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Pump Street Bakery

Kingston Smith has worked with entrepreneur Chris Brennan for more than 20 years. It's been an exhilarating journey with delicious results.



Orford in Suffolk may be tiny, but its renowned cafes, restaurants and delicatessens pack a powerful punch for foodies. And among the coastal village's star attractions is the Pump Street Bakery, where you can find award-winning breads, melt-in-the-mouth pastries and handmade chocolate to die for.

Housed in a restored 15th century building (now painted an iconic sugar pink), the bakery is the brainchild of Chris Brennan, a long-standing Kingston Smith client.

Chris's first career – which spanned 30 years – was as a global executive for IBM. He worked in his native Jamaica and the USA and Canada before settling in the UK, where a personal recommendation led him to Kingston Smith initially for support with his personal tax affairs.

In his mid-50s, Chris left IBM to embark upon a new, entrepreneurial life and Kingston Smith was on hand to help with the corporate structure of a training company he established. That venture – Teamspace – is still going strong but run by others while Chris focuses on more recently developed passions – creating the very best bread and chocolate that money can buy.

and he realised his hobby had the makings of a viable business.

Chris persuaded his daughter Joanna, who had been working in London as a speech therapist, to come on board. Today Joanna, 37, runs their shop and café (where locals know to arrive early to secure one of the 15 seats at the communal table) and they both oversee the running of

“Martin's input is founded upon a huge amount of experience – he overlooks nothing and will always give me honest feedback, even on my slightly crazier ideas!”

As a baker, Chris happily admits to being entirely self-taught. His original quest, after moving to Orford with his wife Frances, was to replicate sourdough as good as the loaves sold in the specialist St John Bakery close to his old home in London. “I was doing it for fun and because I was bored, but it became a bit of an obsession,” he says. At a friend's suggestion, he set up a stall at Orford's farmers' market to raise money for a local children's playground. His bread was a sell-out

their high-tech bakery down the road which produces 400 loaves daily, along with handmade croissants and exquisite pastries. Meanwhile, Chris has diversified into ‘bean to bar’ chocolate after discovering it shares a similar heritage to sourdough.

“Both are fermentation products, which, as a chemist by training, I find fascinating. I also found out that very little chocolate in the UK is produced from cocoa beans, so there was an obvious gap in the market for producing chocolate of the highest quality.”



As Chris has created and developed his businesses (the bakery took off spectacularly after winning Best Food Producer in the BBC Food Awards in 2012), Kingston Smith has been alongside him every step of the way, both to handle all necessary compliance issues and also provide expert guidance. Chris particularly values the partner-led aspect of the Kingston Smith service – he works directly with senior partner Martin Muirhead. “I make very few decisions without consulting Martin first. He and his team are my gatekeepers to the regulatory world and they also give me trusted advice on structure and growth as we expand,” Chris says.

Pump Street Bakery has now been going for eight years, but it necessarily remains a local business – “we insist on everything we sell being fresh daily so we won’t go beyond an eight mile radius,” explains Chris. However the

“With Kingston Smith on board, I know everything is taken care of and I remain free to do what I love – building my business. I may be 74, but I still can’t wait to get up for work every morning. And as long as things stay that way, I’ve no intention of retiring.”

Chris Brennan, founder, Pump Street Bakery

chocolate, which is made in Chris’s newest purpose-built factory, has rapidly become a global venture, winning multiple awards and selling in 300 UK outlets – including several Michelin starred restaurants – and another 300 outlets around the world. With Kingston Smith’s guidance, Chris made the strategic decision to

separate the chocolate business from the bakery and appointed a managing director, Rob Sledmere. Pump Street Chocolate Ltd has gone on to benefit from Kingston Smith’s membership of Morison KSi, the firm’s international association with connections to more than 10,000 outstanding professionals in 80-plus countries.

Latest news

2018 is proving to be a hugely positive year for Kingston Smith. We were recently able to report growth figures of 13%, with 10% of that growth being organic. More clients than ever are benefiting from our expanding range of business advisory services as well as our audit and accountancy, tax and corporate finance offerings. We are also delighted to announce several awards and nominations across our sectors and services.

Kingston Smith wins awards and accolades

Kingston Smith was delighted to win the prestigious award for **Large Firm Innovation of the Year at the British Accountancy Awards** on 26 September. Taking home the trophy for its ground-breaking approach to strategy and client service provision, partner Becky Shields said:

"We're absolutely thrilled to win this fantastic award! It celebrates the unique way in which we can help future-proof our clients' businesses through the use of real-time data."

