withdraw their entire pension fund as cash. As before, only the first 25% will be tax free, but the remainder will be taxed only at the individual's normal marginal rate rather at the current rate of 55%. 'This creates a number of opportunities for individuals to draw the entire balance of their pension fund at normal tax rates and then invest their funds outside of the regulation of a pension fund and without the need to purchase an annuity,' explained Kingston Smith tax partner Tim Stovold.

While the move does allow people to take more responsibility for the money they have saved while working and makes pensions more attractive, it also increases the potential for confusion so it will become more important than ever to take good professional advice before and on retirement.

Business taxes

The main announcements affecting businesses included an extension of the Annual Investment Allowance to include capital expenditure incurred on plant and machinery. For expenditure after 1 April 2014, the maximum annual amount will be increased from £250,000 to £500,000 until 31 December 2015. This is a welcome extension of the scheme and will be a boost for capital-intensive businesses. It should mean that most SMEs will be able to write off 100% of their capital expenditure on plant for tax purposes.

The Chancellor also announced changes to corporation tax relief for SMEs that invest in qualifying R&D. At the moment, SMEs can obtain a deduction in corporation tax for 225% of the amount they spend. If the company is making losses it is possible to surrender the R&D deductions (or the loss if smaller) for an 11% corporation tax repayment. This will be increased to 14.5% for qualifying expenditure from April 2014, increasing the rate of the cash credit payable to SMEs that carry out R&D but do not have corporation tax liabilities. Many SMEs find R&D tax credits very helpful and this change is a positive one.



Key points

- 1 A change to the rules affecting cash withdrawals from pension funds is a significant shake-up to the industry
- 2 Announcements affecting businesses included an increase in the Annual Investment Allowance
- 3 Corporation tax relief for SMEs investing in R&D is extended
- 4 The popular Seed Enterprise Investment Scheme becomes permanent
- 5 ISA annual investment limit increased to £15,000
- 6 New investments aimed at pensioners
- 7 VAT registration threshold increased to £81,000

The Chancellor added that he also plans to extend the popular Seed Enterprise Investment Scheme. The SEIS was initially introduced for a temporary period and gives investors who buy shares in qualifying companies income tax relief at 50% of the amount invested. This will now become a permanent relief and should help smaller and early stage businesses who are looking for equity funding.

Individual taxation

The best news in the Chancellor's speech was reserved for savers. Mr Osborne announced that the annual investment limit for ISAs will be increased from £11,520 to £15,000, and also announced that cash and stocks and shares ISAs will be merged, which means that all of the £15,000 can be invested in cash (previously, only half of the maximum allowance could be held in cash). The maximum holding limit for Premium Bonds will also be increased, to £40,000 in June 2014 and to £50,000 in 2015.

Pensioners looking for a better return on their savings welcomed the announcement that a new Pensioners' Bond will be launched in January 2015, which will offer a competitive interest rate for the over-65s. The investment limit, though, will be set at £10,000.

Property taxes

There were a number of announcements relating to the property market, the most eye-catching of which were aimed at 'non-natural persons' who buy residential property through a company with the intention of avoiding the 15% Stamp Duty Land Tax rate payable on acquisition of a residential property will be extended to purchase of more than £500,000 (rather than the current £2 million). The Annual Charge for Enveloped Property (ATED) is also extended to properties valued at over £1 million at April 2015 and to properties valued at over £500,000 at April 2016.

This is effectively a 'mansion tax' on foreign owners or those who choose to own a property through an 'enveloped structure' ie not in their own names. As our head of property, Martin Muirhead, pointed out, the change will cause owners of residential properties worth more than £500,000 to think about how they structure their holdings for tax purposes: 'Personal ownership will greatly increase their exposure to inheritance tax. Overseas buyers in particular should be aware of their increased exposure to this tax and plan accordingly.'

It will become more important than ever to take good professional advice.

Anti-avoidance

The Chancellor continued his battle against tax avoidance with the announcement that anyone who is a participant in a scheme that has been 'notified' by HMRC will have to pay the disputed tax up front, and will only recover it (with interest) if and when the legal process is concluded in the taxpayer's favour. This is intended to address HMRC's belief that some taxpayers use marketed schemes to 'park' the eventual liability, in some cases for years.

