

## New Partner at Thomson Cooper



We are delighted to announce that on 1 November, Sharon Collins joined Thomson Cooper as a partner.

Sharon, a former partner at Condie's Accountants, has considerable knowledge in a range of business sectors and the not for profit sector. She has extensive audit experience and provides accounts, tax and business advisory services to a diverse portfolio of clients.

Sharon is looking forward to her new challenge, "Many firms are withdrawing from the audit marketplace due to increasing legislation. Thomson Cooper have a dedicated audit department so I can

continue to provide this specialist service and extend our reach into new sectors. I look forward to continuing to work with my existing clients who will benefit from the many added value features that Thomson Cooper provide, including their Business Development Programme."

Managing Partner David Walker added, "Sharon is a valuable addition to our established team with her considerable business network and auditing experience, and I look forward to welcoming her clients on board. Sharon's appointment reinforces Thomson Cooper's position as the largest audit and accountancy practice in West Fife."

## MAKING TAX DIGITAL WORKSHOPS

We've had a good response to our workshops so far but we know there are many more businesses out there that would benefit from coming along.

Remember, from April 2019, VAT registered businesses operating above the £85,000 threshold will be required to submit their VAT return to HMRC in a compliant digital format, as part of their Making Tax Digital programme (MTD). This will mean that businesses may need to change or upgrade their existing accounting software system and those with manual systems will need an alternative.

Our workshops are designed to help business owners understand how MTD will affect them and what they may need to put in place. We will highlight suitable software solutions and those attending the workshops can request a free detailed demonstration with our Tech Team at a later date.

### REMAINING DATES

**Dunfermline - Carnegie Conference Centre, Halbeath, Dunfermline**

Friday 11 January @ 10.30am

Monday 21 January @ 3.30pm

Wednesday 6 February @ 8.30am

**Edinburgh - Edinburgh Chamber of Commerce, 40 George Street, Edinburgh**

Friday 18 January @ 8.30am

Friday 1 February @ 8.30am

Online booking only for these events. Please visit the Events page at [www.thomsoncooper.com](http://www.thomsoncooper.com) for details. The cost is £25 plus VAT.



### FESTIVE OPENING HOURS

Our Dunfermline and Edinburgh offices will close on Monday 24 December at 5.30pm, and re-open at 9am on Thursday 3 January. We wish everyone a happy Christmas and a successful 2019!



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# WHAT IS DAS AND WHY HAS IT CHANGED?



DAS stands for Debt Arrangement Scheme. The Scottish Government backed scheme was introduced in 2004, and allows people to repay their debts over an extended period, while providing protection from creditors who may try to take further action against them. There are individual and business Debt Arrangement Schemes.

DAS was recently amended with the hope of offering more accessible and sustainable Debt Payment Plans (DPPs), under the Debt Arrangement Scheme.

The new changes include:

- The option to exclude rent arrears or mortgage payments from the DPP
- The debtor can now propose to pay a portion of their surplus income into the DPP, not the full amount as previously
- An offer to include a lump sum payment using the proceeds of a future sale or re-mortgage can now be included
- Debtors can access further credit up to a limit of £2,000, with certain restrictions
- In Business DAS, the DPP no longer has to provide for the payment of two or more debts

- For those at risk of violence, their name can be kept off the DAS Register
- Existing protections with a Business DAS are now extended to cover related individuals
- A debtor in a Business DAS can apply for a payment break of up to six months, as long as this does not exceed the maximum term of five years for the business DAS

For more information on DAS or Business DAS please contact **Ian Brown** on **01383 628800** or email **ibrown@thomsoncooper.com**

## FESTIVE FUN - BUT DON'T BREAK HMRC RULES



### Staff Party

As a company director, you are entitled to provide an annual event for yourself, any staff you employ, and your partner, and reclaim the costs against the company, as long as the cost per head does not exceed £150 (including VAT). This can include accommodation, transport, and food and drink - but must not exceed the £150 threshold. The event must be open to all company staff.

You may decide to hold several events throughout the year, but the total claim for all events must not exceed this threshold.

Importantly, as with all expense claims, you do actually have to hold an event in order to reclaim the costs against your company. You can't simply make a cash claim for £150.

To calculate the cost per head, HMRC states that you should 'divide the total cost of each function by the total number of people (including non-employees) who attend in order to arrive at the cost per head.

### Gifts to Staff

The general rule is that all gifts to staff are classed as taxable benefits, however there is an exemption for certain gifts where the cost of the gift is not more than £50 per employee.

To qualify for the exemption, the gift must not be in return for a salary sacrifice or in respect of work carried out. Although store vouchers are acceptable, the gift must not be cash or a voucher that can be exchanged for cash.

### Gifts to Customers

A gift which incorporates a conspicuous advert for the business may be tax deductible. This applies to gifts like branded golf umbrellas or diaries.

The gift can't be food, drink or tobacco - even when these are branded. You also can't give any voucher that can be exchanged for goods.

The cost of the gift should not exceed £50.

# The Gift of Time

It is often said that the greatest gift that you can give is the gift of time. It costs nothing, but it's priceless. You can't keep it, but you can spend it well.

Do you ever wish you had more time to do the things you really enjoy? If so, you might want to consider putting our outsourcing options at the top of your Christmas wish list this year.

Our experts can help your business with:

- Bookkeeping and data processing
- VAT returns
- Payroll services
- Pensions auto-enrolment
- Accounting software installation, training and maintenance

Headed up by award-winning business and software specialist Elaine Cromwell, our Business Support team provide a valuable outsourcing option for a wide range of businesses.

