Spring 2019

Financial and business intelligence

SHIPSHAPE

Back to business as usual?

Whichever Brexit path we take, we'll finally be able to focus on solving the challenges ahead

shipleys LLP

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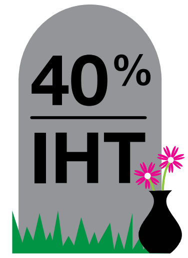
Shipleys LLP is a firm of chartered accountants and business advisers. *Shipshape* is our regular newsletter for clients and contacts.

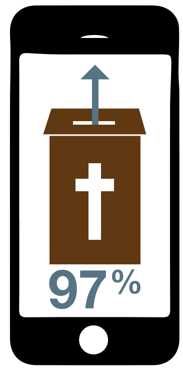
If you have any suggestions for topics you would like to see covered in *Shipshape*, or have any comments about its content, please contact Stuart Dey or Clare Schorah at our London office.

T +44 (0)20 7312 6528
E deys@shipleys.com or schorahc@shipleys.com

Designed and co-edited by Thirdperson.co.uk



chargeable on the value of your net estate above **£325,000**



Increase in church service donations using a digital collection box

tax free gifts to any number of people each year

lifetime allowance **PENSION** **POT** rises to £1.055m from 6 April 2019

increase in minimum workplace pension auto-enrolment rate from 1 April 2019

£20,000

Total amount you can invest in an ISA this year

ISA

Viewpoint: Simon Robinson
020 7312 0000 • robinsons@shipleys.com

I can see clearly now

Whichever side of the fence you sit on, one cannot deny that the past couple of years of heated political debate have left most of the country with an overwhelming sense of fatigue.

At the time of writing it is still unclear how things will finally pan out, but I am keen for the big day to arrive. We'll all finally be in a position to know what's what and set about solving the next set of issues that will inevitably emerge.

That in turn means both individuals and businesses can get on with life and the government can start to think about some of the other pressing issues that have been put on the backburner through lack of parliamentary time.

It should also bring some much-needed clarity to the financial landscape as Brexit will no longer be the scapegoat. Honda's much-publicised exit is driven more by the removal of Japanese/EU trade barriers than Brexit and says much about the global market. Whatever Brexit brings and whatever the challenges that lie ahead, Shipleys will be here to help.

No money down

The move to a cashless society continues apace and is helping the government to close the tax gap (the difference between what it thinks it should collect in tax and what actually comes in) with the transparency that such payments provide.

For some businesses the move to e-payments may not be such a bad thing. We advise a local business that has seen a large increase in turnover and profit, purely driven by the introduction of a card reader, despite the dreaded merchant charges. Customers, it appears, like the convenience and spend more on a cashless transaction.

Churches have been cashing in on this trend: apparently, there's been a 97% increase in donations made at services trialling a digital collection box, after a partnership between technology firm SumUp and the Church of England. And I've even encountered a busker who accepted card donations outside the train station on my way home!

Last year, the Treasury held a public consultation on cash and digital payments in the new economy that considered the role of cash in tax evasion. In light of this it seems that a further roll-out of Making Tax Digital (MTD) is the logical next step.

The MTD deadline is fast approaching and if feedback from HMRC is anything to go by it is going to be troublesome (to say the least) as their systems are already struggling to cope. For further guidance, see inside.

Most of us are making more digital transactions and although it's more convenient, it's important to be aware of the flipside. We recently held cyber security training for all our staff because online fraud is such a massive concern, and we want our people to be aware of some of the scams to look out for.

Mind you, some of the scammers have gone 'old school' as several of my clients have recently received threatening phone calls, with the caller falsely claiming to be representing HMRC, so please beware.

The final countdown

Before we cross the Brexit finish line on 29 March and MTD's arrival on 1 April, there's still time to do some personal tax planning. Even at this late hour there are things that can be done to minimise your tax burden. See pages 2 and 3.

It's only words

Accountants are called many things (some printable!) and certainly the bigger firms have taken some (justified?) stick over high-profile company failures. We have never quite managed to escape the Monty Python's Flying Circus damning verdict that accountants are boring. However, I have been heartened by a recent petition urging the Oxford English Dictionary to change its definition of an accountant.

Lobbying backed by the Association of Chartered Certified Accountants wants the definition to be updated to 'a person whose job is to keep or inspect and advise on financial accounts'. Claire Bennison, head of ACCA UK, has said that adding the word 'advise' is a "positive development". Here, here. We fully support this as it reflects the changing role of an accountant as a trusted adviser.

Enjoy the read.

The Favourite, produced by Shipleys client Element Pictures, picked up an Oscar and also seven BAFTA awards

Get ready for the end of the tax year

As we approach the end of the tax year on 5 April, you may be able to choose the tax year in which your income, gains or reliefs fall. This can affect your tax rate, and therefore the amount of tax you have to pay and when you need to pay it.

lifetime allowance PENSION POT rises to £1.055m from 6 April 2019

Income and pensions

Marginal tax rates and bands will remain much the same for the new tax year (except in Scotland), so the timing of your liabilities will be the main issue to think about.

