

# BASE52

Chartered Management Accountants

Suite 9, 30 Bancroft, Hitchin Herts SG5 1LE

 Base52-ltd  
 Base52accountants  
 Base52\_CMA

T: 01462 423152  
E: [info@base52.co.uk](mailto:info@base52.co.uk)  
W: [base52.co.uk](http://base52.co.uk)



# BEANS TALK

Issue 14 Winter 2020

## What's inside this issue

As I write this we are on the final push to the tax filing deadline of 31 January.

We have lots inside this winter edition of *Beans Talk* for you to enjoy.

If you have found this tax season challenging, our article over the page gives some tips on saving tax next year. For contractors, there are some changes in April which will affect you if you work with medium or large private sector organisations. We expand on this and let you know where to go to get help. Our lead article updates you on the structure changes we made at Base52 last summer. We think they have improved our ability to serve you better. The acid test is what you think – so please let us know.

As usual we have some tips from our brilliant guest presenters in Business Extra. We welcome James Wyman of

Lyndhurst Financial Management in Hitchin who authors the 'Your Finance' slot. The Client Spotlight this month is J-Clean, Hitchin's highly-regarded carpet cleaners.

In 'Meet the Team' this edition is the rugby playing, car-loving Laurence Pettitt. We have enclosed our new Events Calendar leaflet for the year, with early highlights on the back page. We hope to see you at some of these events.

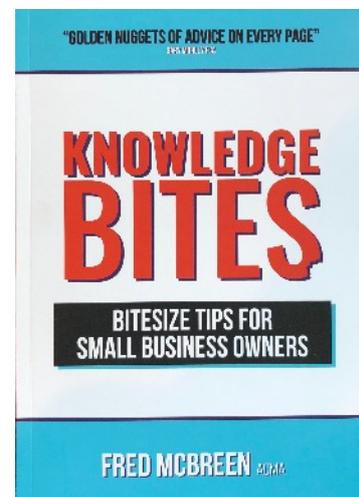
Happy reading!

Fred McBreen



## Get your Knowledge Bites

Fred's new book is out now. We're delighted to include a free copy for all our clients. Additional paperback copies are available from the Resources section of our website and a Kindle version is available on Amazon.



Find out more about our services at [base52.co.uk](http://base52.co.uk)

# Plan ahead to save tax

by Fred McBreen

The end of the tax filing deadline on 31 January (when all accountants breathe a big sigh of relief!) also signals that the end of the current tax year is not too far away on 5 April. This is a good time to plan ahead so you can save on your tax bill next January.

Here are some tips:

1. If you are self-employed, **buy business assets** (which you are thinking of replacing) before 5 April.
2. If you decide your own income (for example, you are director/shareholder of your own company), **manage your income within the key tax thresholds** of £50,000 (Basic Rate to Higher Rate), £100,000 (Personal

Allowance starts being withdrawn) and £150,000 (Higher Rate to Additional Rate).

3. **Don't forget the pension** – if you invest in a personal pension or make additional contributions to an employment scheme, this could save you tax. We recommend consulting an Independent Financial Advisor.

4. **Use your tax free savings allowances** for ISAs if you have funds available.

5. **Consider the tax impact of selling shares and property.** Sales of assets is subject to Capital Gains Tax. We always recommend a little advance planning on the timing of disposal and exploring reliefs available.



6. **Make use of gift aid on your charitable donations.** For higher rate taxpayers, additional relief is available via the tax return.

Finally, if this year's tax bill has been something of a shock or you have not had the money set aside make a change now to fix that for next year. **A monthly transfer to a savings account** can build a pot for next January to make paying the taxman a little less painful.

## Contractors' changes

by Fred McBreen

**If you are a contractor who works through your own limited company (known as a Personal Service Company or PSC), you should read this.**

From April 2020, medium and large-sized organisations in the private sector will be responsible for deciding the tax status of contractors. Your hirer should provide a Status Determination Statement before April – if they don't and you think you are affected you should ask for one. In some cases, the private sector organisation will want to reduce their risk and may decide that the contractor is operating in an employed capacity. The contractor may be given an option of becoming

an employee or engaging via an umbrella company. They may be able to continue or start a new contract using their PSC but if this is deemed to be akin to employment, many of the tax benefits of trading through the PSC will be lost as the hirer will deduct tax at source.

