



# UK200Group

Media Coverage

1 September – 10 November





- Date: Friday 9 September 2016
- CCH Daily inc Accountancy Live provides independent news, analysis and insight on the accounting profession with a strong emphasis on technical content for accountants.
- Reach: 52,000
- URL: <https://www.cchdaily.co.uk/making-tax-digital-impact-authorised-tax-agents>

## Making Tax Digital: the impact on authorised tax agents

HMRC's Making Tax Digital (MTD) programme is set to change how businesses and individuals pay their tax. Alan Bobby, head of tax and wealth planning at Ellacotts explains the large impact the policy will have on businesses and accountants

The rational part of me says that the ethos of MTD is a good thing, if the government can collect taxes more efficiently and people have a real-time view of their taxation, this would seem like progress. However, it may be that the government is using this opportunity to collect fuller taxes. They are calling it MTD but actually, it seems they want to force businesses to do more work and pay taxes earlier.

What is unsettling is that successive governments have had a poor track record of successfully digitising services. Perhaps the best example is the NHS National Programme for IT, instigated by the Department of Health in England, to create a central electronic care record. This took seven years to launch, was beset by problems and ended £17m over budget.

A practical issue that has frustrated accountants is that HMRC has failed to address the issue of authorised agent access. It is essential that agents and their clients can access the same platforms and information but the reality is that at some point between now and December 2016 authorised agents will be able to access and manage their clients' digital accounts. Dual access from day one would have been far more sensible and yet it is not clear what access will be provided to accountants.

One would think that accountants would be thrilled by the potential growth in business that could be achieved, given the requirements for SMEs to provide quarterly up-dates on their business and taxation status, but this is not the case.


We live in a world where many UK200Group members are themselves SMEs. There is a genuine fear that enterprising individuals will be side tracked from the essential job of growing their business and potentially getting mired in form filling rather than selling or producing goods and services.

Perhaps one outcome of the MTD policy is that it will be more important than ever for SMEs to be paid promptly by customers because tax will need to be paid with more urgency.

There is at least one silver lining, which is that each partner in a Limited Liability Partnership (LLP) will not need the software to maintain their own digital records to give quarterly updates to HMRC. If MTD does away with the need for so many tax returns, this would make matters easier for businesses. The less bureaucracy, the easier it would be.

### About the author

Alan Bobby is the head of tax and wealth planning at Ellacotts LLP, a provider of accounting, tax and business advice services. Ellacotts LLP are members of the UK200Group.

 9 Sep 2016

#### Alan Bobby

Head of tax and wealth planning, Ellacotts LLP

[View profile and articles.](#)

- Date: Tuesday 4 October 2016
- Housewares magazine serves the homeware, DIY and garden retail sectors
- Reach: 5,000
- URL: <http://www.housewareslive.net/uk200group-businesses-say-no-change-in-growth-since-brexit>

## UK200Group: businesses say ‘no change’ in growth since Brexit

Published: 4 October 2016 - 11:03

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A survey by the UK200Group – an association of independent accountancy and law firms – in conjunction with member firm and chartered accountant Hillier Hopkins LLP, shows that 65.4% of private business owners have noticed no change in new business enquiries or sales since the Brexit vote.



The remainder were split. With reference to new business enquiries, 10.3% felt their situation had improved and 12.6% felt that it had deteriorated. In terms of sales, 11.2% believed the situation had improved and 11.7% felt that it had deteriorated.

The report was presented to the UK200Group's Brexit Forum, a newly-formed group that met to discuss the implications of Brexit for their clients, notably SMEs (small and medium-sized enterprises), owner-managed businesses and privately-owned businesses.

The survey was completed by 238 of the UK200Group's members and their clients up until September 2. Respondents were divided into three groups: those with concerns about Brexit, those who were confident, and those who were unsure.

Some 78% of those asked thought that economic forecasts are no more reliable than weather forecasts. There was an underlying theme of distrust of politicians as well.

When asked what would be most likely to allay their business fears, respondents who had said they were worried about Brexit responded strongly that they would be reassured if:

1. The government would enter into a set of trade agreements with the EU similar to the old Common Market
2. The government would agree with the EU that there will be no tariffs imposed on cross-border trade
3. They could be sure that after the political arguments, sterling will revert to its usual levels

The report's conclusion, written by Jonathan Franks of Hillier Hopkins LLP, said: "The survey shows that entrepreneurs fear recession and the uncertainty. General economic slow-downs and the uncertainty which drives economic failure are always bad for business. Concerns about trade tariffs, currency strength and the property market, which supports underlying business borrowing, were all important.

"The survey noted both opportunities and risks around Brexit, from trade tariffs and damage to the EU itself, to the possibilities of creating new advantages in a more tax favourable environment once the EU is no longer restricting government policy.

"A recurring theme is that there were two very different stances taken regarding the free movement of people. This has been generally accepted as the most difficult area for government to balance correctly, irrespective of its impact on Single Market negotiations.

"Our population was divided fairly equally between those who were confident that the UK did not need migration on the one hand, and those who fear that curbing migration will have a seriously detrimental impact on the availability of appropriate labour.

"Above all, most businesses reported that, since [the EU referendum on] June 23, very little has changed. Those who imported noted increased costs, doubtless because of currency movements, and this should not be underestimated.

"The real change is in confidence, which has suffered significantly, and if there was one message that came out more clearly than others it is the need for clarity, simplicity, and consistency. These are not things the business community has been used to seeing over recent years, but with a new government we are all hopeful."