Becky Shields, partner at Kingston Smith

The Kingston Smith Corporate Finance team was named **Best Mid-Market Media M&A Adviser** for 2018 by DealMakers Monthly. The team's recent notable work has included the sale of London's Theatre Royal Haymarket, MJ Media's sale to Once Upon A Time and the raising of development capital by Nano Interactive.

"We're so pleased to receive this award. It acknowledges the spread of transactions we've worked on for clients and the trust our clients have put in us."

Nicola Horton, KS corporate finance principal

Kingston Smith's tax team was a finalist in the prestigious **Tolley's Taxation Awards** in the **Best Tax Practice in a Regional Firm** category. The award recognises the excellent levels of service, growth, innovation and client satisfaction which mark the practice out from its peers.

"To have been selected for the second year running as a finalist for this award is fantastic news and reflects the outstanding service delivered by our tax team across all six of our London and South East based offices."

Maureen Penfold, managing partner at Kingston Smith

eprivateclient nominated Kingston Smith as one of their top accountancy firms for 2018. The aim of this award is to identify, recognise and promote the top private client accountancy firms in the UK. Approximately 100 firms were surveyed and ranked by *eprivateclient*, the leading website and news service for private client practitioners.

Kingston Smith came second in the **Consultancy of the Year UK-India Awards 2018**, organised by London-based media house India Inc.

"We act for more than 250 Indian companies in the UK. They come to us because we truly understand their needs and can achieve the best position for them when operating along the Indo-UK business corridor."

Chandru Iyer, head of international business development at Kingston Smith

Proud to sponsor Createch 2018

Kingston Smith was proud to sponsor Createch 2018 in June. Organised by the Creative Industries Council as part of London Tech Week, the conference brought together business leaders, entrepreneurs, artists and technologists to explore opportunities and challenges in the combined technology and creative sectors. Speakers included the then Secretary of State for Digital, Culture, Media and Sport, Matt Hancock, and Steven Chang, corporate VP of Chinese tech giant Tencent. Kingston Smith hosted a breakout session, attended by more than 400 delegates, on 'UK and US perspectives on funding for growth and exit strategies'.

Kingston Smith contributes to government review as part of Carillion inquiry

Karl Leathem, director of impact at Kingston Smith Fundraising and Management (KSFM) has contributed to a House of Commons special review following the collapse of construction company Carillion. The review is considering the role that measuring and managing impact can play in the future outworking of the Public Services (Social Value) Act 2012. Karl, who has considerable experience in delivering services through strategic partnerships that support voluntary and community organisations, spoke about the role of the third sector in reforming public sector procurement. He was invited to take part by 3SC, which specialises in third sector partnership work.

Kingston Smith partners with worldwide entrepreneur network Techstars

Kingston Smith is the first UK accountancy firm selected to partner with Techstars, the renowned worldwide network that helps entrepreneurs succeed.

Techstars founders and their teams connect with other entrepreneurs, experts, mentors, alumni, investors, community leaders and corporate partners to help innovative start up businesses grow. The network's portfolio includes more than 1,300 companies with a market cap of \$13 billion.

Kingston Smith will be providing mentoring and strategic advice for start ups enrolled in two of Techstars' accelerator programmes across the US and Europe. We are among several other Morison KSi members, including Aprio, to be appointed by Techstars as inaugural global accountancy partners.

"This is a fantastic opportunity for Kingston Smith. We are looking forward to going on the Techstars journey with talented entrepreneurs from around the world."

Graham Tyler, partner-in-charge of International at Kingston Smith

London's place in the post-Brexit world

Lively views were exchanged in the latest in our series of EU debates at Ironmongers' Hall, London. Our theme was 'London's place in a new world' and our speakers were Professor Tony Travers from the London School of Economics, Baroness Neville-Rolfe, former Commercial Secretary and Minister of State, and Kingston Smith managing partner Maureen Penfold. The panel, chaired by our previous senior partner Sir Michael Snyder, discussed the potential political, economic, social and cultural implications of Brexit. The speakers agreed that although Brexit is currently all-consuming, the looming digital revolution will actually have a greater long-term impact.