Thomson Cooper is at the forefront of accounting software procurement, installation and training in Central Scotland. Elaine and her team are fully trained and offer the best advice when choosing which accounting software is right for your business.

Our solutions are flexible and tailored to meet each client's needs. By using the best software tools and applications available, we can design outsourcing packages that are affordable for all businesses.

So whether it is help at the end of the VAT quarter to reconcile and submit the return, or a fully managed service including supplier payment runs and payroll, we can give you the gift of time. While you can't own it, or store it up for the future, you can choose to spend it wisely in the present.

Visit our website or contact **Elaine** at [ecromwell@thomsoncooper.com](mailto:ecromwell@thomsoncooper.com) for more information and a free demonstration.



## TAX TRAPS THE BANK OF MUM AND DAD SHOULD AVOID

With the Bank of Mum and Dad regularly helping to finance property transactions for their offspring, it's important for parents to be aware of the tax consequences of doing so.

### **INHERITANCE TAX (IHT)**

Although it's tempting to give children large amounts of cash for a home, this requires careful thought and planning. IHT is a tax payable on money, savings or any other assets you pass on when you die, and potentially on some gifts you make during your lifetime.

Giving away more than your annual IHT exemption of £3,000 (that's in total, not per person) means that if you die within seven years of making the gift, your estate could be liable for inheritance

tax if its value exceeds the individual threshold of £325,000. If the estate is liable for IHT, it is payable at 40% on the excess.

However, the year your child gets married you can give them an extra £5,000. In certain circumstances, you can make gifts out of your regular income, but you'd need to show that making these gifts doesn't affect your normal standard of living, so taking professional advice is essential.

### **INCOME TAX**

If you lend your children the money, then if they pay you interest, this is taxable.

### **CAPITAL GAINS TAX (CGT)**

When parents buy a house with their child, and don't live with them, when the property is sold, they could be liable for CGT. The property will not count as the parents' main residence for tax purposes, and so CGT is payable on their share of the gain on sale.

### **ADDITIONAL STAMP DUTY**

Helping out with the deposit for a child's property may not pose a problem, but part-owning can mean additional stamp duty is payable. If parents buy a property for their child and are named on the deeds and already own a home, this purchase counts as a second home and may be liable to stamp duty at the higher rate.

# SANTA CLAUS IS COMING TO TOWN

He sees when you're sleeping. He knows when you're awake. He'll find out if you've been naughty or nice and add you to his list.

This year Santa could be facing a fine of up to 4% of global turnover if he falls foul of the General Data Protection Regulation (GDPR) which was introduced in May this year.

Santa's operation may be based in the North Pole, but if he wants to continue monitoring children in the EU and delivering gifts to them, GDPR applies to Santa too.

Children can now exercise their right to be forgotten, which could mean you're off Santa's



naughty list (although that might mean he can't keep a note of what you want for Christmas).

Is a letter to Santa deemed to be permission for Santa to retain and process your data, as well as sliding down your chimney under the cover of darkness? Only if Santa has a concise and transparent privacy notice, which has been written in clear and plain language and which is easily accessible to all. The notice should be included with all his deliveries.

Hopefully Santa has a special exemption for GDPR and you will all get what you want at Christmas!

## Carry On Connecting



Thanks to our guests who joined us at our Budget Analysis events. Despite the Chancellor changing the day and month of the budget, we were delighted with the support the events received from across the business community. It was great to work with the Association of Chartered Certified Accountants (ACCA) again, allowing their members who work in industry to access our analysis.

For the first time, we worked with Edinburgh Chamber of Commerce as their Partners in Enterprise, welcoming more members to this flagship event in our Business Development Programme (BDP) calendar. We are delighted to announce that we will be continuing with the Chamber partnership throughout 2019 and look forward to reaching new audiences next year. Our BDP is all about value. Delivering events and training that business people value, that is relevant and beneficial. We want to keep growing our events and build on the momentum.

If you have any suggestions of business-related topics you would like to see covered, please get in touch with Carol at [chumphries@thomsoncooper.com](mailto:chumphries@thomsoncooper.com) and we'll see what we can do. Next year will be a 'biggie' for the firm as

we celebrate our 70th Anniversary. Against the uncertainty of Brexit and in the spirit of resilience, we want to provide inspiration and opportunities for learning and growth. We look forward to hearing your suggestions.



Picture (left to right) - Alan Mitchell - Thomson Cooper, Gordon Smith - ACCA, David Walker - Thomson Cooper, Richard Ellis - Edinburgh Chamber of Commerce, Carrie Campbell - Thomson Cooper, Andrew Croxford - Thomson Cooper.

## BAH HUMBUG!

Christmas could prove even more expensive than expected if you don't get your tax return in before the **31 January deadline**.

Please Remember... This newsletter is for understanding of the law and HMRC general guidance only and represents our practice, as known at date of issue. Thomson Cooper accept no responsibility for any loss arising to a person acting or refraining from action as a result of this newsletter. Advice should be sought in individual circumstances. Registered to carry on audit work in the UK by the Institute of Chartered Accountants of Scotland. Authorised and regulated by the Financial Conduct Authority for financial advice.

HMRC penalties start at £100, and you could end up owing HMRC over £1,200.

These penalties are applied even if you don't owe any tax.

If you think you might miss the deadline, get in touch because we can help!



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