He added: "One outcome of the survey that I found slightly surprising is that although only around 15% of respondents were engaged in imports or exports, concerns about tariffs and exchange rates were the most all-pervading issues raised.

"This can be explained because the probable repercussions of an increase in import and export costs would be further-reaching as they cascade along the supply chains.

"For example, a firm may provide services, or sell constituent parts, to a client who exports or imports. If that client's trade is affected, the supplier is likely to feel the effect too."

James Abbott, president of the UK200Group, said, "One of the most surprising things that the report expressed is that, for the majority of firms, very little has changed. The UK200Group's members act for over 150,000 owner-managed businesses and over the coming months and years the owners of those businesses will turn to them for advice and reassurance.

"Our job as an association is to collaborate and talk to one another, so that when decisions are made and new regulations or business conditions come into place, we are well-placed to offer clear and confident advice as quickly as possible."

The UK200Group's members have over 150,000 SME clients in total. Those who completed the survey were also invited to leave a comment on their views on Brexit. Here is a selection:

- "It would be interesting to learn from businesses in the UK who have a worldwide or Europe-wide remit, whether they are considering either moving some more work into the EU or setting up new plants in the EU, to capitalise on free movement of goods and people in the future."
- "Please do not let politicians get away with abandoning the greatest example in history of reconciliation and cooperation between former enemies and countries that has emerged from totalitarianism, in favour of preferential bilateral 'free trade' deals with communist China, undemocratic Russia etc.
- "It is very difficult to judge the immediate consequences because in the summer, and particularly July and August, activity levels are always lower."
- "I believe that it is very important that we accept the result and quickly move forward, keeping a positive outlook and reassuring those that invest in UK that we will get through this in a successful manner."

*James Abbott, president of the UK200Group*



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- Date: Wednesday 5 October 2016
- ERT Online
- Reach: 374
- URL: <http://ertonline.co.uk/news/uk-spending-unaffected-by-brexit-vote/>

## UK SPENDING UNAFFECTED BY BREXIT VOTE

5th October 2016

[HOME](#) > [NEWS](#) > UK SPENDING UNAFFECTED BY BREXIT VOTE



Consumer spending has been unaffected by the UK's decision to leave the EU, according to new data.

In its latest report the Office of National Statistics (ONS) has revealed that the UK economy grew by 0.6 per cent in the run-up to the EU referendum, despite concerns of a slowdown in the lead up to the vote.

Gross domestic product (GDP) also saw a slight rise on the first quarter, up 0.4 per cent. This is the 14th consecutive increase since the beginning of 2013. The biggest contributor to the growth of GDP was household consumption, which account for two-thirds of GDP growth.

The report also found that retail sales increased by an estimated 5.9 per cent in July compared with the same period last year. Sales increased 1.4 per cent on June 2016, with all sectors reporting growth.

The ONS revealed that the consumer price index (CPI) rose by 0.6 per cent in the year to July 2016. Although this is the highest increase reported since November 2014, it is still relatively low in the historic context.





Powering the electrical retail industry for over 125 years

Input and output prices (PPI) for UK manufacturers also increased, after two years of falls. Total input prices rose by 4.3 per cent in the year to July, compared with a fall of 0.5 per cent in the year to June 2016. Similarly, output prices for goods produced by UK manufacturers rose 0.3 per cent in the year to July 2016, compared with a fall of 0.2 per cent in the year to June 2016.

The ONS said the results suggest that higher input costs are feeding into output prices of manufactured goods. It also claimed that the sharp depreciation of the pound immediately after the EU Referendum result may have impacted on input producer prices.

Throughout July, production remained broadly stable, growing at a monthly rate of 0.1 per cent compared with June. Manufacturing contracted at a monthly rate of 0.9 per cent in July, but remains 0.8 per cent higher than July 2015. Manufacturing output was relatively unchanged.

Despite earlier reports of weakening consumer confidence following the referendum result, the ONS has not seen this reflected in consumer spending.

Figures show that since 2014, 'durable goods' – such as furniture and major household appliances – have provided 'solid' contributions to growth.

A recent survey issued by accountancy and law firms association UK200Group also supported these results, with the majority (65.4 per cent) of private business owners reporting no change in new business enquiries or sales since the Brexit vote.

The remainder were split, with 10.3 per cent saying their situation had improved and 12.6 per cent feeling it had deteriorated.

With regards to sales, 11.2 per cent believed that the situation had improved and 11.7 per cent felt it had deteriorated.

## UK200GROUP SURVEY CONCURS WITH ONS FIGURES: UK ECONOMY IS RESILIENT

- Date: Wednesday 5 October 2016
- Marketing Stockport is a business news publishing platform for the Stockport in Greater Manchester
- URL:  
<http://www.marketingstockport.co.uk/news/uk200group-survey-concurs-ons-figures-uk-economy-resilient/>



A new survey issued by the UK200Group – the UK's association of independent, quality-assured accountancy and law firms - shows that 65.4% of private business owners have noticed no change in new business enquiries or sales

UK200Group – Despite fears that EU referendum uncertainty could hit growth, strong growth in the quarter immediately before the Brexit vote show that confidence was robust.





Office for National Statistics figures for UK economic growth in Quarter 2 of 2016 show that gross domestic product (GDP) had expanded by 0.7% since Quarter 1, 2016. This was revised upwards from a provisional figure of 0.6%.

A new survey issued by the [UK200Group](#) – the UK’s association of independent, quality-assured accountancy and law firms – shows that 65.4% of private business owners have noticed no change in new business enquiries or sales since the Brexit vote, further underlining the resilience of the UK’s industries.

The survey was completed by 238 of the UK200Group’s members and their clients.