This is a complex area and if you believe you are affected by the new rules we would strongly recommend having a discussion with your Client Manager. They will be able to help you assess the different options, as well as finding the best way forward for you.

**Ask us about cloud-based accounting software**

# Structured to serve you better

## by Fred McBreen

We've had a lot of change here at Base52, and it seems the right time to explain it in a little more detail.

Most of you will know that we changed our structure last summer so that there were clearer points of contact for our clients and we could provide a better service to you. Prior to the change we were organised by work type – annual accounts, monthly accounts and VAT, personal tax. This worked fine for managing the workload but a client who needed all of these services was dealing with three or more different teams! Not ideal for communication or continuity of service.

Our new structure is organised more around you – our clients. Each client has a single point of contact or Client Manager who looks after the majority of their needs. Each Client Manager is supported by their own team.

### Practice management and on-boarding

Delyth Richards is Practice Manager. She makes the office run smoothly, supports the client-facing teams and deals with company secretarial work for limited companies like Companies House reports, dividend administration and share changes. She also looks after on-boarding – introducing new clients to Base52 and



ensuring the transition is managed effectively.

### Limited company support

We have two teams, headed up by Inga Scourfield and Simon Johnson as Client Managers who look after all areas of accounting and tax support for our limited company clients and their directors.

### Personal tax and small business support

Our Tax Client Manager is Carly Hewett. She looks after self-employed business clients – sole traders or partnerships and individual taxpayers. This includes landlords and individuals with high incomes who need to complete a self-assessment tax

return. As the tax specialists, Carly and her team also support the Limited Company teams with more complex tax matters involving company directors.

### Accounts

Hayley Moore is our internal accountant looking after invoicing, credit control and renewals.

My role as Managing Director is supporting the teams and ensuring they have the tools and resources to do a great job for you. Moving to the new structure has been a challenging but rewarding journey so far. We know we have more to do to bed things in but we are confident we are on the right track.

**Xero**  
**certification**



We are delighted that 100 of our clients are now using Xero for their cloud accounting.

Follow Fred's blog - [hitchinaccountant.blogspot.com](http://hitchinaccountant.blogspot.com)

# Business Extra

As part of *Beans Talk*, we've asked a group of experts for their advice. They're here to provide regular tips for you and your business. Let us know what you think: email [beanstalk@base52.co.uk](mailto:beanstalk@base52.co.uk)

## The end of meetings?

Although this isn't only about marketing, face to face meetings have always been a vital way for me to do business, so it was with alarm I heard a discussion of the end of meetings.

Does using technology to communicate mean we don't need to see each other 'in the flesh'?

I hope not.

I'm a little addicted to apps (how on earth did I find the time to manually invoice people before Xero?) for all sorts of business processes, but I still schedule meetings in.

Don't we all?

Sitting in front of your computer and connecting by video doesn't have the same appeal as meeting for a hot chocolate or cup of tea.

Pope Francis once said: "When we are generous in welcoming people and sharing something with them - some food, a place in our homes, our time - not only do we no longer remain poor: we are enriched."

Let's hope we always find time to share time in real life.

## Marketing Matters by Hilary Robertson



## Social media at work

Along with benefits of social media for your business in terms of team building and visibility for your brand, there are a number of risks from time-wasting to defamation. How can employers navigate this issue responsibly without being heavy-handed?

Rules on the personal use of social media and the internet will partly depend on the working environment. An office will have different considerations to one where there may be safety or safeguarding issues. You want to avoid time-wasting without alienating hard-working employees. In most cases an outright ban could seem extreme.

If your business has a company social media account, you should be clear about who has access to it and the passwords should be secured. Train those responsible in the type of information that should be shared and whether posts need to be authorised.

In all these points, having a clear policy is key. This can be included in your staff handbook and should set out clear boundaries on when/if it is permissible to use social media and the internet within the work context.

The right to monitor should also be included, as should the repercussions for breaches of the policy. The online world is rapidly changing so review your policies regularly to keep up to date.

For employers our key message is to have a policy and make sure your employees are aware of it.

For employees, always apply common sense before posting and remember that what you consider private or 'between friends' could be shared in the public domain.