It's usually best to register entitlement to child benefit, even if this is effectively paid back through the High Income Child Benefit Charge, as it's the claim to the benefit that makes the year count for state pension purposes.

Pension contributions

Unless your marginal tax rate will be higher for 2019/20, it's better to make any pension contributions by 5 April 2019, subject to the maximum allowance for this tax year.

Unless your income exceeds £150,000, the annual allowance is £40,000 plus unused relief brought forward. This is the amount by which any contributions made by you and your employer into a pension scheme in the previous three years fell short of the annual limit.

If your income exceeds £150,000, the £40,000 allowance is reduced by £1 for every £2 of that excess, down to a minimum allowance of £10,000. However, pension inputs for those in 'drawdown' are limited to £4,000 a year.

If your pension pot is worth more than the lifetime allowance when you come to take money from it, there is a special tax charge on the excess: 25% for income (the remaining 75% forms part of your income and is taxed as normal) and 55% for lump sums. The lifetime limit, currently £1.03m, will be £1.055m from 6 April 2019.

You can sometimes elect to benefit from a higher lifetime allowance of £1.25m, provided there are no pension contributions after 5 April 2016.

Anyone affected should beware of being automatically included in a workplace pension scheme.

Charitable giving

Unless your marginal tax rate will be higher for 2019/20, it's better to do any charitable giving by 5 April 2019. This applies not only to gift aid donations but also to gifts of listed securities and land, where these qualify for income tax relief.

However, you may elect to treat gift aid cash donations made between 5 April 2019 and the date you file your 2019 tax return, but not later than 31 January 2020, as though they were made in 2018/19 for income tax purposes.

Property income

Some landlords may find themselves taxed on their net cash receipts from letting land and buildings in 2018/19. This will not always be preferable, but they may elect that it doesn't apply.

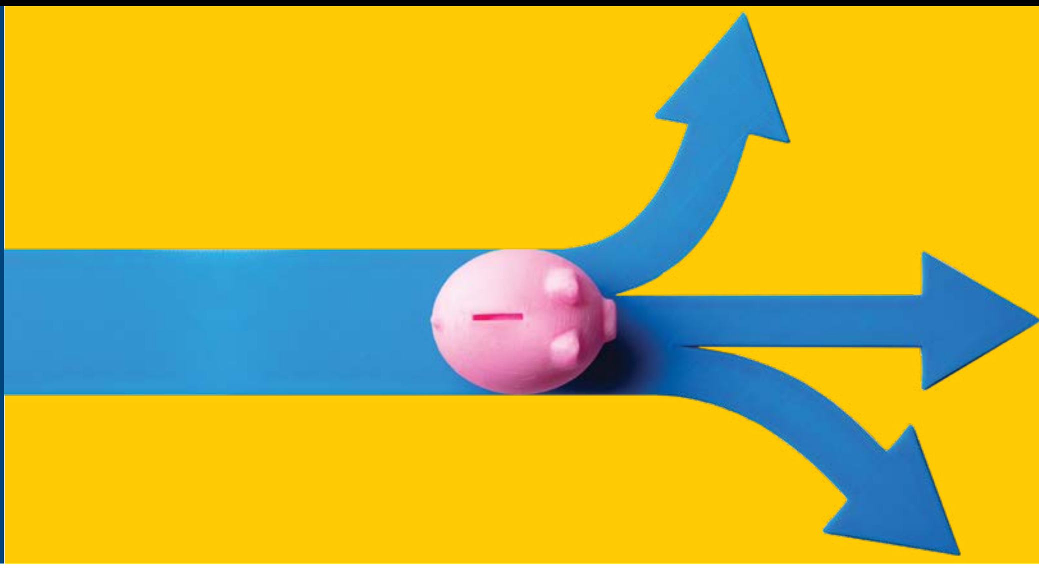
Capital gains

If you defer a disposal that gives rise to a capital gain greater than the annual capital gains tax (CGT) exemption (£11,700 for 2018/19) until after 5 April, CGT won't be payable until a year later.

Deferral might also mean that you become eligible for entrepreneurs' relief or investors' relief, so you'll be taxed at 10% rather than 20%, because one of the conditions for entrepreneurs' relief is that the asset must have been held for at least two years (three years for investors' relief). The 'lifetime limits' on gains that can qualify for entrepreneurs' relief or investors' relief are both £10m.

If any assets have become of negligible value, consider a loss claim for CGT purposes. In some circumstances income tax relief may be available instead. 'Bed and breakfasting', i.e. selling shares or securities to realise a gain covered by losses or the annual exemption and then buying back the same shareholding, is caught by anti-avoidance rules if the purchase takes place within 30 days. However, these rules don't apply to shares 'reacquired' by your spouse or ISA.

Disposals of shares that result in a controlling interest in a company being held by an employee ownership trust are exempt from CGT.