The remainder were split: with reference to new business enquiries, 10.3% felt that their situation had improved and 12.6% felt that it had deteriorated.

In terms of sales, 11.2% believed that the situation had improved and 11.7% felt that it had deteriorated.

The report was presented at the UK200Group’s Brexit Forum, a newly-formed group that meet to discuss the implications of Brexit for their clients, notably SMEs, owner-managed businesses and privately-owned businesses.

Respondents were divided into three groups:

those with concerns about Brexit  
those who were confident and  
those who were unsure.

Some 78% of those asked thought that economic forecasts are no more reliable than weather forecasts. There was an underlying theme of distrust of politicians as well.

**When asked what would be most likely to allay their business fears, respondents who had said they were worried about Brexit responded strongly that they would be reassured if:**

1. The government would enter into a set of trade agreements with the EU similar to the old Common Market

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[Read the report’s conclusion](#), written by Jonathan Franks of Hillier Hopkins LLP.

**Declan Swan, CEO of the UK200Group, said,** “One of the most surprising things that the report expressed is that, for the majority of firms, very little has changed since the EU referendum.

“As we can see from the Office for National Statistics’ second quarter figures, the economy seemed to be in good shape before the EU referendum.

“The majority of people we spoke to say that nothing has changed, which would indicate that they are experiencing the same economic conditions as before.

“Up to 2 September, nothing had tangibly changed for businesses in the UK – it may be that we will not feel the effects of the Brexit decision for some time.

“The UK200Group’s members represent the interests of around 150,000 owner-managed businesses, and over the coming months and years the owners of those businesses will turn to them for advice and reassurance. Our job as an association is to collaborate and talk to one another, so that when decisions are made and new regulations or business conditions come into place, we are well-placed to offer clear and confident advice as quickly as possible.”

**The UK200Group**, which was established in 1986, represents a group of trusted, quality-assured business advisers – accountants and lawyers – who have around 150,000 SME clients in total. As such, the UK200Group acts as the voice for 1,500 charities, over 10% of all registered academies, more than 3,700 farms, 800 healthcare businesses and over 500 property and construction professionals.

- Date: Wednesday 5 October 2016
- KBB is the most widely circulated newspaper for the kitchen, bedroom and bathroom industry
- Reach: 15,000
- URL: <http://www.kbbreview.com/news/uk-spending-unaffected-brexite-vote/>

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5th October 2016

[HOME](#) > [NEWS](#) > UK SPENDING UNAFFECTED BY BREXIT VOTE



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- Date: Wednesday 5 October 2016
- URL:  
<http://newsexcellent.com/news/UK200Group-Survey-Concurs-with-ONS-Figures:-UK-Economy-is-Resilient/>

## UK200Group Survey Concurs With ONS Figures: UK Economy Is Resilient

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Many were worried that, even in advance of the EU referendum, uncertainty could hit growth, but strong growth in the quarter immediately before the Brexit vote show that confidence was robust.

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# NEWS TODAY

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The report's conclusion, written by Jonathan Franks of Hillier Hopkins LLP, says, "The survey shows that entrepreneurs fear recession and uncertainty. General economic slow-down and the uncertainty which drives economic failure, are always bad for business. Concerns about trade tariffs, currency strength and the property market, which supports underlying business borrowing, were all important.

"The survey noted both opportunities and risks around Brexit, from trade tariffs and damage to the EU itself, to the possibilities of creating new advantages in a more tax favourable environment once the EU is no longer restricting government policy.

"A recurring theme is that there were two very different stances taken regarding the free movement of people. This has been generally accepted as the most difficult area for government to balance correctly, irrespective of its impact on Single Market negotiations. Our population was divided fairly equally between those who were confident that the UK did not need migration on the one hand, and those who fear that curbing migration will have a seriously detrimental impact on the availability of appropriate labour.

"Above all, most businesses reported that, since 23rd June, very little has changed. Those who imported noted increased costs, doubtless because of currency movements, and this should not be underestimated. The real change is in confidence, which has suffered significantly, and if there was one message that came out more clearly than others it is the need for clarity, simplicity, and consistency. These are not things the business community has been used to seeing over recent years, but with a new government we are all hopeful."

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"This can be explained because of the probable repercussions of an increase in import and export costs would be further-reaching as they cascade along the supply chains.

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Declan Swan, CEO of the UK200Group, said, “One of the most surprising things that the report expressed is that, for the majority of firms, very little has changed since the EU referendum. As we can see from the Office for National Statistics’ second quarter figures, the economy seemed to be in good shape before the EU referendum. The majority of people we spoke to say that nothing has changed, which would indicate that they are experiencing the same economic conditions as before. Up to 2 September, nothing had tangibly changed for businesses in the UK – it may be that we will not feel the effects of the Brexit decision for some time.

“The UK200Group’s members represent the interests of around 150,000 owner-managed businesses, and over the coming months and years the owners of those businesses will turn to them for advice and reassurance. Our job as an association is to collaborate and talk to one another, so that when decisions are made and new regulations or business conditions come into place, we are well-placed to offer clear and confident advice as quickly as possible.”

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Those who completed the survey were also invited to leave a comment on their views on Brexit, a selection of which can be found below:

- “It would be interesting to learn from businesses in the UK who have a worldwide or Europe-wide remit, if they are considering either moving some more work into the EU or setting up new plants in the EU to capitalise on free movement of goods and people in the future.”

- “Please do not let politicians get away with abandoning the greatest example in history of reconciliation and cooperation between former enemies and countries that have emerged from totalitarianism, in favour of preferential bilateral ‘free trade’ deals with communist China, undemocratic Russia etc.