Welcome to Memact

We are delighted to announce the acquisition of family-run accountancy firm Memact. Currently based in Collier Row, Essex, and led by Mike McCarthy, Memact has been established for more than 20 years and has a diverse range of clients. Kingston Smith partner Dan Martine, from our Romford office, said: "We are looking forward to working with the Memact team and their clients who will now be able to benefit from the comprehensive range of services we offer at Kingston Smith."

Report helps uncover damaging anomaly threatening inward investment

A joint report by the Confederation of Indian Industry and Kingston Smith has revealed a damaging anomaly impacting Indian employees working on secondment to British firms.

The employees have to make National Insurance payments to HMRC as well as to the Indian authorities – but cannot claim pension and other benefits in the UK.

"There is a fundamental unfairness in the present arrangements. Employers suffer this double liability, too, making it a hidden cost of trade between our two countries. As Britain prepares to leave the EU, it seems perverse to be, in effect, discouraging investment from one of the UK's oldest friends."

Tim Stovold, head of tax at Kingston Smith

Both the Confederation and Kingston Smith are calling for a bilateral Social Security Totalisation Agreement with the UK, which would put Indian inward investors on an equal footing with US and other international investors, who currently enjoy a five-year exemption from UK National Insurance.

Growth Capital Update records strongest ever quarter

UK growth equity investing reached a new peak in Q2, according to analysis conducted by Kingston Smith. Our Growth Capital Update recorded 144 deals worth £715.2 million, up markedly from 114 deals worth £481.1 million in Q1. This year is now in a strong position to beat 2017's full-year figures of £1.7 billion across 416 deals.

Venture capital is enjoying a renaissance in Europe and indeed the UK, with a number of firms successfully raising capital recently. Venture Capital Trusts are enjoying a record year with £728 million raised, a third more than last year's £542 million.

Technology deals, including software and digital businesses, remain the most popular for deploying capital. A high number of businesses looking to be the next big innovator are keeping investor appetite for digital strong. Online business-to-business services was the second most popular sector in Q2, accounting for 13% of funding. Fintech also continues to be popular and attracted 9% of deal volume.

If you are an ambitious entrepreneurial business with revenues of at least £1 million and are looking to scale, contact John Cowie, head of growth capital at Kingston Smith Corporate Finance, jcowie@ks.co.uk for an initial discussion.

Creating strong connections



Kingston Smith's head of tax Tim Stovold explains why his greatest asset is his ability to listen and his greatest enjoyment comes from helping his clients thrive and grow.

As Kingston Smith's head of tax, Tim Stovold readily acknowledges that his work can be fiendishly complicated. If pushed, he can talk at length about research and development tax credits, EIS relief, share incentives and any number of complex accounting services.

But these issues are rarely at the forefront of Tim's conversations with clients. "My first task always is to listen," he says. "I win business, not by telling clients something they don't know about tax, but by asking, 'How's it going?' or, 'What's keeping you awake at night?' I get excited about their ideas and their future plans. And that's not difficult because our clients are wonderfully enterprising and inspiring people."

Tim joined Kingston Smith 21 years ago as a graduate trainee after reading maths and philosophy at Leeds. The son of armed forces parents, he knew little about the world of accountancy and found himself plunged in at the deep end, auditing the books of meat wholesalers, motor manufacturers and financial services firms from the Croydon office before moving to the City and serving stints in forensic accounting and insolvency. He settled finally for a career in the tax practice because he discovered that the role is as much, if not more, about client advisory as it is about compliance. It also allows him to work across the firm's entire portfolio. "On the business side, that means building relationships with everyone from start ups and SMEs to some of the largest companies in the world," Tim says. "And on the private client side, we are entrusted with the affairs of a diverse range of families, high net worth individuals and the occasional celebrity."

The tax department Tim joined comprised a handful of lawyers and support staff. Today it has a team of 70 occupying a large open plan floor at Devonshire House.

"I've been part of something pretty amazing at KS. We've grown massively by using our expertise to help clients thrive and maximise their potential. We can be a noisy bunch – we are constantly having conversations to swap ideas and share information. But I've never felt restless because there's no time to get bored."

Tim has been a Kingston Smith partner for 12 years and head of tax since 2013. His specialisms include inward investment, particularly from India. He advises a large number of companies within Kingston Smith's India group and travels regularly to the subcontinent. Back in the UK, he sits on the board of Kingston Smith Financial Advisers and takes a keen interest in financial planning for individuals. As a member of Kingston Smith's Executive Board, Tim also keeps his finger on the pulse of the firm's evolving internal culture.

