

Written 28 February 2022

## BUSINESS NEWS WALES

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

### Last chance for pre-April tax planning?

The new tax year starts 6 April 2022, so you have one month to consider your options, once we pass this date the majority of the tax planning options for Income Tax and Capital Gains Tax purposes will cease unless actioned before the 6 April.



### Do you fall into any of these categories?

- You have or are thinking about a change in your personal status (single, married, separating, joining or dissolving a civil partnership).
- You claim Child Benefit and the income of either parent is likely to exceed £50,000 for the first time during tax year 2021-22;
- Your annual income is approaching or above £100,000;
- You have not yet topped up your pension contributions for tax year 2021-22;
- You are self-employed with a 31 March 2022 year-end;
- You are self-employed and are thinking about the purchase of equipment or vehicles; and
- You are the director and/or shareholder of a limited company and have not yet considered voting final dividends or bonuses for 2021-22.

If you do we can help you discuss your options ahead of the 6 April deadline!

The above list is not comprehensive, and we specialise in helping clients with all taxes including PAYE, NIC, VAT, Corporation, Capital Gains, Income and Inheritance tax. Please contact us now!

### **One month until Making Tax Digital (MTD) for VAT becomes law!**

Making Tax Digital for VAT becomes mandatory for all VAT registered businesses from 1 April 2022



From 1 April 2022, all VAT registered businesses must file digitally through Making Tax Digital, regardless of turnover.

We can sign you up to MTD, although you will be responsible for meeting your VAT obligations. Those who do not join Making Tax Digital for VAT may be charged a penalty for failure to do so.

### **What is Working Capital Finance?**

Working capital finance solutions offer businesses the opportunity to improve cash flow. The world of commercial finance and asset based lending (ABL) is complex and expansive with products, terminology and contractual interpretation varying from lender-to-lender.

The Benefits of arranging Working Capital are:

- Up to 90% of outstanding invoice value can be advanced within 24 hours;
- Flexible lending - funding increases in line with your growth (UK and Export);
- Confidentiality - lenders can offer a completely confidential service – your customers need not know you have a facility in place;
- Lenders allow you to manage your funding at all times;
- Sector-specific finance is often available;
- Structured ABL - funding for management buy-outs/management buy-ins and

- Trade Finance & Supply Chain Finance Solutions.

#### Specialists in this area can advise on:

- **Invoice Finance** - an effective way of quickly accessing a proportion of the value (up to 90%) of your invoices. Effectively a business 'sells' its invoices to the lender in return for accessing cash at the point products and services are sold. Specific sector based offerings are available, as is the ability to arrange finance for selected invoices only
- **Structured ABL** - generate a higher level of funding by unlocking the maximum value tied up in the combined assets within your business, including Debtors, Inventory, Plant & Machinery and Property. Additional forms of funding can be structured in addition to this, such as top up loans in order to drive growth
- **Trade Finance** - supply chain finance with various options, enabling the purchasing of goods from overseas where you are otherwise unable to obtain credit from suppliers

Typically you will need to ensure your management accounts are up to date, you make available current detailed lists of debtors and creditors, and you might need up to date projections before an expert will consider your application. Please talk to us about finance, our working capital finance experts have many years of experience and success in advising businesses across a wide range of sectors in obtaining working capital finance solutions.

#### Is your business attracting new talent?

Recruiting new employees is tough just now so be different! For example, some employers are now offering "Wellbeing leave" in addition to the usual holiday package. If you want to recruit more you have to get serious about the process and be on it 24/7, 365!



There are a number of actions you can take to make your business attractive to new staff. In addition to reviewing your pay and conditions to be as competitive as possible, these include:

- Tasking recruitment as a permanent process;
- Regularly asking existing staff, customers and suppliers for introductions;
- Offering incentives for referrals;
- Make sure you are running constant online social media and local advertisements;
- Embracing flexibility in hours and location in your business;
- Introducing a “Golden Hello” and loyalty bonuses for length of service (typically one to three years);
- Advertising testimonials from existing staff;
- Using government initiatives for apprentices;
- Make your company and the job sound as attractive as possible by outlining the position to sound prestigious and challenging. These two factors are big incentives for bright potential candidates;
- Knowing that job satisfaction comes from feeling respected and having the opportunity to learn new things and excel in the face of obstacles when advertising the role; and
- Convey your businesses personality so potential employees get a feel for what it would be like to work for you.

Useful guidance on the procedures for recruitment can be seen in the ACAS guide “Recruiting staff” which can be seen here: [Recruiting staff \(acas.org.uk\)](https://www.acas.org.uk/recruiting-staff)

### **Annual Tax on Enveloped Dwellings (ATED) Rate Changes**

ATED is an annual tax payable mainly by companies that own UK residential property valued at more than £500,000. You will need to complete an ATED return if your property is a UK dwelling and was valued at more than £500,000 and is owned completely or partly by a:

- company
- partnership where any of the partners is a company
- collective investment scheme - for example a unit trust or an open ended investment vehicle

Returns must be submitted on or after 1 April in any chargeable period. There are reliefs and exemptions from the tax, which may mean you do not have to pay.