“Similarly do not allow bogus ‘free trade’ rhetoric to be allowed to dodge our responsibilities to our future by dismissing action on climate change as red tape, and repealing it.”

- “It is very difficult to judge the immediate consequences because in the summer, and particularly July and August, activity levels are always lower.”

- “I believe that it is very important that we accept the result and quickly move forward, keeping a positive outlook and reassuring those that invest in UK that we will get through this in a successful manner.”





- Date: Tuesday 18 October 2016
- Equities.com is the leading financial news source for emerging growth companies. An interactive and informative global online platform with over 90,000 subscribers.
- Reach: 168,361
- URL:  
<https://www.equities.com/news/national-minimum-wage-how-does-the-increase-affect-you>

## National Minimum Wage: How Does the Increase Affect You?

M2 PressWIRE | Tuesday, 18 October 2016 07:50 (EST)



As the National Minimum Wage for young people in the UK has been increased by the government, the UK200Group warns SME business owners about the changes, what they mean for employers, and some of the most common mistakes made by business owners.

The UK200Group is the UK's leading membership association of independent quality-assured accountancy and law firms, and its member firms act as key business advisers to around 150,000 SMEs across the UK. Because of this, the UK200Group is warning business owners to ensure they don't get in trouble as a result of the new regulations.

Firstly, what is the difference between the National Minimum Wage and the National Living Wage?

Very little - just that the National Living Wage applies to working people over the age of 25, whereas the National Minimum Wage concerns the earnings of those who are 24 and younger.

The new minimum wage rates are as follows:

\* 6.95 per hour for workers aged 21 - 24

\* 5.55 per hour for workers aged 18 - 20

\* 4.00 per hour for workers under the age of 18 who have finished compulsory education

\* 3.40 per hour for apprentices under 19 years old, or in the first year of their apprenticeship

*Jonathan Russell*, Managing member of UK200Group member firm ReesRussell, said, "Increases in minimum wages are inevitable and, short of breaking the law, there is no way around them. There is no excuse for underpaying staff.

"My advice would be that, of course, you must pay your staff the minimum wage. Many business owners complain that this makes their businesses unprofitable, and I would encourage them to look at streamlining other parts of their business. Perhaps processes could be made more efficient by removing bureaucracy, or by grouping them together to increase economies of scale.



"By investing in the productivity of your workforce, you may be able to increase your turnover without having to employ more staff."

One issue that can be easily avoided is a lack of information about wages for apprentices.

Small, owner-managed businesses have sometimes seen an apprenticeship scheme as a great way of giving a young person a start to their career, taking on young talent and paying a relatively low wage for the trouble.

When taking on an apprentice, many don't realise that the minimum wage for an apprentice can rise significantly after one year, depending on age. If the apprentice is aged 16 when taken on, they can be paid the apprenticeship minimum wage until they turn 19. However, if the apprentice is 19 when taken on, after a year of employment they would be entitled to 5.55 per hour, the minimum wage for workers aged 18 to 20.

Another fact which is often overlooked by business owners who take on an apprentice is that the apprentice must be paid for time spent training or studying for a relevant qualification, whether while at work or at a training organisation.

There are risks associated with underpayment of employees: there are knock-on effects such as a potential loss of motivation and productivity, and difficulty in hiring new workers and retaining existing ones. Furthermore, there is potential for the firm's reputation to be damaged, especially by the government, which has the right to 'name and shame' those who underpay their staff.

Media information provided by Famous Publicity. For further information, please contact *George Murdoch* on 0333 344 2341 or [george@famouspublicity.com](mailto:george@famouspublicity.com), *Adam Betteridge* on 0333 344 2341 or [adam@famouspublicity.com](mailto:adam@famouspublicity.com) or *Tina Fotherby* on 07703 409 622 or [tina@famouspublicity.com](mailto:tina@famouspublicity.com).

About the UK200Group:

The UK200Group was formed in 1986, and is the UK's leading association of independent chartered accountants and law firms, with connections around the world.

The association brings together around 150 member offices in the UK with more than 500 partners who serve roughly 150,000 business clients. Its international links in nearly 70 countries give its members access to expertise across the globe.

- Date: Wednesday 19 October 2016
- The C Suite is a unique platform for leading decision-makers across the C-suite.
- Reach: 9,133
- URL:  
<http://www.thecsuite.co.uk/cfo/human-resources-cfo/national-minimum-wage-how-does-the-increase-affect-you/>



## National Minimum Wage: how does the increase affect you?

By UK200Group  
Human Resources  
Published: 19 October 2016

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Jonathan Russell, Managing member of UK200Group member firm ReesRussell, said, "Increases in minimum wages are inevitable and, short of breaking the law, there is no way around them. There is no excuse for underpaying staff.

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There are risks associated with underpayment of employees: there are knock-on effects such as a potential loss of motivation and productivity, and difficulty in hiring new workers and retaining existing ones. Furthermore, there is potential for the firm's reputation to be damaged, especially by the government, which has the right to 'name and shame' those who underpay their staff.



- Date: Friday 28 October 2016
- Equities.com is the leading financial news source for emerging growth companies. An interactive and informative global online platform with over 90,000 subscribers.
- Reach: 168,361
- URL:  
<https://www.equities.com/news/accountants-and-lawyers-go-back-to-school>

## Accountants and Lawyers Go Back to School

M2 PressWIRE | Friday, 28 October 2016 04:40 (EST)



### A New Way of Business Engaging with Education

In an unprecedented partnership between the UK200Group - the UK's leading membership organisation of independent quality-assured accountancy and law firms - and Coventry University London Campus, accountants and lawyers have supported MBA students to produce their final business plans.