"I believe strongly that a successful business is one in which its people feel connected and relevant. Achieving that comes from communicating openly, putting into place solid career path structures and recognising the impact and loyalty of individuals. We've come a long way in all these areas, but we're always working hard to be even better."

Whether dealing with clients or staff, Tim strives to be personable, accessible and to speak in plain English. "The tax profession is said to be one of those at risk of being replaced by artificial intelligence. We think that is quite funny," he says. "Because it's an open secret that our success at Kingston Smith is down to the personal connections and bonds of trust we develop with our clients. And no robot revolution will ever be able to replicate those."

Partners

We are delighted to announce that Guy Sterling and Chris Purkiss have been promoted to partner in 2018. Guy has been advising on personal tax for more than 20 years, while Chris has more than 15 years' experience in corporate and personal insolvency and has worked within Kingston Smith & Partners (our corporate recovery and insolvency arm) since 2014.

The firm is also delighted to welcome Vijay Tanna, who joins our Heathrow office as a partner. Vijay has a strong track record in the property, tech, education, community pharmacy and care home sectors and has been helping entrepreneurs and not for profit organisations succeed in business for 30 years.



Directors

As well as making partner appointments, we are pleased to report that two of our managers have been made directors. Roger Ogden, who is based at St Albans, works with a diverse range of businesses and not for profit organisations. Trushit Patel, also based in St Albans, advises and guides clients in a wide range in industries, including technology, commodities and shipping.



35 under 35

Kingston Smith partners Ian Matthews and Jamie Sherman have been included in Accountancy Age's 35 under 35 ranking for 2018, reflecting their outstanding contributions to the profession.

Both joined the firm as graduate trainees. Ian, who has particular experience in working with property, technology and entrepreneurial businesses, became a partner in May 2017, aged 32. Jamie specialises in advising professional services and technology companies. He also heads the AAT recruitment for Kingston Smith and is heavily involved in learning and development. He became a partner in 2015, aged 31.



Ian Matthews (left), and Jamie Sherman (right)



New Head of Education

Anjali Kothari has been appointed the firm's new Head of Education. She takes over from Neil Finlayson, who remains Head of Not for Profit.

Anjali has more than 20 years' experience in the education and

charity sectors, working with leading independent schools, academies, performing arts schools, Oxford colleges, exam boards and professional training providers.

Her position supports Kingston Smith's further growth in the education sector.



Celebrating 50 years

Congratulations to Sir Michael Snyder, who this year marks 50 years of service with Kingston Smith.

Sir Michael joined the firm in 1968 aged 18 and within five years, having trained and qualified, was asked to

run the Hayes office. He became managing partner in 1979, aged 28, and senior partner in 1990 - a position he held for 26 years. Under his leadership, Kingston Smith grew from a five partner, two office accounting firm to the top 20 multidisciplinary practice it is today. He remains a valued consultant with Kingston Smith.

Making Tax Digital

Making Tax Digital (MTD) will be the biggest revolution for decades in the way the UK tax system is run. Here's our essential guide to the upcoming changes.

- MTD is the government's plan to modernise the UK tax system. The goal is to make tax collection more efficient and effective for businesses, not for profit organisations and individuals.
- Ultimately, HMRC will collect and process information in as close to real time as possible and taxpayers will be able to keep abreast of their tax position throughout the year.
- MTD will be rolled out in stages over the next few years. The launch starts on 1 April 2019 for businesses and charities with a turnover above the VAT threshold (currently £85,000). VAT records will need to be maintained digitally, with VAT Return data being submitted directly from these records for all VAT periods starting on or after this date.
- HMRC has published a list of suppliers with 'functional compatible software' that meets the requirements of MTD for VAT. Kingston Smith already works closely with several of these suppliers and can ensure a smooth transition onto the system.

What you need to do now

Although we have helped many of our clients prepare for MTD, we are aware that many more still need to make the necessary switch to digital. If this applies to you, we urge you to contact us now. We can ensure that you have a new system up and running in good time that both complies with the new MTD rules and increases efficiencies – our solutions typically result in time savings of eight hours each month. We'll also train your key people to implement the changes.