If you have any questions about the 2014 Budget and how it may affect you, speak to your client partner. For full details on all the announcements, see our website, www.kingstonsmith.co.uk/budget-2014.

Cybersquatting threat to online businesses

Businesses must be vigilant as they face a new type of risk, that of cybersquatting, following the launch of a series of new domain names at the beginning of the year. That is the warning from online brand protection specialist NetNames, which says that the availability of generic domains such as .bike, .clothing and .singles poses a threat to online businesses.

NetNames predicts that there will be a spike in the volume of online threats that brands are facing from cyber criminals, the biggest being that of cybersquatting. This is when web addresses that infringe on well known trade marks are registered by individuals who then sell the address back to the trade mark owners at inflated prices.

NetNames also warns that cyber criminals could register reputable domains and trick customers into thinking illegitimate websites are affiliated with a well-known brand. Fraudulent websites are then used to distribute counterfeit goods and damage the value of the legitimate brand.



There is also a chance that brand owners will experience the return of phishing as new domains are launched. Fraudulent websites that look real can be infected by malware aimed at stealing personal information, such as passwords or credit card details. And the availability of the first internationalised domain name, .shabaka (which means .web in Arabic), will require businesses to monitor for fraudulent websites and domain name infringements across new international territories.

Late payment woes for SMEs

Late payment is the bane of the SME owner's life. With statistics suggesting that as many as half of all small firms are being paid beyond the agreed payment date by larger companies, there have been consistent calls from business groups for the government to act. Options including improving the Department of Business, Innovation and Skills' Prompt Payment Code, to make it easier for firms to complain about payment terms.

Research from 2B interface at the end of last year found that SMEs were collectively owed £30.2bn, with three in five saying that large businesses are the worst culprits. Furthermore two thirds of businesses surveyed were not aware of EU rules requiring companies to pay within 60 days unless expressly agreed otherwise.

Progress on EU audit reform

The European Parliament's legal affairs committee has endorsed measures agreed in December that will force large-listed companies to change the firms that audit their accounts on a regular basis.

Once ratified, the new system will set out how often a company must rotate its audit firm, and establishes ground rules on other advisory services that the audit firm is allowed to provide to the company. The proposals only relate to audits of public interest entities, meaning predominantly financial institutions and listed companies. The most important proposal is that audit firms must be rotated after a maximum of 10 years auditing a company, although this could be increased by another 10 years if the firm wins a subsequent tender for the audit, and by 14 years in the case of a joint audit.

Micro-entity accounts

Measures to reduce burdensome accounting red tape for micro-businesses have come into force and mean that the UK's 1.5 million micro-entities will become exempt from certain financial reporting requirements.

Micro-entity accounts are a new type of accounts that can be submitted to Companies House from 1 December 2013. Very small companies will, as a result, have the opportunity to prepare and publish simplified financial statements if they wish, which will include an abridged balance sheet and profit & loss account.

A micro-entity must meet at least two of the following conditions:

- turnover must be not more than £632,000
- the balance sheet total must be not more than £316,000
- the average number of employees must be not more than 10.