Now's the time to consider potential tax-saving opportunities

Inheritance tax

There are several exemptions for lifetime gifts that don't depend on surviving at least seven years. You can give up to £3,000 each tax year, plus any part of this allowance not used in the preceding year. In addition, you can give up to £250 each to any number of people each year. Gifts of assets that grow in value can save inheritance tax (IHT), even if you die within seven years, because the growth in value is in the recipient's estate, not yours.

Regular gifts out of income are exempt without limit, provided your remaining after-tax income is sufficient to maintain your usual standard of living.

Don't forget that gifts can result in a CGT liability.

Tax-efficient investments

EIS and SEIS

You can get income tax relief at 30% on up to £1m subscribed for shares in qualifying Enterprise Investment Scheme (EIS) companies each tax year, provided you're not 'connected' with the company. Any gain on sale of the shares is exempt from CGT if they are held for at least three years. £500,000 may be subscribed in one tax year and claimed in the preceding tax year if sufficient EIS relief remains unused in that year.

Income tax relief at 50% is available on up to £100,000 each tax year subscribed for shares issued by smaller companies qualifying for Seed Enterprise Investment Scheme (SEIS) relief, provided the shares are held for at least three years. Any gain on their sale after three years is exempt from CGT.

CGT on a gain made in the period beginning 12 months before the subscription and ending 36 months after it may be deferred by making EIS or SEIS investments, even if you are connected with the company.

VCTs

Income tax relief at 30% is available on up to £200,000 each tax year subscribed for shares in Venture Capital Trusts (VCTs), provided the shares are held for at least five years. Dividends and gains relating to shares in VCTs are exempt, subject to limits on the size of your holding.

Social enterprises

Income tax relief at 30% is available on an investment (up to £1m) in social enterprises.

ISAs

No tax is payable on income and gains on investments within an Individual Savings Account (ISA). You can invest up to £20,000 in total each year.

A surviving spouse or civil partner may claim an extra ISA allowance equal to the value of ISA holdings of a deceased partner if they live together at the time of the death.

The 'help to buy' Lifetime ISA is available for those saving to buy their first home. If you're aged between 18 and 40 you can save up to £4,000 a year until you reach the age of 50 and receive a government bonus of 25% on your savings to be used towards the cost of a first home worth up to £450,000. The money can be invested as cash or in stocks and shares, as with ISAs, and may be taken out tax-free after you are 60.

Non-doms

Many long-term resident non-doms have already become deemed domiciled for income tax, CGT and IHT purposes, as a result of changes that have applied since 6 April 2017. Others will become deemed domiciled from 6 April 2019 if they've been resident for 15 out of the previous 20 tax years, or if they were born in the UK with a domicile of origin in the UK and are resident in the UK (for IHT this only applies if they were UK resident in the previous year as well).

More detail on this and other changes affecting non-doms and offshore trusts are on our website at *https://bit.ly/2BzaNek*

Remittance basis – action required by 5 April 2019

Unless you were born in the UK with a UK domicile of origin, if the remittance basis applied to you for any year before 2017/18, you may 'cleanse' any offshore account that contains unremitted income or gains by transferring the other funds – now clean – to another offshore account by 5 April 2019. Cash can then be remitted to the UK from that account tax-free at any time. The funds left in the cleansed account remain taxable if remitted to the UK.

Those who will become deemed domiciled in the UK after 5 April 2019, because of having been UK resident for 15 years out of the last 20 years, should consider taking action to minimise the tax effect if possible.

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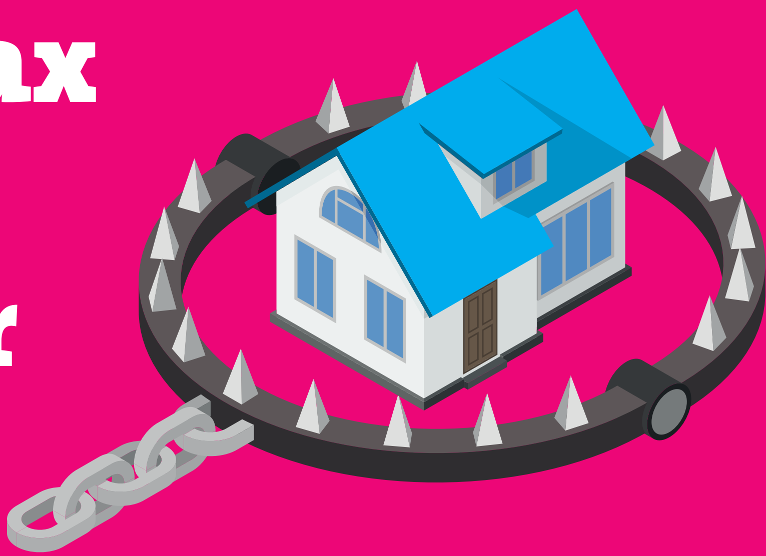
APRIL

£20,000
Total amount you can invest in an ISA this year
ISA

Beware of tax traps when selling your home



Most people assume there are no tax implications when they sell their home. But you might be faced with an unexpected tax bill.

