

## NFP eNews 11 MARCH 2021

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

### BUDGET 2021

Last week the Chancellor Rishi Sunak delivered his second Budget, in which he set out his three-point plan to protect jobs and livelihoods, fix the public finances and build the future economy. Although the rates of tax may not have increased, the freezing of thresholds will mean fiscal drag is likely to increase the tax take. haysmacintyre produced a [comprehensive summary](#) following the Budget. If you require any assistance please contact our Head of Private Client, [Katharine Arthur](#).



### 'TAX DAY' TO FOLLOW AFTER THE BUDGET

The Financial Secretary to the Treasury has announced that there will be a 'Tax Day' on 23 March on which the Government will make a number of additional announcements relating to tax policy including consultation updates. This will follow other fiscal announcements made in the usual way, on last week's Budget Day which will have immediate effect or relate to provisions for the Finance Bill. This new approach was confirmed in a [letter to the Treasury Committee](#).

### COVID-19 VAT DEFERMENT EXTENSION

Deferred VAT owed to HMRC from last year can be deferred further using a new optional deferment scheme which is due to launch soon (HMRC have advised early 2021). It is likely to be an online opt-in process which will allow you to make smaller monthly instalments, interest free. You must select a number of monthly instalments between two and eleven and all instalments must be paid by the end of March 2022. You have to be up to date with your VAT returns and be able to pay by direct debit in order to use the scheme.



### COVID-19: HMRC TIME TO PAY ARRANGEMENTS

The uncertainty surrounding COVID-19 has left many reviewing personal and business cashflow forecasts for the coming months. HMRC has set up a dedicated COVID-19 helpline (0800 024 1222) to assist any business or self-employed individual providing advice, support and tax instalment arrangements. More information can be found [here](#).

## ATED SEASON ARRIVES

The Annual Tax on Enveloped Dwellings (ATED) season is just around the corner. The deadline for submission of the ATED relief declarations and ATED chargeable returns for the period 1 April 2021 to 31 March 2022 is 30 April 2021. A company will fall within the ATED regime where it owns UK residential property with a value in excess of £500,000. If you have any questions please contact [Helen McVittie](#) or your usual haysmacintyre contact.



## CORONAVIRUS JOB RETENTION SCHEME UPDATE

**3rd March 2021**

The Chancellor's headline announcement from last week's budget regarding the Coronavirus Job Retention Scheme is that it will be extended until September 2021. More information can be found [here](#).

## IR35 EXTENSION COMING

[HMRC has published its briefing document](#) prior to the extension of the off-payroll working rules (IR35) to medium and large businesses with effect from 6 April 2021. All such businesses need to consider the impact this may have on the way in which they engage with contractors, especially as, after previous postponements, it is highly unlikely there will be any further delays to the introduction of the legislation. For further guidance, please contact a member of the [Employment Tax team](#).



## HMRC LOSES AGAIN ON IR35

[HMRC has lost its appeal at the Upper Tribunal](#) against the First Tier Tribunal's (FTT) decision that the BBC was not required to treat Kaye Adams as a PAYE employee. Adams provided her services for her radio show through her own personal services company, generally on rolling one-year contracts. The FTT had decided that the substance of the arrangement between the BBC and Adams was a contract for services rather than service and that she was not part and parcel of the BBC. Please contact our [Employment Tax team](#) if you require assistance with your IR35 and wider employment tax matters.

## PAYROLLING ON BENEFITS

HMRC has announced that employers who wish to payroll the taxable benefits provided to their employees can only do so using the voluntary benefit taxable rules. Employers wishing to use this [arrangement need to register with HMRC](#) before 5 April 2021. If employers miss the registration deadline, they cannot payroll benefits until the following tax year or adopt any other informal arrangements whereby tax is deducted via the payroll. For further information, please contact [Nick Bustin](#) or [Moksud Ahmed](#).



## LISTED PLACES OF WORSHIP GRANT SCHEME

Nigel Huddleston MP, Parliamentary Under-Secretary at DCMS, [announced](#) on 24 February in a written answer to Sir David Amess MP, that the Listed Places of Worship Grant Scheme will be renewed this year on the same terms as it previously operated. This scheme will continue to benefit listed places of worship across the country during these difficult times. It will also help to ensure that they are able to reopen fully once it is safe to do so.

## NATURAL ENVIRONMENTAL INVESTMENT READINESS FUND

The Department for Environment, Food and Rural Affairs (DEFRA) has announced that a new fund will provide grants of up to £100,000 to environmental groups, local authorities, businesses and other organisations to help them develop nature projects in England to a point where they can attract private investment.



## NATIONAL LOTTERY GRANTS FOR HERITAGE 2021-22

Applications are now open for [National Lottery Grants for Heritage](#) from £3,000 to £5m. The Heritage Fund will prioritise heritage projects that will:

- Boost the local economy
- Encourage skills development and job creation
- Support wellbeing
- Create better places to live, work and visit
- Improve the resilience of organisations working in heritage

Every project will need to achieve its inclusion outcome, 'a wider range of people will be involved in heritage' and all projects must demonstrate that they are building long-term environmental sustainability into their plans, as appropriate.

