

eNews

04 SEPTEMBER 2022

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

Chancellor's Growth Plan

Last month, the new Chancellor of the Exchequer, Kwasi Kwarteng delivered his Growth Plan which included the biggest package of tax cuts in 50 years and an ambitious 2.5% trend of growth. haysmacintyre produced a summary of the key announcements and their impact which can be read [here](#). Please contact [Katharine Arthur](#), Head of Private Client, if you require assistance with your personal tax affairs.



Other Government announcements

The [Treasury has announced](#) that, following his Growth Plan, the Chancellor will set out his Medium-Term Fiscal Plan on 23 November which will give further details on the Government's fiscal rules. There will also be a Budget in the Spring, with a further Office of Budget Responsibility forecast. The Government will also be announcing a number of supply side growth measures over the next two months covering areas such as the planning system, business regulations, childcare, immigration, agricultural productivity and digital infrastructure. This month the Chancellor will also outline regulatory reforms to ensure the UK's financial services sector remains globally competitive.

In hospitality? haysmacintyre needs you

With the UK's hospitality sector continuing to confront challenges, the next [haysmacintyre's Hospitality Snapshot Survey](#) is open and will provide an up-to-date appraisal from those in the sector and gauge confidence for the coming months. The 60 second survey will cover: future prospects of your business; the outlook for the hospitality industry; challenges facing operators; preferred government support measures; and strategic responses. Thank you for your participation.



Goodwill: back to the future?

The UK Enforcement Board has published its research report [“Subsequent Measurement of Goodwill: a Hybrid Model”](#) to contribute to the international debate on accounting for goodwill. The research found that a transition to a hybrid model, whereby goodwill is amortised annually together with indicator-based impairment testing and disclosures to increase management accountability for acquisitions, was feasible. However, the research found that one third of test participants identified significant challenges in estimating the useful life of goodwill. This will be further discussed with the International Accounting Standards Board as part of its review of the accounting for goodwill.

Business mileage is still 45p per mile

The [Government has confirmed](#) that the approved mileage allowance payments (AMAP), the tax-free payments employers can use to reimburse employees for business travel in their own car, remain at 45p per mile for the first 10,000 miles and 25p per mile thereafter. This follows some confusion caused by an earlier response which implied actual expenditure, in relation to business mileage, could be reimbursed free of Income Tax and National Insurance contributions. Any reimbursement above the AMAP rate will attract Income Tax and National Insurance. Please contact our [Employment Tax team](#) if you require assistance with reimbursements or other possible benefits.



FRC reviews deferred tax assets

The Financial Reporting Council (FRC) has published a [thematic review of deferred tax assets](#) following the impact of COVID-19 on corporate profitability. Whilst the FRC did not identify any obvious overprovision of such assets it suggested improvements could be made in the following disclosure areas: the specifics which support the recognition of an asset after a recent history of losses; key judgements and estimation uncertainties underpinning the deferred tax asset; and the sensitivity impact of changes in assumptions. The review also contains examples of good disclosure which preparers of accounts may find useful.

MTD for VAT

From 1 November 2022 businesses will no longer be able to use their existing VAT online account to file quarterly, or monthly, VAT returns. Making Tax Digital (MTD) for VAT was extended to all VAT registered entities from 1 April 2022, so businesses should only be using MTD compliant software to submit VAT returns. However, this option will no longer be available for those continuing to use the old method of submission. Businesses that file annual VAT returns can use their existing VAT online account until 15 May 2023. Please contact [Stephen Patey](#), Senior VAT Manager, if you have any queries regarding MTD.



Green premiums or brown discounts

The Royal Institution of Chartered Surveyors has issued its [2022 sustainability report](#) which draws on the expertise of c4,000 professionals around the world. The report finds an increasing demand for green buildings and that non-green real estate is subject to a reduction in rents and prices, a brown discount. It also found an increase in climate risk assessments by property investors, suggesting climate issues are rising in importance and influencing key market players. High costs or low availability of low carbon materials and skill shortages were identified as a challenge.

Need to improve digital annual reports

The [FRC Lab has published a report](#) on lessons learnt from the first year of mandatory structured digital reporting under the European Single Electronic Format (ESEF) regulation. Whilst many companies had met the challenge of the new digital format, the Lab considered data quality and useability was below the level expected of a leading capital market.



FRC also reviews business combinations

The FRC has also issued a [thematic review on business combinations](#) which examines the reporting on recently completed business combinations. Whilst the FRC was generally pleased with the quality of reporting, the following areas can be improved; having clear and consistent explanations throughout the annual report of the impact of the combination; providing clear and informative disclosures on fair value adjustments, factors giving rise to goodwill, the impact on tax balances, contingent consideration and related cash flows; and disclosing significant judgements and estimates relating to the acquisition. Boiler plate wording should also be avoided.

And finally... tax interest rates rise again

Following the further increase in base rate, HMRC has [announced a further increase in late payment and repayment interest rates](#). From 11 October 2022 the late payment interest rate will be 4.75% and the repayment interest rate will be 1.25%. As these rates are linked to bank rates, future interest rate rises will result in increases in these rates.

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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



An eprivateclient top accountancy firm 2021