Looking ahead

MTD will eventually be extended to cover corporation tax for companies and income tax for unincorporated businesses. This will not happen until April 2020 at the earliest, but we advise being ahead of the curve, even if you will not be involved in MTD for VAT. It is only a matter of time before all businesses will have to provide HMRC with quarterly electronic summaries of their income and expenditure.



Benefits of MTD

Although the new system means major changes, it should ultimately create benefits by:

- Improving the quality of record keeping
- Reducing errors caused by manual data entry
- Providing more up-to-date information on how much tax you owe, thereby helping with budgeting and cash flow



Key dates



NOW

If you are not already set up for MTD, contact Kingston Smith for advice on your compliance obligations and the best software solution for your business or organisation.

APRIL 2019

If you are a VAT registered business with a turnover above the threshold (currently £85,000), MTD will apply to you from your first VAT period starting on or after 1 April 2019.



APRIL 2020

This is the earliest possible date for MTD to be extended to corporation tax and income tax. It is also the earliest date that those with turnover below the VAT threshold may have to meet MTD obligations. HMRC has yet to confirm this timeline.

How Kingston Smith can help

Our team of specialists are all accredited in using the leading MTD-compliant software. We'll review your systems, streamline your accounting function and help you transfer to the digital solution that is right for your business needs while also meeting HMRC's requirements.

With our tailored services, you can be assured of increased efficiencies across your accounting function and greater insights into your overall finance function. We provide comprehensive MTD software training and we'll also be there to support you for those crucial first few weeks following migration as you prepare and process your first MTD submission.

We've lots more news and insights on our dedicated MTD hub
<https://www.kingstonsmith.co.uk/services/tax/making-tax-digital/>

If you would like to discuss further what MTD means and how we can support you, you can also contact your client partner or our MTD team on 020 7566 4000.

The future's connected

Our events and seminars promise always to inform and entertain. We host a unique blend of briefings offering clients up-to-date and practical advice as well as the chance to strengthen business connections. Among the highlights of our autumn calendar is our exclusive London event, the future's connected: driving change through transportation and communication.

The Elizabeth line is set to transform the transport network for London and beyond. With the opening of its first section scheduled for next year, Crossrail chairman Sir Terry Morgan will be the keynote speaker at our champagne reception on 21 November.

Sir Terry will explain how the Elizabeth line is going to make travelling to and within the capital easier and faster, with a high frequency, high capacity service linking 41 stations from Shenfield and Abbey Wood in the east to Reading and Heathrow in the west.



Connectivity is a key focus for Kingston Smith. Our network of offices has always been strategically located across London and the South East and we are delighted that Crossrail will further enhance our effectiveness. Wi-Fi and working spaces at each of our offices provide a welcoming environment from which clients can work or simply spend time between meetings, helping to make those connections easier. On the Elizabeth line, the journey time from our bases in Romford and Heathrow to our City and West End offices will take little more than half an hour and it will be possible to travel the full distance from Romford to Heathrow in just 64 minutes.

The venue for our London event is the Museum of London, home to 'treasures of the tunnel', the many artefacts – from Roman coins to Victorian chamber pots – discarded by Londoners over thousands of years and now rediscovered during 42km of excavations.

Guests will also hear from a tunnel exhibition curator at the Museum of London and have the opportunity to explore several of the fascinating galleries. And for eight lucky attendees, we are able to offer the chance of winning a place on a guided tour of the Crossrail site.

Crossrail facts

- When fully open, the Elizabeth line will add 10% capacity to central London's rail network.
- State-of-the-art trains 200 metres long will run every two and a half minutes during peak time through central London. Each one can carry up to 1,500 passengers.
- 10 stations have been newly built to serve the line and 30 existing stations have been upgraded.
- Around 200 million passengers will travel on the Elizabeth line each year.
- Overall, it is anticipated that Crossrail will connect 1.5 million people to within 45 minutes of London's major commercial and business districts and create a £42 billion boost to the UK economy.
- Independent research forecasts that Crossrail is adding £10.6 billion to property values in London. The building of more than 90,000 new homes along the route is predicted by 2021 rising to 180,000 by 2026. In addition, the line is accelerating the supply of 4.4 million square metres of office and retail space.
- The project has generated 55,000 full time jobs and 75,000 business opportunities during construction.
- 96% of work has been awarded to businesses in the UK.
- 62% of Crossrail contracts have been awarded to SMEs.