## MINIMUM PENSION AGE TO INCREASE

The Government has [launched a consultation](#) which reconfirms that the normal minimum pension age will increase from 55 to 57 on 6 April 2028 and seeks views on the proposed protection regime. The normal minimum pension age is the minimum age at which most pension savers can access their pensions without incurring an unauthorised payments tax charge, unless they are taking their pension due to ill-health. The consultation runs until 22 April 2021.



### STRIKING OFF TO RESUME

Following a temporary pause to striking off companies due to the impact of COVID-19, Companies House has resumed its [strike-off processes](#) with effect from 8 March 2021. Companies House notes it still has very limited numbers of staff in its office.

### CHARITY TAX STATISTICS 2019-20

HMRC has [published](#) the charity tax statistics relating to the tax year 2019-20. This data was originally due to be published in June 2020 but was delayed by COVID-19. The statistics indicate that:

- Total relief for charities and individuals is £5.72bn, an increase from £5.5bn the previous year
- Total charity relief is £4.03bn, an increase from £3.9bn the previous year
- Gift Aid claimed by charities is up to £1.4bn from £50m
  - The £1.4bn of Gift Aid claimed came from eligible donations worth £5.6bn
  - There were claims from 71,350 charities down from £73,050 the previous year
  - 160 charities claimed £1m+ Gift Aid (a total of £670m) & 49,240 charities claimed <£5k (a total of £60m)
- Royalties and interest income is £10m
- UK non-domestic rates relief is £2.34bn (this includes mandatory and discretionary relief)
- Gift Aid Small Donations Scheme (GASDS) is remains at £40m (albeit rounded to the nearest £10m)
- Stamp Duty Land Tax (SDLT) relief is down £40m to £280m, up by £40m on the previous year
- Total relief for individuals is £1.65bn, an increase from £1.56bn the previous year
- Inheritance Tax (IHT) relief for donors is £1bn, an increase from £920m the previous year
- Payroll giving stays at £40m
  - Just over a million people donated through payroll giving
  - The gross amount donated was £132m, similar to the previous year
- Gifts of shares and property relief is £80m, up slightly from £70m in the previous year
- Higher rate relief is £540m, up slightly from £530m the previous year.



### HAYSMACINTYRE'S BREXIT SERIES

We are pleased to share the recording of our webinar with [Jeremy Thomson-Cook](#), marking the first event in our Brexit series, exploring the aftermath businesses are now facing. The webinar covered the following topics: the impact of Brexit for UK PLCs; the likely reaction of the Bank of England; what the markets expect the Chancellor to do; how sterling will perform, and what it means for your global workforce. To view the recording click [here](#).

### VIRTUAL CORPORATE REPORTING

The FRC Lab (the Lab) has issued a report on '[Virtual and Augmented Reality in Corporate Reporting](#)' and how its use might be increased. Although the Lab found the use of Virtual and Augmented Reality (VR & AR) to be currently limited, it believes, in the longer term, VR & AR has a place in corporate reporting. The Lab considers that VR & AR can provide a useful role in supporting and building understanding about a company, its business model and its operations.



### AND FINALLY... UK £100 EU €50

Included in the Budget 2021 documents was confirmation that the Treasury has approved an increase to the legal contactless payment limits previously set by the European Commission at the equivalent of €50. This will allow banks to support single contactless payments up to £100 and cumulative contactless payments up to £300 without the need for customers to input their PIN. The number of consecutive transactions before being required to provide a PIN remains at five. The timing of the increase will be dependent on banks and firms making the necessary changes to their systems.

Our dedicated [COVID-19](#) page provides regular updates on a range of financial, tax and accounting measures being introduced with our related thoughts/insights on helping organisations during this time.

### UPCOMING EVENTS

#### [Trustee Training - What Every Trustee Should Know](#)

Thursday 18 March 2021

9:30 - 13:00

Online

This session will provide a comprehensive summary of trustees' duties and responsibilities and will cover issues such as, what information you need as a trustee and your legal responsibilities, charity framework, managing risk and various other issues.

#### [Protecting Charity Funding from Increased Currency Volatility](#)

Wednesday 24 March 2021

14:30 - 15:30

Online

Join us for a special webinar for international charities held in partnership with [CharityTransfers.org](#).

#### [VAT and Tax Exchange](#)

Thursday 1 April 2021

14:30 - 16:30

Online

haysmacintyre's VAT and Tax Exchange is a bi-annual seminar series providing an update on topical VAT and Tax issues relating to charities. Hosted in Autumn and Spring each year.

For further details on our not for profit upcoming events and to register, visit [www.haysmacintyre.com/events](http://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](mailto:marketing@haysmacintyre.com)

**[www.haysmacintyre.com](http://www.haysmacintyre.com)**

**[@haysmacintyre](https://twitter.com/haysmacintyre)**



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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