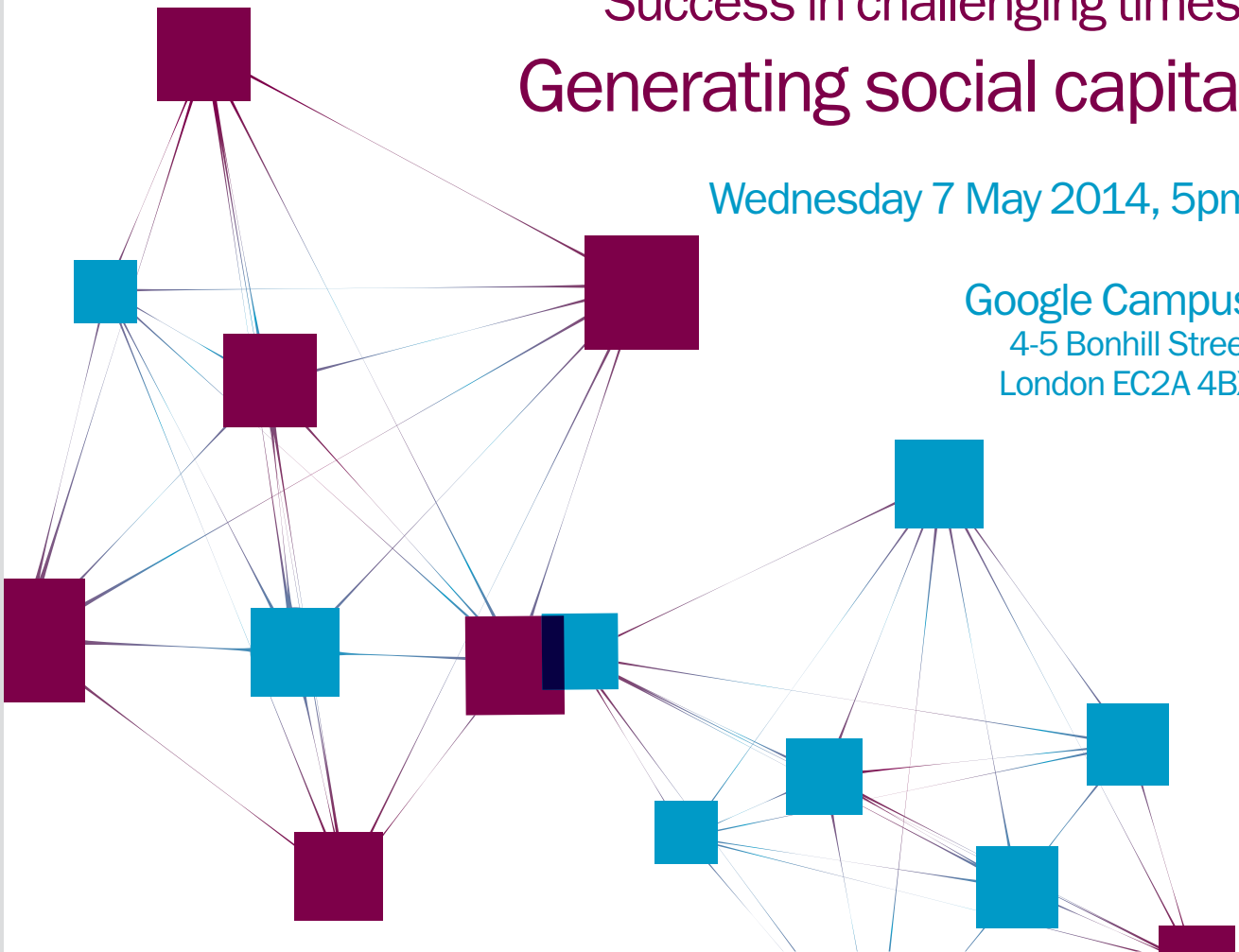
Micro entities were previously subject to the same financial reporting rules as other small companies. However, responses to a consultation in 2013 showed that many felt that this was an unfair burden for micro-entities relative to their size.

There are approximately 1.56 million micro-entities in the UK, as compared with a total number of companies on the UK register of approximately 2.8 million. The exemptions are optional and it will be for owners and directors of micro-entities to assess the possible effect of reduced disclosures on their company and to decide which form of financial reporting statement – micro, small or full – best meets their company's needs. If you are likely to be affected, please discuss your options with us.

Success in challenging times: Generating social capital

Wednesday 7 May 2014, 5pm

Google Campus
4-5 Bonhill Street
London EC2A 4BX



Our flagship research project, *Success in challenging times: Key lessons for UK SMEs (2012)*, found a strong engagement amongst SMEs with web technology, some of it linked to social media.

SMEs talked about using LinkedIn to target customers and using websites as interactive tools to connect to customers, gauge their needs and even talk to them in real time using live chat. Yet, none of the entrepreneurs regard themselves as experts. The perception was that IT and social media were regarded by many as a “necessary evil”, and there was no choice but to engage very proactively in this area. Respondents saw themselves as using a number of both online and offline communities including their customers, associates and even former employees, as a means of generating social capital.