Find out more about our events

Our London event is just one of a huge range we run throughout the year. Our seminars and events programme is designed to keep our clients fully briefed on upcoming changes to legislation and also to offer supportive forums and advice for businesses, not for profit organisations and private individuals. All seminars are free for Kingston Smith clients.

For more information please visit
www.ks.co.uk/events.

KS in the community

It's been an action-packed year so far for Kingston Smith staff supporting our 2018 charity partner Mind. Here's an update of the fantastic initiatives helping us towards our ambitious £50,000 target for this worthwhile cause.

As a firm, we believe it's important to connect with and give back to the communities around us. One way we do this is through our charity partner programme.

This year, our nominated partner is the leading mental health charity Mind, which provides vital information, advice and support for the one in four of us who will experience a mental health problem in any given year.

We are proud to be raising much-needed funds for Mind and also building awareness of mental health issues through our partnership.



"Mind touches millions of lives. I am proud to associate the Kingston Smith name with the amazing work that Mind does."

Martin Muirhead, senior partner at Kingston Smith

Our wonderfully enthusiastic teams have agreed to spectacular challenges. These include Kingston Smith people jumping out of planes, abseiling down the ArcelorMittal Orbit in Stratford and trekking the Yorkshire Three Peaks Challenge (24 miles and three heart-pounding ascents in 12 hours).

Our senior partner Martin Muirhead got on his bike in July (on the one rainy day of the heatwave!) to join the Prudential RideLondon. Despite the heavens opening, he completed 50 miles in a highly respectable two hours and 45 minutes. Martin also joined managing partner Maureen Penfold and others to tackle the Thames Bridge Trek across 15 miles of London tarmac in September. Mandy Merron, partner at Kingston Smith Corporate Finance, is running the Royal Parks Half Marathon in October and for those who prefer to fundraise at a steadier pace, there have been bake sales, dress-down days and sweep stakes.

"We are delighted Mind is Kingston Smith's charity of the year. The partnership will help us to reach a point where anyone with a mental health problem feels able to ask for, and access, the help they need. The money will help fund our work and campaigning efforts to ensure everyone who has a mental health problem gets support and respect."

Jonathan Stuart, corporate account manager at Mind

For our mental health awareness week beginning 8 October, we arranged a variety of activities focused on five well-established steps to mental wellbeing – connect, be active, keep learning, give and be mindful. These included yoga sessions in all our offices, lunchtime walks, interesting articles and podcasts, plus our 'thank you' initiative encouraging us all to appreciate work well done both by email and face-to-face. Readers are warmly invited to join us in becoming more mindful of mental health, a topic which is increasingly high on the agenda. At our recent seminar with Mind, we discussed ideas to help organisations proactively engender a culture of openness and good communication around mental health. Among them, training up mental health first aiders was recommended as a supportive measure – one that we have recently implemented at Kingston Smith.



Months of intense creative work is about to reach an edge-of-your-seat finale in the fourth annual Kingston Smith Creative Vision Award (CVA).

The Kingston Smith CVA is our innovative charity initiative that connects outstanding causes with renowned film industry professionals and the finest upcoming talent in animation and visual effects (VFX).

Four charities have won the chance to have a short animated film made to promote their work this year – Rethink Mental Illness, DEMAND, Book Aid International and Access All Areas.

The films, each worth an estimated £150,000, are being created by UK students and recent graduates from across

the UK as part of Bournemouth University's BFX – the leading student VFX and animation competition.

Eight teams, comprising 40 students, have taken part in scriptwriting and storyboarding sessions, followed by a seven week residency in Bournemouth during the summer. Working alongside them have been BFX mentors – established professionals with credits in a host of Hollywood blockbuster movies.

Final CVA judging took place in early September. The award celebration takes place on 16 October at the Ham Yard Hotel, London. Kingston Smith not for profit partner Anjali Kothari explains: "Whoever gets the final award, everyone is a winner. The students have an amazing opportunity to showcase their work and the charities have a stunning film with which to promote their cause on social media, TV and online platforms. It's a great example of how connectivity makes a positive and tangible difference and that is why we at Kingston Smith are so proud to have pioneered the Creative Vision Award."

Keeping you up to date

Key changes and deadlines you need to be aware of

See pages 7-8 for all you need to know about Making Tax Digital.

