

NFP eNews
09 JULY 2021

Welcome to eNews, haysmacintyre's regular 'e-news alert' for charities and not for profit organisations.

IT CONTRACTOR CAUGHT BY IR35

An IT contractor who provided project management services to Nationwide Building Society through his service company for seven years has lost [his appeal at the Upper Tribunal](#) against a £70,000 tax assessment. HMRC had determined that his services were within the IR35 regime and should have been subject to National Insurance and PAYE as if he was an employee. Although a right of substitution existed in the contract it had never been exercised and Nationwide did not provide any evidence to support this as a genuine right. The case illustrates the ongoing difficulties surrounding engaging workers appropriately. Please contact our [employment tax team](#) for support.



SIMPLIFICATION FOR MULTIPLE EMPLOYEE CJRS CLAIMS

HMRC has made changes to the way Coronavirus Job Retention Scheme (CJRS) claims can be made for 16 or more employees from 1 June 2021. From 1 June 2021, employers wanting to make CJRS claims, for 16 or more employees, can use HMRC's updated templates which make it easier to add the details of multiple employees. Further information and the relevant templates can be found [here](#).

DAYCARE SERVICES AND VAT

HMRC has published Brief 9 covering the VAT liability of daycare services provided by private bodies following the Supreme Court's refusal to allow an appeal in the [Life Services Limited and The Learning Centre \(Romford\) Limited](#) case. The Brief confirms that providers must be charities, public bodies or regulated by the relevant authority in the country concerned, in order to be able to exempt their supply of services. HMRC had argued that the services should be standard rated. Please contact [Phil Salmon](#) for assistance with your VAT queries.



VAT CHARGES FOR ELECTRIC VEHICLE CHARGING

HMRC has issued a brief setting out its views on the VAT liability of charging electric vehicles at charging points, which confirms that electricity supplied through charging points in public places is subject to VAT at 20%. Whilst disappointing for environmental reasons, it also calls into question the principle of neutrality within the tax where the same items should be subject to the same tax treatment; electric vehicles charged at home benefit from VAT being charged at the 5% rate for domestic power. Please contact [Phil Salmon](#) for assistance with your VAT matters.

CAPITAL ALLOWANCES: SUPER DEDUCTIONS

The Chancellor has announced the introduction of new temporary 'super' capital allowances for companies incurring qualifying capital expenditure in the period from 1 April 2021 until 31 March 2023. Read our article [here](#).



HMRC TO CONTINUE RISK-BASED APPROACH

[HMRC has confirmed](#) that it will continue to adopt a risk-based approach to late filing PAYE and late payment penalties for 2021/22 following its review of the effectiveness of this approach. This means that late filing and late payment penalties will continue to be considered on a risk-assessed basis rather than issued automatically. The first penalties for this tax year will be issued in August 2021.

HAYSMACINTYRE LAUNCHES NEW TAX DISPUTES AND RESOLUTIONS SERVICE

We announced on 25 June the launch of a new Tax Disputes and Resolutions team expanding the firm's expert offering to include advisory services covering all forms of HMRC enquiries. Please contact [Danielle Ford](#) for expert advice and guidance throughout the process.



REPAYMENTS OF FURLOUGH GRANTS

The Charity Commission has confirmed that a repayment of a CJRS grant is ex-gratia and therefore its approval is required.

FRC EXTENDS COVID-19 RENT CONCESSION ACCOUNTING

FRC has issued [amendments to FRS 102 and FRS 105: COVID-19-related rent concessions beyond 30 June 2021](#), which extends the accounting treatment of temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic until 30 June 2022. The amendments are effective for accounting periods beginning on or after 1 January 2021, with early application permitted.



NEW SORP EXAMPLES ILLUSTRATING THE IMPACT OF THE PANDEMIC

The Charity Commission has issued [new illustrative Reports and Accounts](#) of charities showing how to account for the impact of COVID-19.

FRC ISSUES REVISED ISA (UK) 240

The Financial Reporting Council (FRC) has published ISA (UK) 240 (revised May 2021) – [The auditor's responsibilities relating to fraud in an audit of financial statements](#) – which is designed to provide increased clarity as to the auditor's obligations regarding fraud. It attempts to address the concerns raised by Sir Donald Brydon in his review of the quality and effectiveness of audit. The revisions include enhancements to the requirements to identify and assess the risk of material misstatement due to fraud and how to respond to those risks. The revised standard is effective for audits of periods beginning on or after 15 December 2021 with early adoption being permitted.



DOUBLING UP ON AUDIT REGULATION

Sir Jon Thompson, the CEO of the Financial Reporting Council (FRC), has outlined the new audit framework, including plans for a US-style SOX legislation to ensure board directors are held accountable for their business' performance as well as extending the audit oversight remit to an additional 2,000 privately held companies. With the Audit, Regulation and Governance Authority (ARGA) replacing the FRC by April 2024, he expects a doubling in the number of staff at the new regulator and additional costs for businesses due to the enhanced compliance requirements.

AND FINALLY... END OF AN ERA FOR STAMPING

After over 300 years of stamping documents, HMRC will be retiring its Stamp Duty press machines on 19 July 2021. From mid-July, an electronic process will be used for transactions which still require physical stamps and will be a continuation of the process adopted during the pandemic when physical stamping could not occur with COVID-19 restrictions. [HMRC is looking for retirement homes](#) for their stamp machines

UPCOMING EVENTS

[PARN Finance SIG](#)

Thursday 17 June 2021, 16:00 - 17:30

Online

haysmacintyre is hosting the PARN Finance Special Interest Group (SIG), which encourages dialogue and disseminates knowledge and understanding about the types of finance issues faced by professional bodies.

[Arts and Culture Benchmarking Report Launch](#)

Thursday 23 September 2021, 15:30 - 17:00

Online

Please join us for the launch of our biennial arts benchmarking report. This event will cover some of the key findings from the report and insights into the Arts & Culture sector.

[Quarterly Charities Update](#)

Thursday 7 October 2021, 15:30 - 17:30

Online

Our quarterly charity update webinar covers financial, compliance, governance and other topical issues for charity and not for profit organisations.

[VAT and Tax Exchange](#)

Thursday 14 October 2021, 16:00 - 17:30

Online

haysmacintyre's VAT and Tax Exchange seminar series are delivered bi-annually providing an update on topical VAT and tax issues, with specific focus on off-payroll working arrangements relating to charities and not for profit organisations.

[INGO Benchmarking Report Launch and Seminar](#)

Wednesday 27 October 2021, 13:00 - 18:00

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This seminar for International Non-Government Organisations (INGOs) will provide an update on the latest developments relevant to international charities and include the launch of our 2021 International Charity Financial Benchmarking Report.

[NGB benchmarking report launch webinar](#)

Wednesday 3 November 2021, 10:00 - 18:00

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The launch of haysmacintyre's annual NGB Benchmarking Report and webinar for sports organisations.

For further details on our not for profit upcoming events and to register, visit www.haysmacintyre.com/events.

haysmacintyre

haysmacintyre
10 Queen Street Place
London EC4R 1AG

T 020 7969 5500
F 020 7969 5600
E marketing@haysmacintyre.com

www.haysmacintyre.com
@haysmacintyre



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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



Winner: Audit Team of the Year



Winner of the Bronze Award for 2018 and 2017



Top adviser to the top 5,000 charities, Charity Financials' league table 2021



Top ten by audit fees in the 2020 Charity Finance Audit Survey