This new study, which will be launched on 7 May at Google Campus, focuses on how SMEs generate social capital and will address the following questions:

- What are the key business benefits for SMEs in using online and offline activities to generate social capital?
- What are the relative merits of using online and offline activities to generate social capital?
- Which online and offline communities do SMEs connect with and for what reasons?
- What criteria do SMEs use when judging which communities to connect to?

Gathering data on what SMEs see as the advantages (and disadvantages) of both online and offline, and the communities they connect to (both virtually and physically), will help make clear SMEs’ use of web technologies, as well as their relationship with more traditional ways of accessing social capital.

To register your interest for the launch event on 7 May 2014, please email events@ks.co.uk

VAT and new pupil accommodation

The construction of new pupil residential accommodation in schools is normally zero-rated for VAT purposes, as a 'Relevant Residential Purpose' building. However, HMRC has issued new guidelines, which may well limit the ability of those schools that make non-term time use of pupil accommodation to benefit from this relief.

The VAT relief has always been restricted to those buildings which are used exclusively as residential accommodation for school pupils or students (although non-qualifying use of up to 5% is allowed by concession). However, in the past, the term 'student' has been defined widely as being anyone who receives any type of education or instruction, regardless of who is providing the education or the type of education being provided.

It is common practice for many schools to rent out their residential accommodation during the summer holidays, often to organisations running summer schools. Until now anyone attending these summer schools has been treated as a student, which has meant that the VAT treatment of any construction work has not been affected.

HMRC has now decided that in order to qualify as students, individuals must be attending a summer school (or similar event) where the education provided is similar in type and in academic standard to that provided to the school's full-time pupils. In particular, the summer school must not be essentially recreational.

This means that any schools that have built pupil accommodation in the last 10 years, or who are considering building new pupil accommodation, will need to think carefully about the academic standards of any residential summer schools they run, or are run by anyone to whom they rent their accommodation buildings. If HMRC decides that the buildings are being used materially by 'non-students', the potential result could be a huge irrecoverable VAT cost.

HMRC's guidance lists several scenarios where zero rating would apply, such as where the student was working to maintain an existing professional qualification, including through continuing professional development required by an employer or a professional body. For more information, please contact your client partner or Adrian Houstoun VAT partner.

Tackling tax evaders

HMRC is continuing the Government's campaign to tackle tax evasion, avoidance and fraud. Following a successful campaign in the north of England last year, a number of special HMRC taskforces will now be targeting specific regions and sectors including restaurants in London and East Anglia, and the construction sector in the Midlands, looking for evidence of tax evasion. HMRC aims to raise an additional £7bn each year by 2014/15 from the scheme.

The taskforces will focus their attention on individuals and businesses with offshore accounts and those living lifestyles beyond their obvious means. A similar taskforce will also focus on South Wales and there are a further 30 taskforces are planned for 2014-15. HMRC is also running the third stage of the tax evasion advertising campaign, using advertising, radio, train car panels, washroom posters and mirror stickers.

The targeting of specific sectors is not an amnesty and unlike some other HMRC initiatives, which seek to get taxpayers to come forward under favourable terms, there is no formal disclosure facility on offer. Anyone found guilty of tax evasion will have to repay any unpaid tax, interest and penalties and the worst offenders could face criminal investigation and prison. Offenders that deliberately evade more than £25,000 of tax also face the possibility of being 'named and shamed' under the law that allows HMRC to publish details on its website.

LLP tax changes

The draft Finance Bill has set out the detailed proposals for identifying members of limited liability partnerships (LLPs) who may be considered as salaried partners and who will subsequently be treated as employees for tax purposes, rather than self-employed. The proposals were originally announced in the Chancellor's Autumn Statement as a way of addressing tax avoidance in firms with complex profit-sharing arrangements.