22 October 2018 Tax return deadlines: Last date for paying tax and Class 1B NICs on PAYE Settlement Agreements (19 October if not paying electronically)

Reporting on payment practices and performance

Reporting deadline for companies with a 31 March year end: 30 October 2018

What is it? Regulations introduced in 2017 require large UK companies and LLPs to report details of their payment practices on a half-yearly basis. It is hoped that these rules will tackle late payments which can impact cash flow and jeopardise the solvency of small businesses.

Consult your Kingston Smith adviser for further details.

Who is affected? The regulations apply to companies and LLPs that exceed two of the following three size thresholds: £36 million annual turnover; £18 million balance sheet total; 250 employees. Failure to comply can be a criminal offence for directors.

31 October 2018 Tax return deadlines: Deadline for 2017/18 tax return if filed on paper

Charity Digital Code of Practice

Introduced from: 15 November 2018

What is it? Digital is fundamentally changing the way we all live and work and not for profit, like every other sector, needs to tap into the potential on offer. The Charity Digital Code of Practice will be voluntary. It has been designed as a practical framework enabling charities to identify what they are doing well in digital and any gaps they need to address to improve impact, efficiency and sustainability.

Who is affected? The Code is for charities of all sizes registered in England, Wales and Scotland. There is a separate version for small charities with an annual income of £1 million or under.

30 December 2018 Tax return deadlines: Last date to submit 2017/18 return online to have underpaid PAYE tax collected through the 2019/20 tax code

SORP Update Bulletin 2

Amendments apply to accounting periods beginning on or after: 1 January 2019

What is it? One of the principal roles of the Charities Statement of Recommended Practice (SORP) is the provision of guidance on UK-Irish accounting standards when preparing a charity's accounts. Following changes to the Financial Reporting Standard (FRS) 102 in December 2017, the SORP-making body (made up of the Charity Commission for England and Wales, the Charity Commission for Northern Ireland and the Office of the Scottish Charity Regulator) considered changes were necessary. It invited comments on 21 proposed amendments to the SORP and the finalised changes are to be issued in Update Bulletin 2.

Who is affected? All charitable companies and charities that are not companies (including charitable incorporated organisations) with gross annual income of £250,000 or more must prepare accruals accounts that are compliant with SORP.

31 January 2018 Tax return deadlines: Deadline for 2017/18 tax return if filed online. Due date for final payment of 2017/18 income tax, Capital Gains Tax, Class 2 and Class 4 NICs, plus first payment on account for 2018/19

Authorised Economic Operator (AEO)

Obtain AEO status before: 29 March 2019

What is it? AEO status is an internationally recognised quality mark for businesses whose customs procedures are efficient and compliant. It gives quicker access to certain simplified customs procedures and in some cases the right to 'fast-track' your shipments. The introduction of custom controls on UK-EU trade post Brexit, whether there is a 'Deal' or 'No Deal', will inevitably impose additional administrative burdens and risk of delays on traders without AEO status.

Who is affected? EU trading businesses.
Our advice is to apply for AEO status now.

Cleansing mixed funds

Deadline: 5 April 2019

What is it? A mixed fund is any overseas fund made up of more than one type of income, gains and capital, or income, gains or capital from more than one tax year. Each of these could be treated differently if brought to the UK by a non-UK domiciled individual. The government has created a limited opportunity to 'cleanse' mixed funds, thereby enabling qualifying individuals to bring capital into the UK tax free.

Who is affected? You can cleanse mixed funds if you are non-UK domiciled, if you can identify the make-up of your mixed funds and if certain other conditions are met. **Your Kingston Smith contact can advise you further about these.**

Simplification of donor benefit rules for Gift Aid

Change applicable from: 6 April 2019

What is it? A charity cannot claim Gift Aid on a donation from a donor that receives a benefit from the charity, where the value of the benefit is above a certain limit. New Gift Aid rules are being introduced that will enable charities to give many donors a higher level of benefit and still claim Gift Aid on their donations. Under current rules, for donations of up to £100, any benefit can be worth up to 25% of the donation, but for donations of between £100 and £1,000, any benefit value is capped at £25. In the future, for donations above £100, a benefit may be given that is worth up to £25 plus 5% of the excess over £100 (capped at £2,500).

Who is affected? Charities and donors.

Please contact us if you would like to discuss any of these changes:

@ks@ks.co.uk 📞 020 7566 4000 🌐 ks.co.uk