The pilot of the YESS Initiative, which ran from June to September 2016, saw six students paired up with a partner-level business adviser, or 'Business Buddy', in the latest programme from the UK200Group to support entrepreneurs in the early stages of their careers.

The students and their business buddies met fortnightly throughout this period to discuss their business plan, a 10,000-word document that plays a similar role to the traditional thesis.

*Declan Swan*, CEO of the UK200Group, said, "Entrepreneurship is vital to the UK economy, and something which is firmly embedded in the DNA of our business community. We at the UK200Group recognise the contribution of owner-managed businesses, and set up the YESS Initiative in partnership with Coventry University London Campus to support the next generation of entrepreneurs.

"Our members have described a remarkable transformation in the students they mentored and the businesses that they planned to launch. The process of taking a student with an ambitious idea and giving them the practical, real-world advice that they need to succeed was one that they found extremely rewarding."

The six business advisers, from Cardiff-based *Watts Gregory*, Leeds and London-based *Virtuoso Legal* and Cheltenham-based *Randall & Payne*, each have a wealth of experience in advising SME business owners and brought that practical experience to the students.

*Callum Morrison*, leader of the Entrepreneurship module at Coventry University London, praised the input of the UK200Group members. "We at Coventry University London Campus, and especially the students who were fortunate enough to learn from the UK200Group's expert advisers, are very thankful for the input of the UK200Group and its members.





"The YESS Initiative has had an incredibly positive effect on the student participants. They are now much more confident and authoritative than they were before their meetings with their Business Buddies."

The students represented a broad range of backgrounds from around the world: two from India and one each from China, Taiwan, Malaysia and Nigeria. Their testimonials echo the sentiments of their mentors - that the programme was useful, transformative and offered insight which they would not otherwise have had access to.

*Adeola Remi-John* of Nigeria said, "My Business Buddy, *Will Abbott* of Randall & Payne, challenged my thinking and provided professional insight specific to my choice of business. Will is a professional with a keen eye for detail and who takes a genuine interest in whatever project is in his hands. His comments and suggestions certainly improved my project, and would add value to any client."

*Vishnu Vinay*, a student from India, had a similarly positive testimonial for *David Challenger* of *Watts Gregory*. "I can confidently say that working alongside David has changed the direction of my business plan for the better, and that it's become much more presentable to a prospective investor."

"David went into great detail on each part of the business plan, and as a result the financial forecasts became more accurate and the business became more feasible. YESS has been a revelation to me."

The graduation of the students who took part in the YESS Initiative pilot will take place on 18 November 2016.

Useful links:

The UK200Group: <http://www.uk200group.co.uk/>

Coventry University London Campus: [http://www.coventry.ac.uk/Coventry University London/](http://www.coventry.ac.uk/Coventry%20University%20London/)

*Watts Gregory*: <http://www.watts-gregory.co.uk/>

*Virtuoso Legal*: <http://virtuosolegal.com/>

*Randall & Payne*: <http://www.randall-payne.co.uk/>

Media information provided by Famous Publicity. For further information, please contact *George Murdoch* on 0333 344 2341 or [george@famouspublicity.com](mailto:george@famouspublicity.com), *Adam Betteridge* on 0333 344 2341 or [adam@famouspublicity.com](mailto:adam@famouspublicity.com) or *Tina Fotherby* on 07703 409 622 or [tina@famouspublicity.com](mailto:tina@famouspublicity.com).



- Date: Thursday 3 November 2016
- Shoreham Herald Page 82 (Main)
- Reach: 28,262
- URL: <http://www.shorehamherald.co.uk/>
- Picked up by media monitoring service but not as a result of a press release

## Countdown begins to our celebration of local business

The countdown is on with our fabulous business awards only a week away. business is different and large manufacturers, as well as engineers and technology companies."

Our glitzy awards ceremony will take place on Friday, November 11 at the Pavilion Worthing presented by Nick Wallis. Our clients tell us we have a unique style and that is why they like working with us. ■ Voting is still open for the Readers' Choice award. All you have to do is look at our shortlist of businesses below, decide who you think should win and let us know!

Meanwhile businesses continue to back our awards including The Martlet Partnership LLP which is sponsoring the Business Personality A company spokesman said: "As Chartered Accountants, Auditors, Tax and Wealth Advisers the firm has been advising businesses on the best way forward for over 90 years. Carpenter Box has grown into one of the most respected practices in the region with over 140 trained staff operating from Worthing and Gatwick.

"We encourage our own clients to enter the awards to showcase their businesses as this brings them many benefits both tangible and intangible. Our clients have won many awards in the past few years and we are delighted to help our clients achieve and maintain excellence. Their success is our success. The firm is a centre for excellence when it comes to advising businesses in the manufacturing, engineering and technology sector. With both national and international credentials we provide a proactive service to helping businesses improve profitability. Nationally, the accumulated experience of our colleagues in MHA's Manufacturing Group across the UK means we are well positioned to advise our clients on a diverse range of industry related areas from accounting and audit to the more specialist areas around tax, including Research and Development Tax Relief, Capital Reliefs and Patent Box to name but a few. We act for a wide range of clients in the sector ranging from small to

EG: WHH BUSS 1005 send to 85100

Voting by text costs £1.50 per vote plus your standard network rate.

You can vote as often as you like before the text line closes at 11.59pm on November 4.

Entries received after the stated competition closing deadline will not be counted but you still may be charged.