Under the proposals members of an LLP must satisfy one of three tests in order to maintain their partnership status for tax purposes. The tests involve the proportion of their pay that is profit-dependent, their contribution to working capital and their level of influence in the LLP's management. The changes, which are due to come into force on 6 April, are intended to address problems in the UK offices of overseas firms that are structured as LLPs, but many in the legal and accountancy profession have pointed out that such a wide-ranging approach is unfairly capturing many genuine partnerships.

Kingston Smith partner Tim Stovold said that the introduction of a three-month grace period to allow members of an LLP to get their bank financing in place was welcome. 'Many LLPs had suggested that the entire changes should be deferred by a year; this is a disappointment to them but it will help those who were struggling to encourage the banks who have been overwhelmed with requires for working capital loans,' he said.

Dividend appeal rejected

The tax tribunal has upheld HMRC's view that a dividend arrangement made by two company directors was an attempt at tax avoidance and has rejected their appeal. In the case, two company directors who each owned 40% of their company's shares, waived their right to dividend payments but their wives, who each owned 10% of the shares, received enhanced dividends as a result.

HMRC felt that the dividend waivers were a diversion of income from the directors to their wives, who were basic-rate taxpayers. Several dividend payments were made, which were not in proportion to each person's shareholding, because the directors had waived their right to certain payments. HMRC also argued that the company only had enough funds to cover the dividends after the waivers had been signed – in other words, had the husbands not waived their rights, the company could never have made such a large dividend payment to the wives. This led the tribunal judge to conclude that the dividends were not waived for commercial reasons, but in order to make more reserves available for subsequent issue to the spouses.

There are often genuine reasons behind a dividend waiver, but HMRC has made it clear that it will look at tax planning structures that seem to have no commercial or business rationale behind them.



HMRC goes digital

HMRC is launching pilot programmes for three new digital services, which will be tested with a small number of 'customers' (as HMRC likes to call taxpayers) in the first half of 2014. The new services are:

- Digital self assessment, which will allow self assessment customers to opt to receive email alerts and view messages from HMRC online through a secure, personalised portal
- PAYE for employees, allowing Pay As You Earn users to tell HMRC about changes affecting their tax code online for the first time
- Your Tax Account, a service designed to bring everything SMEs need for their dealings with HMRC online and in one place.

A quarter of employees plan to change jobs

The UK has a dissatisfied workforce which doesn't feel valued, according to a survey from CareerBuilder. 26% of full-time employees questioned for the survey said they planned to change jobs this year, with another 23% saying that they had not decided whether to stay or move.

The research, which looked at job dissatisfaction in the UK, revealed the top reasons for moving jobs:

- 73% said they do not feel valued in their current role
- 65% were not happy with their salary
- 41% do not feel they receive enough training or learning opportunities.



Careerbuilder also looked into retention strategy, and found that 65% of those questioned would stay for an increase in salary. 53% said flexible working options would persuade them to stay and 50% wanted more recognition from their employer. Other retention strategies that were mentioned by employees as being effective included more of a say in the company, increased training and extra workers to help ease workloads.

Unison loses employment tribunal fees challenge

Unison has lost its appeal against plans to introduce fees for people making claims at employment tribunals. While the High Court, in its review, said that many of the arguments made by the union were pertinent, it added that the case had been brought too quickly and there was not sufficient evidence on which to judge the new regime.

Unison was challenging the lawfulness of the 2013 Employment Tribunals and Employment Appeal Tribunal Fees Order, on the basis that the requirement to pay fees in order to access an employment tribunal would make it impossible for some people, which was contrary to EU law.

The High Court dismissed its challenge, although it was agreed that if a claimant wins their case at a tribunal, it should generally be considered the norm for their fees to be reimbursed as part of the award against their employer. Unison plans to take its case to the Court of Appeal.



Kingston Smith news

Julie Walsh appointed Managing Partner

Julie Walsh, who has been a partner with the firm since 1987, has been appointed Managing Partner of Kingston Smith LLP.

Julie's new role is part of a new management structure at the firm, where she leads an Executive Board whose members are Martin Muirhead, Maureen Penfold, Tim Stovold, Jon Sutcliffe, Graham Tyler and Sir Michael Snyder, who continues in his role as Senior Partner. Julie will remain as head of the Professional Firms sector group and will carry on acting for her current clients.