Selling a home is generally exempt from capital gains tax (CGT) – as long as the property has been your only or main residence throughout your period of ownership, other than the final 18 months.

This period is to be reduced to nine months for sales of homes after 5 April 2020, although it's 36 months if you, your spouse or your civil partner is disabled or a long-term resident in a care home.

However, surprisingly, a tax tribunal recently ruled that your ownership period begins when you exchange contracts, not when you complete your purchase and are able to move in.

How it works

In most cases there is an interval of a few weeks between exchange and completion. So, generally, there is a short part of your period of ownership when you simply can't occupy a property as your main residence. If you're buying 'off-plan' this can be a much longer period.

So, most people selling their home will find that a proportion of any gain is chargeable. Of course, this proportion is often very small, and therefore covered by their annual exemption, which is £11,700 each for 2018/19, £12,000 for 2019/20. If not, CGT is payable at 28% (or 18% to the extent of any unused basic rate band). For disposals after 5 April 2020, if there is any CGT payable, the disposal must be reported and the tax paid within 30 days of completion.

If the property has been let for part of the time you owned it, the main residence exemption can be enhanced, by a maximum of £40,000. This 'lettings relief' will change for disposals after 5 April 2020. Details of the proposed change are not yet available.

There is a concession available if you don't move in on completion because of redecoration or alterations made before moving out of your previous home, or you're having your new home built on land you have bought. This applies for up to a year, plus a second year if there is a delay outside your control. While it applies, the property is treated as your only or main residence (if it will be afterwards), without affecting the relief on another dwelling for the same period.

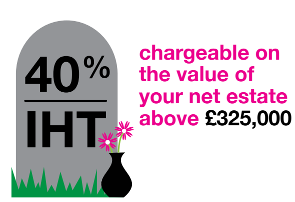
Inheritance tax if you bequeath your home

Another tax to think about is inheritance tax (IHT). A rate of 40% is chargeable when you die on the value of your net estate above the £325,000 nil rate band (NRB) if this hasn't been used to cover lifetime gifts.

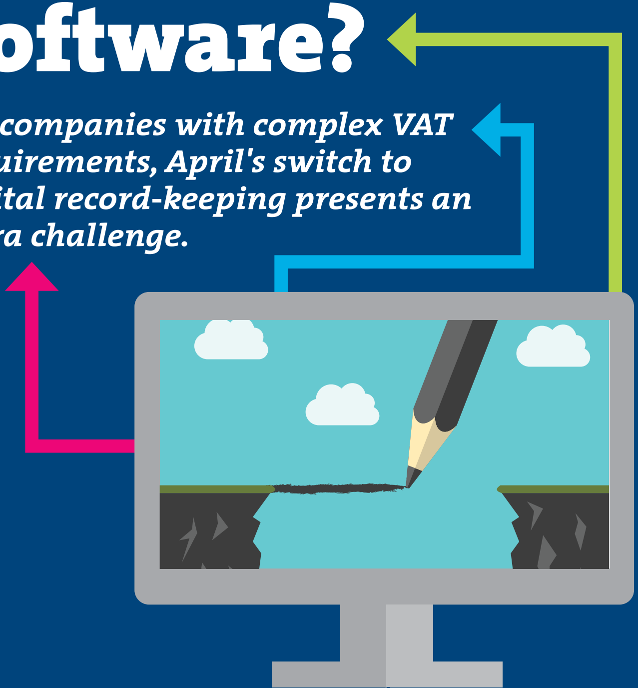
This is subject to a number of exemptions, the most common being bequests to a surviving spouse or civil partner. However, this exemption is limited if the deceased is domiciled in the UK for IHT purposes and the survivor isn't. Any unused NRB, for example, where everything is left to a widow, can be claimed by the executors on her death.

There is also a residence nil rate band (RNRB), which applies if the deceased's home is left to his or her descendants. The amount is £150,000 if the homeowner dies in 2019/20 and £175,000 if after 5 April 2020, although these figures are reduced if the estate exceeds £2m, and can't exceed the value of the property bequeathed.

The relief can also apply where homeowners have 'downsized' after 7 July 2015. Then a bequest equal to the sale proceeds could qualify for the RNRB. As with unused NRB, any unused RNRB may be used on the survivor's death.



MTD: do you need bridging software?



For companies with complex VAT requirements, April's switch to digital record-keeping presents an extra challenge.

As you probably know, HM Revenue and Customs (HMRC) is introducing a Making Tax Digital (MTD) service from 1 April. All VAT-registered businesses with a taxable turnover above the VAT threshold will be required to keep their records digitally (for VAT purposes only). They will also need to provide their VAT return information to HMRC through MTD compatible software.

This means that you will no longer be able to submit your VAT return by logging into HMRC's portal and will instead need to use digitally compatible software that links directly with HMRC (such as Xero or SAGE One)

However, for partially exempt entities or group VAT-registered entities, VAT returns will not be able to be submitted directly from their accounting software and manual adjustments will probably need to be made.