*It is open only to UK residents over 18 years. Bill payer's permission must be obtained before entering.*

*This is a Johnston Press competition. SMS service provided by BBA Digital Ltd KT18 5AD, Helpline 0333 3353351. By entering, you are indicating that you are happy to receive offers from Johnston Press Plc. by SMS.*

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- Date: Thursday 3 November 2016
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Meanwhile businesses continue to back our awards including The Martlet Partnership LLP which is sponsoring the Business Personality. Sponsor of the Manufacturing and Construction category Carpenter Box is another supporter.

A spokesman said: "We are proud to sponsor the Business Awards to recognise local business talent and play our part in the business community. A company spokesman said: "As Chartered Accountants, Auditors, Tax and Wealth Advisers the firm has been advising businesses on the best way forward for over 90 years. Carpenter Box has grown into one of the most respected practices in the region with over 140 trained staff operating from Worthing and Gatwick."

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You need to vote By text, starting your text with WHH (followed by a space) BUSS (followed by a space) followed by the FOUR DIGIT number of the group you want to vote for, and send it to 85100.

EG: WHH BUSS 1005 send to 85100

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# TAXATION

Your partner in tax law, practice and administration

- Date: Thursday 3 November 2016
- Taxation is an access commentary, analysis and practical guidance from leading tax experts.
- Reach: 5,072
- URL: <https://www.taxation.co.uk/>

## MAKING TAX DIGITAL

### Smaller businesses to bear the brunt of MTD burden

Digital exclusion is a risk if the government presses ahead with its proposed mandatory digital tax compliance for businesses, according to research from the Institute of Chartered Accountants in England and Wales.

Ahead of the consultation deadline for Making Tax Digital (MTD), the institute has compared the success and failure of global attempts to digitalise tax in *Digitalisation of Tax, International Perspectives*.

David Lyford-Smith, ICAEW technical manager, said: 'The largest and most persistent issue in introducing the digitalisation of tax is that of digital exclusion, which is common among small businesses. Although government can work to educate and provide resources for many affected by digital exclusion, total compliance is impossible.'

He went on: 'There must be an avenue for those who cannot comply with digital reporting to avoid penalties. This may be through the maintenance of traditional paper-based record-keeping and filing or supporting a network of accessible and affordable tax agents who can keep records and file on behalf of their clients.'

Mr Lyford-Smith added: 'We have seen from other economies that forcing implementation in a short time can cause problems. The results of an ICAEW survey of businesses earlier this year showed that only 25% of UK businesses maintain electronic accounting records, so there is a huge amount

to be done by businesses, HMRC and the software industry in very little time.

'We believe the move to digital should not be made compulsory and instead should be a matter of choice for business owners based on a compelling business case for change.'

Andrew Jackson, chair of the UK200Group tax panel, is also concerned about the burden MTD will have on small businesses because it will force them to start using accounting systems. He said: 'If they do not have someone to input the data – who is aware of how things need to be done – they will have to get to a place where they have one. Often, that will be a bookkeeper who has never had to deal with taxation before.'

'HMRC officials think that getting small business to use accounting systems will reduce errors, and if people are making fewer errors they should have a more accurate idea of how their businesses are performing. However, they do not seem to appreciate why people are not using accounting systems at the moment.'

He said the reason was the cost of implementing an accounting system – not just financial, but also the time and effort learning how to use it.

Mr Jackson concluded that MTD would affect small businesses more than larger ones 'because the overheads for setting up accountancy systems are going to remain broadly the same, regardless of turnover'.



- Date: Thursday 3 November 2016
- University Chronicle
- URL:  
<http://www.ssuchronicle.com/2016/11/08/digitisation-of-tax-harder-on-small-businesses/>

## Digitisation of Tax 'Harder on Small Businesses'

Posted on November 8, 2016 by SourceWire All Categories in Press Releases

*Conceptual image of a businessman holding big hammer*

In preparation for its 'Making Tax Digital' project, HMRC is reviewing the results of its official consultation period with the business community. The UK200Group, the UK's leading membership association of quality-assured chartered accountancy and law firms, has been an active part of the consultation process and has in turn asked its members for their views and the views of their SME clients.

The UK200Group represents the interests of 150,000 SMEs through its members and it is taking a lead on tax digitisation to guide business owners through the process. So what exactly does HMRC mean by 'making tax digital'?

By 2020, businesses, self-employed people and landlords earning over £10,000 per annum will manage their tax affairs through a digital, online account, and will be required to update HMRC at least quarterly.

These digital tax accounts will be a more sophisticated version of the personal tax accounts which are already in use for individuals, and allow taxpayers to see their Pay As You Earn position, tax credits and National Insurance Contributions, plus an estimate of state pension on retirement. However, by 2018, banks and building societies will be required to report interest payments to HMRC to be included in digital tax accounts, and individuals will be able to report additional sources of income digitally.

Digital tax accounts for businesses will show an overview of income tax or corporation tax, VAT and National Insurance Contributions, plus income and expenses on a quarterly basis.

Taxpayers will be expected to use software accounting systems to record day-to-day transactions, categorise them into different types of income and feed back to HMRC.

Andrew Jackson is Head of Tax at UK200Group member *Fiander Tovell* and Chair of the UK200Group Tax Panel, and is also on the consultative committee of the *Office for Tax Simplification*.

He said, "The digitisation of tax is going to have a very different effect on small companies compared to larger ones. For larger companies with financial controllers, accounts teams and reasonably sophisticated software accounting systems in place, the switch will be much easier than for smaller businesses without a dedicated accountant or bookkeeper. There is already internal reporting going on in a large business so it is not so difficult to start diverting that reporting to HMRC.