Julie is one of only five female managing partners in Accountancy Age's Top 100 firms in the UK, and Kingston Smith is the largest firm with a female managing partner. In January, the publication named her in its 2014 Financial Power List. Julie said that she was 'delighted to take on this exciting role and working with Michael and the other members of the Executive Board, I look forward to leading the firm to further success'.

New partner for Private Client team

We are delighted to announce the appointment of Lynne Rowland as a personal tax partner in the Private Client department. Lynne has more than 20 years of tax experience and will be based at the City office.

'Ultimately, it is people that differentiate an accountancy firm,' said Lynne on her appointment. 'I was attracted to Kingston Smith by the quality of the people working here and the opportunity to work with some fantastic clients and contacts. I am privileged to be part of the team and look forward to the challenges of 2014 and beyond.'



When voluntary VAT registration makes sense

Businesses and charities tend to shy away from taking on more administration than is strictly necessary, and from inviting more contact with HMRC than they need to. But a recent client case shows that, sometimes, voluntarily registering for tax can bring real financial benefits.

The tax in question was VAT. Generally businesses, including charities, clubs, trusts and partnerships, must register for VAT if they supply goods or services within the UK and the turnover of VAT taxable goods or services for the previous 12 months was more than £81,000 (there are some exceptions and special conditions, which are explained on HMRC's website).

The client in this case was a charity that was seeing a very high volume of transactions, most of which involved collecting overseas royalties. The charity's finance officer was concerned that its turnover exceeded the VAT registration threshold and that it consequently owed backdated tax, and asked Kingston Smith to conduct a review.

'We did a thorough review and found out that they did not need to register for VAT,' says Kingston Smith partner Adrian Houstoun. 'The overseas royalties that the charity was collecting were not considered to be taxable supplies, which kept their VATable turnover below the threshold. But we also realised that if they chose to register voluntarily they could claim back the VAT they had paid on their outgoings, particularly in relation to legal fees.'

The Kingston Smith team organised the VAT registration and, very soon, the charity received a significant refund from HMRC. 'There is some extra administration involved in being VAT registered, but people often don't realise that sometimes it can work in your favour,' says Adrian. 'We've seen a few clients recently receive substantial VAT refunds from HMRC.'

Adrian adds that charities are often the best placed to benefit from voluntary registration, but other businesses could also benefit. Organisations that only sell goods or services that are zero-rated, such as books for example, would be likely to gain from voluntary registration.

It is possible to backdate voluntary VAT registration by up to four years, although you will need good accounting records in order to make a backdated claim. If you think that voluntary VAT registration might be the right option for you, contact your usual partner or Adrian Houstoun for advice.

Adrian Houstoun,
Partner,
Kingston Smith LLP
ahoustoun@ks.co.uk



Strategic reporting

In September 2013, a new Companies Act provision came into force that requires all companies, other than those that qualify as 'small' to prepare a Strategic Report.

The new requirements are the result of a consultation that was first issued in September 2011, which first discussed the idea of companies being required to produce a strategic report as part of their annual report. This report would contain all the information that the company's directors consider to be of strategic importance.

The final requirements, which became effective on 30 September 2013, apply to all companies apart from those defined as 'small' and replace the previous requirements for the business review section in the directors' report – although much of the information included in the strategic report will be the same as that previously included in the business review. The report must contain:

- A fair review of the business, meaning a balanced and comprehensive analysis of its performance during the year and its position at the end of the year, using financial (and for some companies, non-financial) key performance indicators.

- A description of the main risks and uncertainties facing the business.

The new requirements will require a slightly new approach for many organisations, including charities.

Companies House is issuing guidance on the preparation of Strategic Reports but since the SORP for charities already requires very similar information to be provided in the Trustees Annual Report, it is recognised that asking charities to also prepare a separate Strategic Report would be onerous.



SORP consultation

The Charity Commission's consultation on a new draft Statement of Recommended Practice (SORP) for charities closed in November and 179 responses were received. The new SORP is being developed to accommodate the requirements of a new financial reporting standard (FRS 102), which comes into effect in 2015. The draft SORP has been written in a new modular style, which it is hoped will make the recommendations easier for charities to navigate and understand which parts apply to them.

