

# E-NEWS

## 1 OCTOBER 2019

Welcome to eNews, haysmacintyre's regular "e-news alert" for corporates and private individuals.

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### THE NEWS ON IR35 IS CONFUSED

In a two to one split decision at the First Tier Tribunal, three BBC presenters, David Eades, Tim Willcox and Joanna Gosling, have lost their IR35 case and been deemed to be employees despite using a personal service company to provide their services. However, this contradicts other recent decisions involving employment status and demonstrates the difficulty in getting the right result in this area. It is also concerning that it has taken over 12 months for the Tribunal to reach its decision. Please contact [Nick Bustin](#) if you require advice regarding employment status.

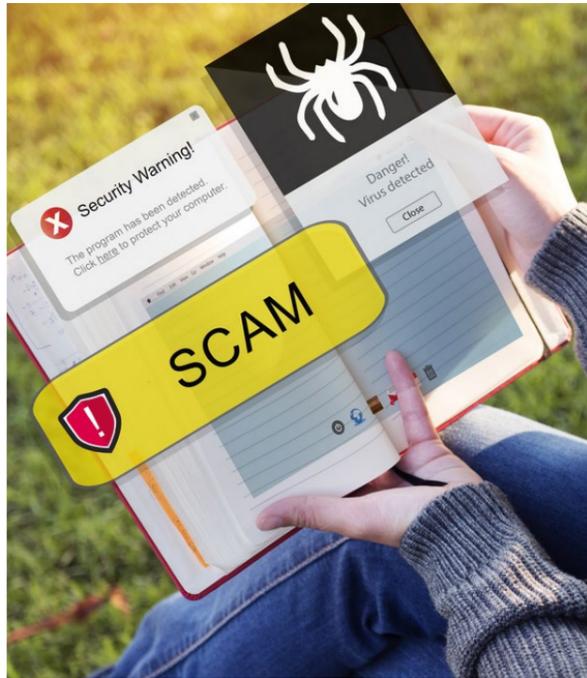


### FRC JOINS IN WITH THE BREXIT ADVICE

The Financial Reporting Council (FRC) has [written to Audit Committee Chairs and finance directors](#) setting out a number of generic actions companies should be considering prior to Brexit. The key points raised are: checking whether employees need to apply to the EU Settlement Scheme; checking legal, regulatory and administrative barriers that could arise in a "no deal" scenario; ensuring suppliers and customers have considered the possible impacts and are prepared; engaging with chambers of commerce; and discussing the risks of Brexit in their corporate reporting.

### GOVERNMENT INQUIRY INTO THOMAS COOK COLLAPSE ANNOUNCED

The [Business, Energy and Industrial Strategy \(BEIS\) Committee has announced](#) that it is to launch a full inquiry into the collapse of Thomas Cook. The inquiry will focus on a range of issues, including the stewardship of the company, executive remuneration, accounting policies and the role of the auditors and regulators. The inquiry is also likely to examine the impact of the collapse of Thomas Cook on small businesses and suppliers.



## STUDENTS ARE EASY TARGETS FOR TAX SCAMS

HMRC has [launched a campaign with universities](#) to warn students, many venturing off on their own for the first time, about tax scams. More than 600,000 tax-related email scams were reported to HMRC last year, often promising tax refunds in exchange for bank details. HMRC does not contact taxpayers in this way and any emails received promising such refunds should be ignored and deleted. Students, who took temporary jobs over the summer, maybe entitled to tax refunds. These can be obtained by sending the relevant details to HMRC via the submission of a tax return or repayment claim. Please contact [Mark Pattenden](#) for further details.

## THE TAXMAN DOES NOT UNDERSTAND ME

[Research undertaken on behalf of HMRC](#), into why small businesses call HMRC with queries, has found that small business taxpayers consider that HMRC does not understand their needs and fear mistakes would be perceived as intentional and penalised. Some respondents found managing their tax to be relatively complex and beyond their expertise whilst others admitted their record keeping was not always organised. The research also discovered that there was limited awareness of HMRC's Business Tax Account which summarised an individual businesses' tax liability. Please contact your usual haysmacintyre adviser, or [Katharine Arthur](#), for assistance with your tax affairs.



## LAB ISSUES REPORT ON CASH DISCLOSURES

The Financial Reporting Lab has issued its latest report: ['Disclosures on the sources and uses of cash'](#). The Lab found that investors want cash disclosures that provide a clear description of current and future performance, from a cash perspective, together with appropriate metrics. Disclosures that explain how a company's business model generates cash, the drivers of cash performance in the current period and which enables an assessment of future cash generation are wanted by investors. Further disclosures on how cash has been used are requested. The report also contains a number of practical examples.



## BREXIT EMPLOYMENT BULLETIN

As part of the Government's preparations for a "no deal" Brexit, HMRC has issued a [Brexit edition of its Employer Bulletin](#). The Bulletin covers a number of issues but, in particular, focuses on the impact on employers who have employees who have moved within the UK, EU, EEA countries or Switzerland. Please contact [Nick Bustin](#) for advice on any employment tax issues that you face.



## BIG DATA USED TO COLLECT COUNCIL TAX DEBTS

With local authorities facing pressure to balance budgets, HMRC has launched a pilot programme with 29 authorities in England to help identify council tax defaulters and collect arrears. The trial programme will match council tax defaulters, supplied by local councils, with employment and tax records held by HMRC. Following appropriate reviews and safeguards, a series of options will be available to councils to collect debts, including automatic deduction from salary. The Digital Economy Act 2017 gave HMRC permission to use its data in such circumstances. In 2017/18, 3% of all council tax was uncollected, representing more than £800 million.



## AND FINALLY....OPAQUE TRANSPARENCY REPORTS

The [FRC has described the current transparency reports](#) from accountancy firms performing audits to be ineffective, with many being used as a marketing exercise. The FRC is concerned that their use as a marketing tool damages the perception that they give and limits their usefulness. The FRC is also concerned that they are too long and overtly positive. The FRC wants transparency reports to be made shorter and to explain the challenges faced in delivering consistently high-quality audits.

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Finalist: Tax Team  
of the Year



Winner: Audit Team  
of the Year



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