"Making tax digital will force all businesses and self-employed workers to start using accounting systems, and that implies having someone to deal with accounts – even if they're not a chartered accountant.

"If they don't have someone to input the data, keep the system up-to-date – who is aware of how things need to be done – they will have to get to a place where they have one. And often, that will be a bookkeeper who has never had to deal with taxation before.

"HMRC officials think that getting small business to use accounting systems will reduce errors, and if people are making fewer errors they should have a more accurate idea of how their businesses are performing. That's got to be a good thing.

"However, they don't seem to appreciate why people aren't using accounting systems at the moment. I think what they've failed to identify is that businesspeople aren't doing it now because of the cost of implementing an accounting system – this isn't just financial, but includes the time and effort spent learning how to use it and keeping it up to date. It's not just a case of putting a few numbers in various boxes – it takes a whole new set of skills to use these programs properly.

"This, again, is going to affect small businesses more than it affects larger ones because the overheads for setting up accountancy systems are going to remain broadly the same, regardless of turnover.

"A complex accounting system, for example, is also massively over-engineered for a lot of the UK's businesses, which might only have half a dozen clients or customers.

"HMRC seem to acknowledge this, and are also proposing that businesses be allowed to use simplified methods for doing their accounts. Unfortunately, what this would do is destroy a lot of the useful information that is the whole the point of preparing accounts in the first place.

There are also technical issues that Andrew sees as potential problems for his clients, such as whether he's going to be able to access their digital tax accounts easily and effectively.

"HMRC officials are happy to make the information in the digital tax account available to agents. Agents will be able to dial into HMRC's systems, download the information they need and pull it into the tax return or the accounts that they're preparing, or use various interfaces to see the information in the way that they want to.

"They'll not be restricted to seeing the information in the way that the client does, and the format will be more flexible and more useable. I like that.

"However, what HMRC officials have said is that the agent will not be able to see the digital tax account itself. What they'll have to do is reconstruct the account from the data they have available. Now that is very dangerous because it means that the taxpayer and the agent are potentially seeing different things. I think it's crucial that we can see on our screens what the client can see on theirs. If we can't see your tax affairs, how are we supposed to help you handle them?"

The subject of tax digitisation will be covered in more detail at the UK200Group Annual Conference, held at the Ageas Bowl, Southampton, SO30 3XH from 16 to 18 November 2016.

ENDS

Media information provided by Famous Publicity. For further information, please contact George Murdoch on 0333 344 2341 or [george@famouspublicity.com](mailto:george@famouspublicity.com), Adam Betteridge on 0333 344 2341 or [adam@famouspublicity.com](mailto:adam@famouspublicity.com) or Tina Fotherby on [07703 409 622](tel:07703409622) or [tina@famouspublicity.com](mailto:tina@famouspublicity.com).

About the UK200Group:

The UK200Group was formed in 1986, and is the UK's leading association of independent chartered accountants and law firms, with connections around the world.

The association brings together around 150 member offices in the UK with more than 500 partners who serve roughly 150,000 business clients. Its international links in nearly 70 countries give its members access to expertise across the globe.

- Date: Wednesday 9 November 2016
- University Chronicle
- URL:  
<http://www.ssuchronicle.com/2016/11/09/what-does-trumps-election-win-mean-for-uk-business/>

## What Does Trump's Election Win Mean for UK Business?

Posted on November 9, 2016 by SourceWire All Categories in Press Releases

*Conceptual image of a businessman holding big hammer*

Given that the US is often seen as a barometer for trends in the UK and much of the rest of the world, the US presidential election is of massive interest to our business community.

The UK200Group – the UK's leading membership association of chartered accountancy and law firms – has asked its members, who collectively act as trusted business advisers to 150,000 SMEs, how Donald Trump's election victory is likely to affect the UK's economy.

Liz Ward, Principal at UK200Group member firm Virtuoso Legal said:

"I have real concerns that the US will harden its position on international trade and it will become more difficult for overseas businesses to take their goods and services to the US market. The US already makes it difficult for the importation of some goods, especially software and some cutting-edge technologies such as pharmaceutical products and things such as biosimilars (synthesised human hormones etc). A more protectionist President won't seek to reduce barriers, he will seek to increase them. This will set back technological advances by years and harm much of the intangible capital the UK has to offer.

"I also suspect that a Trump administration will undermine real progress in green technology generally. Trump has already dismissed global warming and there will be no encouragement of reducing carbon emissions under his administration. Again, this is another area where the UK has leading scientific advancement to offer."

Fellow UK200Group member Charles Olley, Partner of accountants Price Bailey said:

"I am delighted that Donald Trump has been elected. Career politicians who spend their lives inventing policies and rules for everyone else again feel the wrath of the voters, just as they did or should do with the Brexit vote. There is so much waste to come out of both the US and UK administrations and wider public economy, and I feel sure Donald will find some of it. Perhaps he will be able to point Philip Hammond at some of ours."

Tim Watkins, Managing Director of UK200Group member accountancy firm Randall & Payne said:

"The business community thrives on certainty, and at the moment we have a number of doubts about the future which we are all doing our best to deal with. A victory for the Republicans may mean we are nearer the front of the queue for a post-Brexit trade deal but perhaps we can expect an element of isolationism on the part of the US going forward."

Peter Duff, Partner at law firm Morisons LLP and Vice-President of the UK200Group, said:

"Post-Brexit UK businesses, in particular the SME market, are facing a period of uncertainty with which it is difficult to cope. The election of a president who has no political experience and has never operated at the top level of international politics, who is viewed with scepticism by the markets, will create further uncertainty until we see what experience he can garner around him."