The responses to the consultation, along with feedback gathered from 26 consultation events across the UK and Ireland are currently being assessed (the responses will be made available to view on the charity SORP website, www.charitysorp.org). The final SORP will then be submitted to the Financial Reporting Council for approval and is expected to be released in the early summer. The SORP will apply from 1 January 2015.

The Charity Commission has therefore published guidance for charities on how they can fulfil the requirements of a Strategic Report. The guidance explains that the Strategic Report should provide context for the financial statements, and provide insights into the objectives of the charity and the risks and uncertainties that it faces.

The guidance says that four headings that form part of the Trustees Report should be grouped together under an overall heading of 'Strategic Report'. These headings, which may need to be italicised to distinguish them from the rest of the report are:

- Achievements and performance
- Financial review
- Plans for future periods
- Principal risks and uncertainties.

It is recognised
that asking
charities to also
prepare a separate
Strategic Report
would be onerous.

This approach should mean a relatively simple adaptation of the existing Trustees Report, but is an interim measure until full guidance is available from Companies House.

The full guidance is available on Information Sheet 5 from the Charity Commission's website, www.charitycommission.gov.uk.

Seminars & important dates at a glance

April 2014

May 2014

Kingston Smith are chartered accountants and leading advisers to entrepreneurial businesses.

Working in partnership with our clients, we are committed to helping them succeed.

In particular, we have significant experience in supporting growing businesses through every stage of their development. To offer clients this breadth of support and expertise, we formulate a deep understanding of every client's marketplace and environment.

We also share our knowledge with our clients and provide regular seminars and training sessions. For details of how to book, please see the back page.

For more information on our seminars visit:

www.ks.co.uk/events

Seminars are FREE for Kingston Smith LLP clients and alumni.

Wednesday 23 April

Bitesize Breakfast Briefings – Bulletproof business planning (Redhill)

Following the successful launch of our SME report: Bank finance – Lost in translation, Kingston Smith partner, Paul Samrah will talk about how to best prepare your business plan when it comes to applying for bank lending.

Wednesday 30 April

Measuring and communicating impact (Brentwood)

With increased pressure on charities to demonstrate value for money and quantify their achievements, the ability to measure and communicate impact has never been more important. This seminar will discuss your different audiences and their communication expectations, and will consider case study examples of good impact measurement and reporting which have helped to increase income from a range of sources.

Thursday 1 May

Date to note

Additional daily penalties will apply from this date if you failed to submit your self-assessment tax return for 2012/13 to HMRC.

Thursday 1 May

Fundraising and tax implications (West End)

As a charity do you want to know what tax reliefs are available for your supporters? As a philanthropist do you want to maximise your giving by minimising your tax? This seminar will cover the tax reliefs that are available to donors, the technical issues and their implications for fundraising.

Saturday 3 May

Date to note

Deadline for issuing forms P60 to employees for 2013/14.

Wednesday 7 May

SME success in challenging times: Generating Social Capital (City)

Join us for the third in our SME Success series on generating social capital and the links to business success.

Thursday 8 May

Maximising the value of your business (City)

This seminar will set out the options that successful business owners should now be looking at and how they should value their businesses. It will demonstrate some of the different techniques applied when determining valuations. It will look at the ways to sell a business and how to avoid the pitfalls. Clearly as accountants we will also consider the tax aspects, but if you are thinking about your future options this seminar is aimed at you.

Tuesday 13 May

Auto-enrolment – Have you started planning? (West End)

In this seminar, we will explain what you need to do in order to be compliant with the new auto-enrolment obligations, including what period of time needs to be allocated to deal with these requirements, whilst outlining what the ramifications are of failing to comply or leaving it too late to prepare for entry into the scheme.

Thursday 15 May

Data protection (Redhill)

Given the impending introduction of EU data protection legislation and the rising reputational and regulatory risks from data breaches, Data Protection specialist Mark Child's presentation will analyse the latest trends in the area and provide tips to improve your processes around data privacy and information security.