A workaround to this to ensure that the MTD requirements are still met is to use bridging software that enables you to extract your VAT return data and then submit it to HMRC after the relevant adjustments have been made.

One bridging software we have had good reports of from our clients is BTCSoftware, which has been tested at HMRC and is listed as compliant for MTD for VAT. BTC is only one of numerous similar bridging software providers, but you need to have something in place in advance of the implementation date to ensure you remain fully compliant.

As always, we are on hand to assist with new reporting requirements, so please don't hesitate to contact us with any queries. See VAT corner on page 7 for more on MTD.

Changes to entrepreneurs' relief

Capital gains tax is normally charged at 20% for higher rate taxpayers. However, disposals that meet the conditions for entrepreneurs' relief (ER) are subject to tax at 10%, up to the lifetime allowance of £10m. The relief can cover a sole trader or partner's sale of all or part of a business, and a shareholder's disposal of company shares.

However, the Finance Act 2019 includes alterations to these ER rules. Previously, the person disposing of shares had to have been an employee/director who held at least 5% of the company's shares for a minimum of 12 months prior to the disposal. In the case of shares acquired under Enterprise Management Incentive (EMI) options, the options had to have been granted at least 12 months prior to the time of disposal.

For disposals made on or after 29 October 2018, the 12-month period for both tests has now been extended to 24 months.

The 5% test is also amended for disposals after 5 April 2019 – but not for shares acquired under EMI options. The old rule was that a shareholder had to hold at least 5% of the ordinary share capital and 5% of the voting rights.

Ordinary share capital in this context means 'all issued share capital other than capital which has a right to a dividend at a fixed rate but has no other right to share in the company's profits'. In 2017, an Upper Tax Tribunal accepted HMRC's argument that non-voting shares that were not entitled to a dividend at all were not entitled to a fixed dividend and hence counted as ordinary shares (*McQuillan v HMRC*). This continues to apply but, in addition, one of either of the following conditions must also have been met throughout the 24-month period:

a) The shares must have entitled the shareholder to at least 5% of the dividends paid to 'equity holders' and 5% of the assets available to equity holders on a hypothetical winding up, or

b) If the entire ordinary share capital in the company were sold, the shareholder would receive at least 5% of the proceeds, 'having regard to all the circumstances at the time'.

The precise definition of equity holders for the purposes of new condition (a) differs from the definition of ordinary shares. It includes ordinary shareholders and loan creditors where the loan is not a normal commercial loan, such as a convertible loan. Ordinary shares do not include restricted preference shares (those that either have no right to dividends or entitlement to a fixed rate that is no more than a normal commercial return). So the shares mentioned in the *McQuillan v HMRC* case above would not count as equity holders despite being ordinary shares.

For condition (b), it must be assumed that 5% of the proceeds means 5% of the proceeds paid to the ordinary shareholders and that the definition of ordinary shares is as applied in *McQuillan v HMRC*. Having regard to all the circumstances means that provisions in the Articles of Association and in any Shareholders' Agreement or similar agreement will be taken into account.

Tax changes from spring 2019

Letting land and buildings

The income tax relief for interest and other finance costs in letting residential property is confined to relief at 20% on 75% of such costs in 2019/20, up from 50% of such costs in the current tax year.

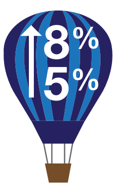
Structures and Buildings Allowances (SBAs)

These provide tax relief for qualifying expenditure on constructing new non-residential structures and buildings after 28 October 2018 on a 2% p.a. straight-line basis. The Finance Act 2019 says Treasury regulations will set out the scope of SBAs in more detail. Draft regulations will be published for consultation in the spring.

Goodwill acquired from 1 April 2019

Corporation tax relief on 6.5% of the cost will be available on amortising goodwill and other intangible assets acquired by companies after March 2019. It will not apply to internally generated goodwill acquired from a related party. The tax rules for intangible assets acquired before April 2019 is unchanged.

Rise in workplace pensions auto-enrolment rates



The total minimum auto-enrolment rate for 2019/20 will rise from 5% to 8%. The employer's contribution must be at least 3%, up from 2%.

New probate fees in England & Wales

Probate fees based on the value of an estate are expected to apply, probably from April, although estates with a value of up to £50,000, rather than £5,000, are to be exempt. The existing fees are a flat £155 if a solicitor applies for probate and £215 for anyone else. Please get in touch if you want more information about the below.

Value of estate before inheritance tax	New probate fees
Up to £50,000	£0
£50,000 to £300,000	£250
£300,000 to £500,000	£750
£500,000 to £1 million	£2,500
£1 million to £1.6 million	£4,000
£1.6 million to £2 million	£5,000
Above £2 million	£6,000

Non-residents disposing of UK land

Up to 5 April 2019, non-resident individuals, trustees and close companies are subject to tax on gains when they dispose of UK residential property. They have to report disposals within 30 days, even if there is no tax payable.