The ATED charges automatically increase each year in line with inflation (based on the previous September’s Consumer Price Index (CPI)).

The ATED annual charges will rise by 3.1% from 1 April 2022 in line with the September 2021 Consumer Price Index. This table shows the property band and what the revised charges will be for the 2022 to 2023 chargeable period.

Taxable value of the property	Charge for tax year 2021/22	Charge for tax year 2022/23
£500,001 to £1,000,000	£3,700	£3,800
£1,000,001 to £2,000,000	£7,500	£7,700
£2,000,001 to £5,000,000	£25,300	£26,050
£5,000,001 to £10,000,000	£59,100	£60,900
£10,000,001 to £20,000,000	£118,600	£122,250
£20,000,001 and over	£237,400	£244,750

Note that there are numerous exemptions and reliefs from ATED, in particular companies renting properties to third parties and those involved in property development.

#### Revalue ATED properties at 1 April 2022

The value of the property for any chargeable period is the open market value at the later of:

- the date of acquisition
- the revaluation date

In order to calculate the ATED charge the property needs to be revalued every 5 years and the next revaluation date is 1 April 2022. As residential property has increased significantly in recent years this may bring more companies owning residential property within the ATED charge.

Please contact us if you have an ATED property and we will assist you with working out the charge and submitting the required return.

#### **Statutory Sick Pay Rebate Scheme to close 17 March 2022**

The government have announced that the Statutory Sick Pay Rebate Scheme will close on 17 March 2022. Employers and their agents will have until 24 March 2022 to submit any new claims for absence periods up to 17 March 2022, or to amend claims already submitted.

Employers will no longer be able to claim back Statutory Sick Pay (SSP) for their employees' coronavirus-related absences or self-isolation that occur after 17 March 2022.

From 25 March, the normal SSP rules will return, which means employers can revert to paying SSP from the fourth qualifying day their employee is off work regardless of the reason for their sickness absence.

For more information on SSP rules for employers go to: [Statutory Sick Pay \(SSP\): employer guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/statutory-sick-pay-sssp-employer-guide)

## Advisory fuel rate for company cars

HMRC have updated the advisory fuel rates for employees reimbursing their employer for private mileage to eliminate a private fuel benefit. There appears not to have been a significant increase in petrol and diesel prices in the period under review and as such the reimbursement rates have remained the same. The only change is to one of the LPG rates. However, we expect a change when the 1 June 2022 rates are published.

Note that where employers do not pay for fuel for company cars these same rates can be claimed by employees in respect of business mileage.

These are the HMRC suggested reimbursement rates for employees' private mileage using their company car from 1 March 2022. Where there has been a change the previous rate is shown in brackets.

Engine Size	Petrol	Diesel	LPG
1400cc or less	13p		8p (9p)
1600cc or less		11p	
1401cc to 2000cc	15p		10p
1601 to 2000cc		13p	
Over 2000cc	22p	16p	15p

Note that for hybrid cars you must use the petrol or diesel rate. You can continue to use the previous rates for up to 1 month from the date the new rates apply.

For more details and rates for earlier periods see: [Advisory fuel rates - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/advisory-fuel-rates-2022)

## New plan to launch Wales' space sector into orbit

A new strategy to ensure Wales operates at the forefront of the global space sector, helping create high-quality jobs across the country, is being launched by the Welsh Government.

The strategy highlights the unique physical and business environment Wales offers companies that are revolutionising capabilities in the space sector and sets out how Wales could become the world's first sustainable space nation by 2040, leading the way to a greener space.

Since 2010, space has proven to be one of the UK's fastest growing sectors, trebling in size during that time. The sector now employs 42,000 people and generates an income of £14.8 billion each year.

The UK space sector has previously set a target of achieving a 10% share of the predicted £400 billion annual global space market in 2030. The Welsh Government's ambition is for Wales to achieve a 5% share of the UK's share, which would equate to £2 billion per year for the Welsh economy.

See: [New plan to launch Wales' thriving space sector into orbit | GOV.WALES](#)

### **Visit Wales Industry Webinar: Wales Coast Path 10th Anniversary Celebrations**

To celebrate the 10th anniversary of the Wales Coast Path, Visit Wales, in partnership with Natural Resources Wales and Wales Coast Path, is pleased to be hosting an online session on 3 March 2022 from 11am until 12pm. The session will be run on Microsoft Teams.

Our guest speakers will share news of a programme of sustainable activity that will raise awareness of the benefits of the Wales Coast Path, increase usage and inspire visitors to enjoy and appreciate it. You will also hear about plans to work and engage with key stakeholders throughout 2022, so please join us and take this opportunity to see how your business can get involved with the anniversary celebrations.

Businesses will have the opportunity to raise questions during a short Question and Answer session.

See: [Visit Wales Industry Webinar: Wales Coast Path 10th Anniversary Celebrations | Business Wales \(gov.wales\)](#)