Wednesday 21 May

Data protection (City)

See description above.

Wednesday 4 June

Scanning the horizon - Part 2 (Hemel Hempstead)

Our 'Scanning the horizon' seminar series gives clear and unbiased information on a range of topics that affect the sector. We will provide you with practical insights, ideas and toolkits to help realise your charity's aims.

In part two of the series we will provide some practical pointers to help with Impact Reporting, guidance in relation to Data Protection issues and an update on the Charity Commission.

Wednesday 25 June

Inheritance tax planning (City)

Developing a strategy for IHT and your later life is not a priority for many of us and this is especially the case for those who are in the "active" phase of retirement. During this seminar our panel will discuss the issues and explain some options that you could consider when planning for your future.

Thursday 26 June

Charity fraud – Are you successfully managing the risk? (City)

The most recent National Fraud Office statistics suggest that £147m could have been lost to the charity sector through fraud in the year to April 2013.

Fraud in the charity sector means funds being diverted away from those that are most in need, so this seminar is aimed at providing charity board members and their senior management team with practical advice to prevent fraud and explains the steps to take if fraud is detected.

Sunday 6 July

Date to note

Deadline for submitting forms P11D and P9D for 2013/14 to HMRC.

Tuesday 22 July

Date to note

Class 1A NICs due for 2013/14.

Thursday 31 July

Date to note

Second self-assessment payment on account due for 2013/14.

Details for these and other events can be found at www.ks.co.uk/events

How do I book?

You can reserve a place at our seminars/training sessions in a number of ways.

- Telephone 020 7566 3850
- Email events@ks.co.uk with your details, indicating which seminar(s)/training session(s) you would like to attend
- Visit www.kingstonsmith.co.uk/events and register online

How do I pay?

To pay by credit card, please call 020 7566 3850. Please make cheques payable to Kingston Smith LLP. If you would prefer to be invoiced, please tell us in your email.

Seminars are FREE for Kingston Smith LLP clients and alumni.

What happens once I've booked?

Once we have received your booking, we will confirm your place via email.

What if I can't attend?

If you are unable to attend an event for which you have registered, you are welcome to send a colleague in your place. Please telephone Becky Honeysett on 020 7566 3850 with your colleague's details.

Where no colleague is able to attend in your place, we reserve the right to implement the following cancellation policy.

- For cancellations received up to 48 hours prior to the event, a full refund of the seminar/training session registration fee will be given.
- For cancellations received within 48 hours of the event taking place, you will be entitled to a 50% refund of the seminar/training session registration fee.
- No refund will be given to individuals who cancel once the seminar/training session has begun, including non-attendance.

Other topics of interest

If you would like to attend a seminar on a topic not listed in this programme, please email your suggestions to events@ks.co.uk. Alternatively, telephone Becky Honeysett on 020 7566 3850.

Further information

If you would like more information about Kingston Smith or if you would like to register for an event by phone, please call Becky Honeysett on 020 7566 3850.

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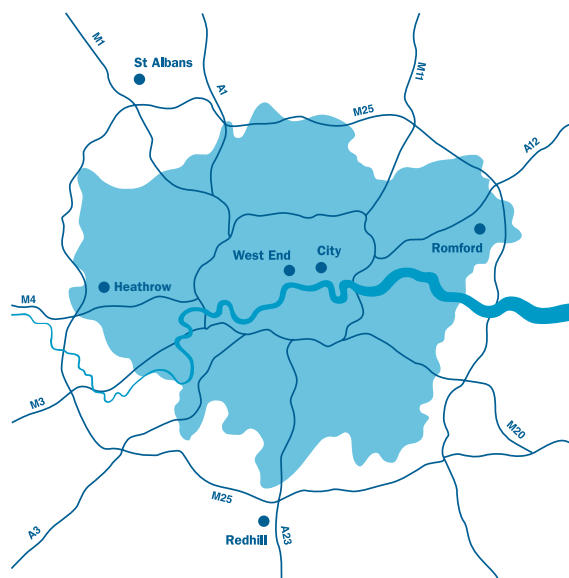
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