However, from 6 April this year those rules will change. From then, non-residents (including 'open' companies) will be charged tax on capital gains realised on direct and indirect disposals of UK land not just residential land, limited to the gain over market value at 5 April 2019. Companies will be charged corporation tax. Individuals and trustees will be charged capital gains tax at 28% or 18% if the land is residential and 20% or 10% for non-residential (the lower rates apply to the extent of any unused basic rate band). Gains attributable to the period from 6 April 2015 to 5 April 2019 realised by non-resident individuals, trustees and close companies on UK residential property remain taxable.

Non-resident individuals, trustees and companies will have an indirect interest in UK land if they have:

- **an asset, typically a shareholding in a company, that derives at least 75% of its value from UK land, excluding land used in a qualifying trade (land held as trading stock is not regarded as used in the trade)**
- **or those with whom they are 'connected', had at least a 25% interest within the two years ending at the time of disposal.**

Non residents affected will have to make returns to HMRC within 30 days of completion, regardless of whether a gain arose, together with a payment on account of any tax chargeable.

A gain will not be chargeable to the extent it is subject to tax as income from exploiting UK land, under the legislation introduced in 2016.

Missing mind your own business?

There was so much important tax news to cram into this edition of *Shipshape* that there just wasn't room for our latest article on networking, which looks at how to turn the discussion to business matters. Don't worry, you can read the article online at: *https://bit.ly/2IyAlOu*

VAT corner

Digital deadline coming up fast

Despite the start date for Making Tax Digital (MTD) for VAT coming up this April, it's disappointing that some of the finer details of the new arrangements are still being worked on by HMRC.

However, the main points are fairly well established and are as follows:

- Some businesses will have their start date deferred until October 2019 and should, by now, have received a letter from HMRC confirming this.
- Any business that has not received one of these deferral letters must ensure that they are MTD-ready for the first VAT period starting on or after 1 April 2019. This means:
  - » using digital record-keeping
  - » using functionally compatible software that is capable of uploading the VAT return to HMRC
  - » ensuring that where more than one piece of software is used these are linked digitally.
- Penalties will apply for failure to comply with the MTD requirements.
- HMRC will apply a light-touch approach to penalties until 30 March 2020 – but only in relation to the requirement to have digital links.
- Businesses must actively register for MTD and will not be transferred automatically to the new system. However, we would recommend waiting until your March/April/May 2019 return is filed before registering for MTD – unless your software is already MTD-compliant. (You can get in touch with Shipleys if you need help registering.)
- The current VAT return filing portal will be phased out and once a business has signed up to use MTD their access to the portal will be cut off.

Further information is available on the HMRC website, together with a list of software suppliers that offer MTD-compliant software.

Here at Shipleys we're keeping abreast of developments, so please get in touch if you need any help in relation to MTD for VAT.

Brexit preparations

Without a crystal ball, it's hard to say whether the UK will leave the EU with or without a deal. But whatever the outcome, there are some Brexit practicalities worth considering sooner rather than later.

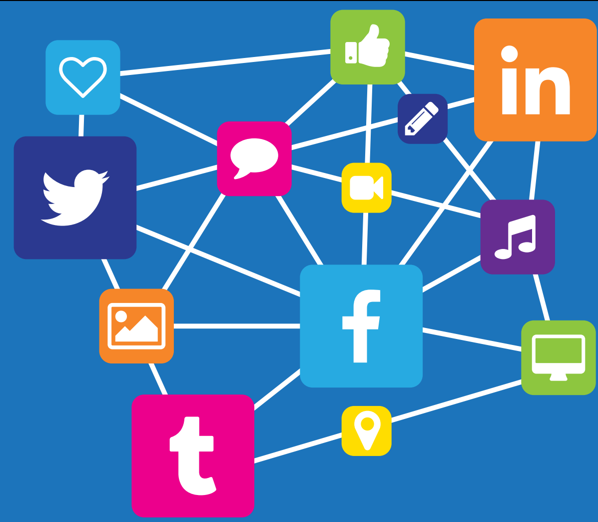
HMRC has published a lot of guidance regarding Brexit preparations, but the following items stand out:

Intra-EU movements of goods
If there is no-deal, these will become normal imports and exports that will need to be declared to HMRC. In anticipation of this possible outcome, it will be necessary to apply for an Economic Operator and Identification number (EORI). This is a quick and easy procedure and can be done now rather than waiting to see what happens with the Brexit negotiations.

Government grants
These are available for intermediaries and businesses that either currently complete customs declarations or will do so in the future. They're designed to support training and IT, but applications need to be made quickly as the deadline is 5 April 2019. Further information is available on the HMRC website.

Postal packets
If there is no-deal, the VAT treatment of postal packets with a value of £135 or less will change and it will become the responsibility of the foreign supplier to pay the VAT. A new registration scheme will be set up to facilitate this change.

Platform for success



Len Burgess, founder and CEO of miBoodle, tells how, with help from Shipleys, he secured investment for his new online publishing platform

miBoodle is an online publishing service aimed at individuals and businesses that not only builds websites but also works to attract revenue from advertising on those websites.