## HR Hints by Rob Bryan

Join us for our regular Knowledge Bites events

# Quality of service on your network

Tech Talk

by James Hodge



**In the modern day, more businesses than ever are running converged networks that bring together voice data and video onto a single network.**

On those converged networks, we're always working with a finite amount of network bandwidth, and there will be times when the network becomes congested and network traffic is delayed or dropped as a result.

Some applications running on that network – particularly voice and video – are more sensitive to delay than other types of network traffic; such as web browsing or file transfers.

Therefore, we can make use of a functionality known as 'Quality of Service', or 'QoS' on your network equipment that can be configured to prioritise specific types of traffic and ensure that those traffic types are not affected by network congestion.

Providing enough Quality of Service to specific application types across the network is becoming an increasingly important aspect of today's enterprise IT infrastructure as we move towards making use of Voice over IP (VoIP) and cloud telephony more than ever.

# A year to reflect on

Your Finance

by James Wyman



**Most of us have already broken our New Year's resolutions. However, that doesn't mean we shouldn't take time to reflect on 2019 and look at what lessons can be learned.**

The year started off with all eyes pointing to Brexit and the multiple failed attempts of Theresa May to get her Brexit deal ratified, the 31 March Brexit date was moved to 31 October, Mrs May resigned and the Johnson era began with the inevitable General Election cementing in a Tory majority.

At such a pivotal time for Great Britain you would have thought that sitting on the side-lines and waiting for solid answers prior to making any sort of investment decisions would be a sensible thought process.

However, if you had decided to wait until Brexit was 'done' you would still have your money in hand and missed out on a year of great performance. The FTSE 100 achieved nearly 13% growth, the FTSE 250 topped a 25% increase with US and European markets achieving similar results.

This isn't to say you should ignore current political and economic events but look to block out the short-term noise and take a long term view on investing. Any

funds you invest should be invested for 3 years minimum; this allows them time to ride out fluctuations ideally finishing in positive territory. Portfolios should have objectives and hold the necessary assets to achieve those objectives.

Diversifying assets within a portfolio is key, this may take away from the overall performance but should protect you in times of market downturn.

When there are seismic events during a year you should remember this saying 'It's time in the market, not timing the market'.

**Ask our experts about your Wealth Plan - book online now**

# Client Spotlight



**This time, the spotlight shines on J-Clean, the Hitchin carpet cleaning specialist business managed by Jill, Jerry and Richard Lucas.**

J-Clean has become one of the most popular carpet cleaners in and around Hitchin, with most of their business coming from repeat customers and recommendations.

We spoke to Jill, who can usually be found in the office, while brothers Jerry and Richard are out on site around Hertfordshire and Bedfordshire.

“Jerry started the business in 1984 after he’d worked in the industry for several years,” explained Jill. “From the beginning, he has been aiming to provide the best carpet cleaning service in the area. I’ve been working with Jerry since we got married nearly 30 years ago. Richard joined us in 1991 and, although I used to go out and help them with the cleaning, it’s now the two of them out and about and me working on sales and advising customers over the phone from the office.”

J-Clean’s clientele over the years has included local celebrities, pop stars, TV presenters, professional

sportsman, weathermen and newsreaders. As full members of the National Carpet Cleaners Association (NCCA), Jerry and Richard are fully trained, stick to strict guidelines and all work is fully insured.

Jill continued: “We pride ourselves on providing our customers with the best possible service. It’s been good to work with the team at Base52 for more than 10 years: they provide us with the year-end accounts work but also lots of advice when we need it. Although we’ve been working with Sage quite happily, we’re considering moving across to Xero, which looks like an interesting product.

“Running a thriving business like J-Clean can be tough at times and anything which will make our lives easier has got to be worth investigating.”



Left: Jerry  
Above: Richard  
Right: Jill



## Wise words

“In this world, nothing can be said to be certain, except death and taxes.”

*Benjamin Franklin*

# Practice manager news and views

by Cecily McQuade

**As you may be aware, Base52 Practice Manager Delyth Richards has been away from the office for the month of January so I was called in to help cover part of her role during that time.**

Since I had provided admin support last summer working alongside Delyth, I was already familiar with Base52’s systems and processes. In particular, since Christmas I took care of letters of engagement and new client setup, as well as making sure that confirmation statements were filed at Companies House on time and that communications from HMRC were dealt with promptly.

