

eNews

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



Q4 Capital 500 shows a pessimistic outlook

Last month the London Chamber of Commerce and Industry published the [Q4 2023 results](#) of its quarterly economic survey which found firms pessimistic about London's economy in the coming 12 months. Despite this outlook, the survey found confidence in the outlook for their own businesses to be the highest level in the survey's history. It also revealed that cost pressures, including high inflation and energy prices, were dampening confidence in the wider economy with firms expecting to pass on these increases to consumers.

FRC publishes revised Ethical Standard

The Financial Reporting Council (FRC) has [updated its Ethical Standard for Auditors](#) with the revised standard being effective from 15 December 2024. The changes are designed to align the UK with international ethical standards, simplify and clarify the existing standard and to introduce a new targeted restriction on fees from entities related by a single controlling party. The FRC has cancelled its plans to extend prohibitions of tax services provided to the controlling shareholders of unlisted companies in favour of enhanced independence risk assessments. The FRC has also issued guidance for auditors on the application of the [Objective, Reasonable and Informed Third Party test](#).



HMRC catch Walkers by the Poppadoms!

The [First Tier Tribunal](#) recently addressed the VAT liability of Walkers' Sensations Poppadom snacks. The Tribunal concluded that, although the main ingredient in the poppadoms was potato granules which are not defined in the legislation as a standard rated ingredient, this was not considered relevant. On balance, the Tribunal considered the poppadoms were similar to potato crisps and should be standard rated. This decision is a good example of how nuances of definitions can impact the VAT liability of supplies, so VAT advice should always be sought. If you have any questions, please contact [Stephen Patey](#), Senior VAT Manager, or [Dougie Todd](#), VAT Partner.

Companies House rings in the changes

[Companies House has announced](#) that, following the passing of the Economic Crime and Corporate Transparency Act 2023, it intends to bring in the first set of changes to UK company law on 4 March 2024, with more to come later. Amongst the changes will be the need for all companies to supply a registered email address, as well as the prohibition of PO Box addresses for a registered office. Companies House greater powers will include the ability to, query and reject information that appears incorrect, remove inaccurate information, share information with other Government departments and law enforcement, and make annotations to confusing or misleading information.



Mandatory payrolling of benefits

HMRC has [announced that payrolling of benefits](#) and paying Class 1A NIC on benefits in kind will be mandatory from April 2026. The aim is to reduce the administrative burden for employers. Draft legislation is due to be published later this year, but the time frame employers will need to work towards will be limited. Please contact [Nick Bustin](#), Director of Employment Taxes for further information.

New Code published

The FRC has published a revised [UK Corporate Governance Code](#) (Code) which will come into effect for accounting periods beginning on or after 1 January 2025, except for the provisions in respect of internal controls which will follow a year later. Apart from the changes to internal controls, the changes are minimal with the FRC believing effective governance must be targeted and proportionate. Boards will be required to explain in a declaration in their annual reports how internal controls have been implemented and the outcomes, although boards will be left to decide what should comprise its material internal controls. The underlying principle of comply or explain remains in the Code.



Guidance on Code application follows

Following the publication of the Code, the [FRC has issued guidance to support companies](#) applying it. The guidance includes links to the Code and other relevant material and is set out in similar sections to the Code itself. Whilst the guidance is not mandatory and does not form part of the Code, it is designed to illustrate good practice for directors and their advisors.

HMRC not appealing Kaye Adams' case

Following its loss at the First Tier Tribunal (FTT) regarding the tax status of Kaye Adams and her service company ([see eNews 5 December 2023](#)), HMRC has confirmed that it will not be appealing the decision, believing an appeal would not be proportionate to the case. However, in announcing its decision, HMRC said that the FTT did not set binding legal precedents suggesting further IR35 litigation through the FTT may occur. Please contact our [Employment Tax](#) team if you require assistance with IR35 or other employment tax matters.



And finally... a record filing season

[HMRC has announced](#) that a record 11.5 million 2022/23 self-assessment tax returns were submitted before the filing deadline on 31 January 2024, with nearly 780,000 being submitted in the final 24 hours. However, it is thought that c600,000 are still to be filed and will be subject to a late filing penalty of at least £100. Please contact [Katharine Arthur](#), Head of Private Client, if you require assistance with your personal tax.

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Winner: Large Firm of the Year 2023



An eprivateclient top accountancy firm 2023



Top 10 auditor to quoted companies in Adviser Ranking Listing