Len Burgess, founder & CEO, explains: "The sites are built using set, templated designs we provide and then you can load your content – text, pictures and videos. The sites will be completely personalised, with your own domain name etc. Then, leveraging our advertising contacts and expertise, we manage the relationship with advertisers so you'll get paid for the content you're publishing."

It's an arrangement, he says, that allows individuals and businesses to focus on creating content: "We open up more advertising doors and it's a headache you don't have to deal with. For advertisers, we are introducing them to a broader audience that they might not have been able to reach before."

"In the past year, Shipleys has helped us manage the capital that we have received from investors to make sure our accounts are certified and audited, so we can go back to investors and show them where the money is being spent by the end of 2020."

There's no fee or subscription to pay – instead, miBoodle gets a small monthly percentage of any advertising revenue.

Proof of concept

miBoodle is currently completing a beta testing stage. "What that means, " says Len, "is that we're ironing out any glitches by running our own network of sites first." There are around 10 sites – on subjects including crypto currencies, business and politics and technology – publishing 30-40 articles per day and generating advertising revenue through the platform.

"It provides proof of concept – we wanted to make sure we could make money before opening it up to the general public, which we plan to do in the next six to eight months."

Len started the business three years ago and, for the moment, his small team numbers himself and three developers. He reveals: "Getting the platform from a standing start to where we are now, making some money, is a big success. We've still got a long way to go, but if we look back to where we've come from, we're in a fantastic position."

The biggest challenge was getting outside investment into the product: "I knew from previous experience that to get investors, both private and institutional, to believe in the product just from a business plan would be nigh on impossible. That's why we put time and what money we already had into developing a working model to show investors how it would work."

Managing capital from investors

He continues: "When we were looking for outside investment, we had a huge amount of help from Ben Bidnell's Shipleys team. They put us forward for and managed the process of securing SEIS and EIS status. They also put us in touch with numerous potential private investors.

"I can talk about the profit and loss of the business model, but I'm no expert in accounting practice. In the past year, Shipleys has helped us manage the capital that we've received from investors to make sure our accounts are certified and audited, so we can go back to investors and show them where the money is being spent."

Looking ahead, Len says: "We expect to be quite a large publisher, making money with up to 30-50 of our own sites by the end of 2020. We will be in a fantastic position if the consumer side of the business takes off too."

miboodle.com

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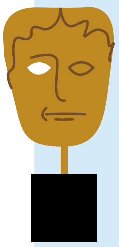
On the red carpet

It's award season in the film and television industry and we'd like to congratulate our clients on their recent successes.

Most recently, Olivia Colman won a best actress Oscar for her performance in The Favourite, which was produced by our client Element Pictures. At the BAFTAS, the same film picked up seven awards out of 12 nominations. Among them were best actress for Olivia Colman and best supporting actress for Rachel Weisz.

The movie also won best independent film at the BIFAs, with Olivia Colman and Rachel Weisz receiving awards for best actress and best supporting actress respectively.



Glenn Close picked up the best actress prize at the Golden Globes in January for her role in The Wife, a film made by long-standing producer client, Piers Tempest, together with another Shipleys client, SilverReel, and Olivia Colman was named best actress in a comedy for her role in The Favourite.

Television series Killing Eve, produced by our client Sid Gentle Films Ltd, also achieved success at the Golden Globes. It was nominated in the best drama category, while Sandra Oh won the award for best actress in a drama.

The Shipleys app

Our simple-to-navigate app is packed full of handy tools and features, including tax tables with all the latest personal and business rates and rules, covering personal allowances, income tax rates, national insurance contributions, pension contributions, corporation tax rates, capital allowances and more. And it's completely free to use.

If you already have the app, you might be prompted to add some of your contact details in an app notification. This is nothing to worry about – it's just to make sure we can keep you updated about any changes or updates.

You can manage your data and opt out of receiving updates from us by going to the 'My Account' screen within the app.

The app is available from Apple's iTunes store or Google Play. To download the app, search for MyAccountants and use the access code 'Orange10'. We hope you find it useful – please let us know what you think.

Fee protection

As you may know, we offer our tax clients a Fee Protection Service to combat the increased risk of enquiries by HMRC and the introduction of a harsher penalty regime.

For a fixed annual fee, we will deal with any HMRC enquiries rather than charging on the normal basis of our time spent. For more information visit: *http://www.shipleys.com/services/fee-protection*

Latest updates

There are updates on our website on new lease standard IFRS 16, cashflow management for law firms and HMRC guidance on importing and exporting in the event of a 'no deal' Brexit.

Exam congratulations

Congratulations to Victoria Wilment and Annabel Brown for successfully achieving their recent AAT qualification.

RD 'Denis' Pearcy

We are sad to report that Denis Pearcy, who was a partner in the firm between 1961 and 1981, sadly passed away on 23 September, 2018. He was probably the last of his generation who was an employee at the outbreak of World War Two. He served with the RAF during the conflict.

shipleys LLP
Alumni

A player in the video games industry

Lenia Peros started at Shipleys in 1997 as an audit trainee and stayed until she achieved her qualification in 2001. She then joined Transworld International, which is the television production arm of the Sports Management Group, IMG.