I also assisted with other duties such as responding to enquiries, answering the phone, handling post and booking appointments. I was even entrusted with ordering a new fridge for the office kitchen!

Some of the more specialist parts of the Practice Manager role such as company formations, filing dormant company accounts and company strike offs were dealt with by other members of the team or have been prioritised in Delyth’s absence.

I hope that by keeping on top of the day-to-day tasks I have allowed Delyth to take the time she needs to recover, whilst providing an (almost) seamless service to clients.

**We’re a Xero-certified silver partner**

# Meet the team: Laurence Pettitt



As the tenth in our series to introduce you to members of the team, we sat down with Laurence Pettitt.

## What's your role at Base52?

My role at Base52 is junior accountant, which entails helping the client managers with general bookkeeping, the production of management and financial accounts, VAT and corporation tax returns. I have also been responsible for helping with the client migration to Xero accounting software.

## How long have you been here?

Since July 2019

## When not here, what do you enjoy?

Being an ex-rugby player, I enjoy the gym: this helps to keep me fit and healthy. Besides this I enjoy walking the dogs, spending time with friends and doing track days in my car.

## Tea or Coffee?

Coffee

## Favourite film

*Wolf of Wall Street* or *Forrest Gump* – both very different but each one brilliant in its own right.

## Favourite holiday spot?

Bali with my family or Dubai with friends.

## Four fantasy dinner party guests?

Jeremy Clarkson, Richard Hammond, Arnold Schwarzenegger and Lewis Hamilton.

## What does the future hold for you?

Finish my CIMA qualification then hopefully do a stint working in London to gain experience. I'd love to travel more of the world, and buy my first house.

# Growing pains - The right funding

**Having the right kind and the right amount of funding in place is essential if a business is to grow successfully.**

The wrong kind of finance may mean that too much interest is paid, the charges are too high or it may not be flexible enough to meet the business needs. The wrong amount may mean that growth aims have to be cut back or if excess funds are borrowed servicing costs will be unnecessarily high. If you are struggling with your business finances, we recommend speaking with your Client Manager.

We can help you secure the right funding to put your business on a path to growth.



**We're a silver partner for Receipt Bank**

# That was the quarter that was ...

**Snowdrops are appearing in my front garden, so spring can't be too far away.**

The winter months up to the end of the January tax filing deadline are our busiest time of the year. February brings a little respite, but is a great opportunity to look at longer term projects and improve our processes and routines.

We have a number of changes in the team to update you on. Katie Wells has gone on maternity leave. We all wish her well and look forward to her returning in due course. Her place as Senior Accountant in Simon Johnson's limited company support team is taken by Rachael Larner. Rachael moves from a successful spell in the on-boarding team, looking after clients who are new to Base52. Danny Basford will be moving on secondment from the tax team to on-boarding for a few months, working alongside Practice Manager, Delyth Richards. We also have a new starter, Margareta Libart, who will be joining Inga Scourfield's team as Junior Accountant.

We are also expanding in terms of the space we occupy at 30 Bancroft and will be redecorating the office. As well

as being a better environment for the team to work in, it should be a nicer place to visit too, so we look forward to welcoming you as the improvements progress.

We are delighted to have our events programme organised for the next 12 months. We have some exciting topics lined up with presenters from our own team and external experts. The first event is on 20 February with Business Coach Paul Brooksbank sharing his 'Five Ways' to massive profits.

We are continuing to roll out Xero and Receipt Bank accounting software to new and existing clients. We now have more than 100 business clients using Xero, a milestone we are very proud of. Undoubtedly using this technology is helping us streamline our processes and provide an improved service to clients.

We hope that things are going well for you and, for our business customers, we hope your business is thriving. We wish all our clients a great build up to spring.

**If you need help from the team at Base52, please do get in touch**

# Coming soon

**Have you booked your place on one of our helpful event sessions?**

**20 February**

Five ways to massive profits



**19 March**

Cloud based accounting



**23 April**

Boost your confidence



**21 May**

Managing your Personal Finances

**18 June**

Property investment tax tips



**16 July**

Cloud based accounting

**Remember to check out the Events tab on our website. Book now by going online to [base52.co.uk](http://base52.co.uk) or calling one of the team.**

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