

eNews

09 NOVEMBER 2021

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

## AUTUMN BUDGET 2021

On 27 October, the Chancellor unveiled his 'build back better' plans for the economy through a combination of increased taxes and spending plans. [haysmacintyre issued its comprehensive analysis](#) following the Budget but, if you require further advice or assistance, please contact [Katharine Arthur](#).



### INCREASES IN MINIMUM WAGES ANNOUNCED

Prior to the Budget, the Government [announced the National Living Wage](#) will increase from April 2022. For workers aged over 23, rates will rise to £9.50 an hour from £8.91; a 6.6% increase. Minimum pay rates for younger workers are also set to go up. The National Minimum Wage for people aged 21-22 will rise from £8.36 to £9.18 an hour and the Apprentice Rate will increase from £4.30 to £4.81 an hour.

### RESIDENTIAL PROPERTY DEVELOPER TAX

The Budget confirmed the rates and limits for the [residential property developer tax](#) which was first announced last February and is designed to raise funding for the removal of unsafe cladding. The new tax will apply from 1 April 2022 on profits over £25 million, derived from UK residential property development, at 4%. For companies that are part of a group, the £25 million allowance will be allocated by the group between its companies.



### FRC ISSUES ITS ANNUAL REVIEW ON REPORTING

The Financial Reporting Council (FRC) has published its [Annual Review of Corporate Reporting](#), which outlines the FRC's 'top ten' areas where improvements to reporting are required. These include: judgements and estimates, revenue, cashflow statements, asset impairment, and alternative performance measures. Despite the difficulties caused by the COVID-19 pandemic, the FRC found the quality of reporting was unchanged from the previous year.

### LORDS TO UNDERTAKE FURTHER REVIEW OF IR35

[The House of Lords Finance Bill Sub-Committee](#) has announced that it is undertaking a further inquiry into the impact the off-payroll rules (commonly known as IR35) have had in the private sector and how they are working in practice. This follows an earlier review by the committee which found the off-payroll working rules were riddled with problems, unfairness and unintended consequence, after which, the committee called for the wholesale reform of IR35. The inquiry is open for comment until 15 November 2021. Please contact our [Employment Taxes team](#) if you require assistance with IR35 matters.



### FINANCE BILL PUBLISHED

Subsequent to the Budget, the Government published the [Finance \(No. 2\) Bill 2021-22](#) on 4 November which is intended to give legal effect to the announcements made in the Budget. The proposals will now be subject to Parliamentary scrutiny before becoming law. Amendments to the detail are always possible during the review stage.

### TAX BASIS PERIOD ABOLITION

In anticipation of the implementation of Making Tax Digital for Income Tax in April 2024, the recently published Finance Bill confirms [HMRC's proposals to change the current rules](#) regarding how profits are allocated to a tax year for self-employed individuals and partnerships (including LLPs). The proposal is to replace the existing current accounting year basis for trading income with a new tax year basis from April 2024, with a transition year for 2023-24. Please contact [Katharine Arthur](#) if you require advice on how this will affect your own tax position.



### **FRC'S 2021/22 PRIORITIES**

The FRC has published a [summary of key matters](#) that it considers relevant to the 2021/22 reporting season. The summary replaces the previous annual advice letter to preparers of annual reports and is targeted at CEOs, CFOs and Audit Committee Chairs. The areas of focus include the disclosures and impact of the pandemic on issues such as impairment and the recoverability of deferred tax assets. The FRC will also focus on climate change disclosures, including explaining net zero commitments, impairments, decommission and restoration provisions and segmental analysis.

### **PREPARING FOR TCFD REPORTING**

For accounting periods beginning on or after 1 January 2021, premium listed companies will need to report against the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations on a comply or explain basis in their annual reports. The scope will be widened in future. In advance of the TCFD reporting, the [Financial Reporting Lab has published](#) a report which sets out practical advice and good examples from those that have already adapted the framework.



### **CCAB'S ECONOMIC CRIME MANIFESTO**

The Consultative Committee of Accountancy Bodies (CCAB) has called for a reform of Suspicious Activity Reports (SARs) and a further strengthening of modern slavery legislation in [its Economic Crime Manifesto](#). The CCAB asks for feedback from law enforcement in response to submitted SARs to demonstrate the value of a reporter's efforts and a rebuttal of the perception that a submission of a SAR gives firms protection for continuing to act. The CCAB also calls on greater collaboration between law enforcement and the profession and intelligence sharing on emerging issues.

### **AND FINALLY... FEELING STRESSED? YOU ARE NOT ALONE**

[Research from CABA](#) has found that over 40% of accountants feel so short of energy that they are unable to work effectively. The survey found that 30% of the respondents had recently felt isolated, while more than half had felt emotionally challenged. The CABA website sets out suggestions for controlling stressful situations.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



2021: Best auditor  
2020: Best outsourced  
finance service



Winner: Audit Team  
of the Year



Top 15 auditor to quoted companies  
in Adviser Ranking Listing



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