While at Transworld International, she was responsible for financial and management accounting of projects that included Britain's Strongest Man and work on the archives of the Olympic Games.

In 2004, she decided to travel with her partner and spent time snowboarding in the Alps, training to be a dive master in Thailand and travelling round South-East Asia, Australia and New Zealand. Part of this globe-trotting trip was a nine-month-long spell in Sydney, where she worked for a corporate hospitality company. Returning home in 2005, Lenia took on a role at Sega Europe Ltd, where she remains to this day. She says: "Sega make software for video games and our titles include the infamous Sonic the Hedgehog, but also other products which are made by its development studios, such as the Total War franchise and Football Manager."

Now the Group Financial Controller for Sega Europe, she says: "It's a great place to work. The video games industry is an exciting and fast-moving environment that certainly keeps you on your toes."

She combines her career with looking after two children, aged 10 and 6, and lives in north-west London.

Shipleys is organising a golf day for staff and alumni for a date towards the end of May. If you are a Shipleys alumnus and would like to come – please get in touch with Alex Beck *becka@shipleys.com*

AGN member focus

Joannides & Company, Cyprus

Joannides & Company is recognised in Cyprus as a leading provider of distinctive, high-quality professional services that add value to its clients.

It's now nearly four decades since the firm was first established on the Mediterranean island, which is looking ahead to promising times.

After expanding by 3.9% in 2017, the Cyprus economy continued its growth in 2018 by 4%, almost twice the EU average. Growth is expected to continue in the next five years.

A positive economic outlook, combined with an excellent business environment, opens up new horizons for those looking to take advantage of the island's strategic geographic position, attractive investment opportunities in the region and its business-friendly taxation system.

Joannides & Company provides services in audit and assurance, taxation, management consulting, information technology, fund management, insolvency work and citizenship services. It is an approved training centre for the leading accountancy bodies. The firm currently employs 60 people across its three offices in Nicosia, Larnaca and Limassol.

agn INTERNATIONAL

Top tips to help with your financial housekeeping

In uncertain times it can be difficult to know what to do about your personal finances. But here are some tips to help you keep organised, save some money and stay in control whatever the political climate.

Review your household bills
Well-known money-saving expert Martin Lewis recommends setting aside a day for a 'money makeover'. Start by going through your bills to make sure you're on the best tariff for your gas, electricity and other utilities. Check for any deals offered by your existing suppliers and then go online to one of the price comparison websites to get prices from rival providers.

Make sure you're in the right council tax band (again, you can check this online) and that your broadband and phone bills are providing good value. Another good idea is to look through all your direct debits to make sure you aren't paying for things you don't really use anymore.

Be prepared to haggle
Consumer watchdog Which? recommends always haggling to get the best deal on your bills. "If an awkward conversation is holding you back, remember that this is a conversation companies are expecting to have. Their pricing is specifically set up so they're able to offer discounts to hagglers," it says.

The top five tips for haggling success from Which? are:

- compile your case
- explain your situation
- know what you're aiming for
- be polite and pleasant, but persistent
- remember, they're expecting to haggle.

Don't automatically renew insurance
You don't necessarily need to renew an insurance policy with your existing provider automatically. It makes sense to check whether they're offering new customers a discount and to sign up as a new customer.

It may sound obvious, but make sure you only have insurance for the things you need and check you aren't insuring twice. Some bank account packages offer travel insurance, breakdown cover and even mobile or gadget insurance. So you might not need to take out additional travel insurance before your holiday, or have a dedicated insurance policy for your gadget.

Go green
In our last issue of *Shipshape* we talked about the benefits of going green for businesses and the environment, but taking some of the following environmentally friendly actions can make sense for your personal finances too:

Use a reusable water bottle or coffee cup when you're out and about – some retailers offer discounts for this.

Switch off and unplug devices when not in use – this can make a big difference to your electricity bills over time.

Use energy-saving lightbulbs – they use a lot less power, last a lot longer and can save you a lot of money over the years.

Review your diet – incorporating more vegan or vegetarian meals in your day-to-day routine can save you money as well as reducing your carbon footprint, and eating more seasonal produce can be tastier, healthier and cheaper.

Avoid unnecessary clutter – decluttering guru Marie Kondo recommends only keeping things in your home that "spark joy", and keeping this in mind can help curb unnecessary spending.

'Up-cycle' – think about buying second-hand; after all, one person's trash is another person's treasure.

For further information, please contact one of our offices:

London
10 Orange Street
Haymarket
London
WC2H 7DQ
T +44 (0)20 7312 0000
E advice@shipleys.com

Godalming
5 Godalming Business Centre
Woolsack Way
Godalming
Surrey GU7 1XW
T +44 (0)1483 423607
E godalming@shipleys.com

www.shipleys.com
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Shipleys LLP
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