James Abbott, Managing Director at accountants Abbott Moore and President of the UK200Group, said:

"With such a polarising result, I am concerned by the implications of having such a significant part of the USA that adamantly disagrees with the outcome of this election. I don't want to over-emphasise the significance of that, but it must affect behaviour. That creates the risk of more uncertainty, which has implications for economies the world over."

Next week the UK200Group will come together for its Annual Conference, held at the Ageas Bowl, Southampton, SO30 3XH from 16 to 18 November 2016. The latest international news will be a hot topic of conversation.

- Date: Wednesday 9 November 2016
- Economia covers the essential news and analysis relevant to those in business, finance and accounting.
- Reach: 34,000
- URL:  
<http://economia.icaew.com/news/november-2016/business-and-finance-react-to-donald-trump-us-election-2016>

## Business and finance world reacts to Trump's victory

09 November 2016

Comments (0)

The world expressed shock and disbelief as Donald Trump was elected the 45th president of the United States with ensuing uncertainty compared to Brexit

However, despite initial market volatility, neither markets nor currencies have swung as drastically as they did after the EU referendum in June and reactions from the business and finance world have varied from cautiously optimistic to concerned.

The UK200Group – the UK's largest membership association of chartered accountancy and law firms – fears the result of the US election will create increased global uncertainty, which could have a negative impact on economies around the world. The group added, "given that the US is often seen as a barometer for trends in the UK and much of the rest of the world, the US presidential election is of massive interest to our business community".

Peter Duff, partner at law firm Morisons LLP and vice-president of the UK200Group raised concerns over the impact that Trump's presidency will have on an already uncertain British economy.

“A victory for the Republicans may mean we are nearer the front of the queue for a post-Brexit trade deal but perhaps we can expect an element of isolationism on the part of the US going forward”

Tim Watkins, managing director of Randall & Payne

"Post-Brexit UK businesses, in particular the SME market, are facing a period of uncertainty with which it is difficult to cope. The election of a president who has no political experience and has never operated at the top level of international politics, who is viewed with scepticism by the markets, will create further uncertainty until we see what experience he can garner around him," Duff said.

Branding 2016 the "year of political surprises", Simon Walker, director general of the Institute of Directors said, "The resilience of British companies will be tested by market and currency volatility in coming days and the country will need the perseverance and fortitude of business leaders."

"During the US election the benefits of free trade came under attack from both candidates, a development which has worried the business community. The IoD firmly believes that trade raises living standards across the world. In today's globalised world, pulling up the drawbridge and turning inwards will only hurt citizens."

Walker added, "We can only hope the as president, Mr Trump will embrace the USA's role as a leader in international economic cooperation."

Adam Marshall, director general of the British Chambers of Commerce, also raised concerns about the future of trading relationships.

"It will be important in the coming weeks to understand how the new US administration will approach trading relationships with the United Kingdom, and indeed with the wider world," he said.

"Many thousands of chamber members trade actively with businesses in the United States, and there are close and historic links between local business communities on both sides of the Atlantic. These relationships have prospered during and after changes of government over the years. UK firms will want to see those close trading relationships continue."

Ben Digby, international director of the CBI added, "As the UK and the USA's economic special relationship continues to go from strength to strength, we hope that the president-elect is committed to building on, and developing, this unique political and trading partnership."

"Firms are keen to understand more about the president-elect's trade policies. Following the UK's decision to leave the European Union, we need to do everything we can to make it easier to trade, invest and drive prosperity on both sides of the Atlantic."

Mike Cherry, national chairman at the Federation of Small Businesses, is eager to see what trade deals are agreed.

"Outside of the EU trading bloc, the US is the number one market for UK small business exports. We are keen to see the proposals that the president-elect puts forward to boost US economic growth and global trade, including a potential preferential free trade agreement with the UK after Brexit. His appointment to lead the hugely successful US Small Business Administration, and maintaining its position in his cabinet, will also be important for the small business community," Cherry said.



Christian Stadler, professor of strategic management at Warwick Business School, said, "Trump's victory brings a similar uncertainty as Brexit did. We simply don't know which of his campaign promises will translate into policy.

"For UK business it is a particularly big threat as trade with Europe is likely to decline as a result of Brexit, so companies have to offset business losses, but the US will also be a more difficult place to trade with.

Since Trump has previously spoken out against free trade, Stadler said the UK should expect a dramatic rise in import duty in some industries, such as steel.

He added that the negotiations on TTIP are also likely to end.

"As the UK will no longer be in the EU this will not have a direct effect, but suggests that it will be difficult for the UK to negotiate a deal with the US."

Stadler also warned that the substantial investment expected in US infrastructure is unlikely to benefit UK companies as contracts are likely to go to US companies.

"So what should UK companies do?"

According to Stadler there are two options.

"First, reduce US business and look for alternatives - this could mean a deliberate decision to shrink. Or set up subsidiaries in the US, so if a company operates in the US it won't be affected by the new trade barriers.

"Another effect for UK businesses is that it could be more difficult to get work permits in the US for UK business people," he said.

Liz Ward, principal at UK200Group member firm Virtuoso Legal also has "real concerns that the US will harden its position on international trade and it will become more difficult for overseas businesses to take their goods and services to the US market."

She added, "The US already makes it difficult for the importation of some goods, especially software and some cutting-edge technologies such as pharmaceutical products and things such as biosimilars (synthesised human hormones etc). A more protectionist president won't seek to reduce barriers, he will seek to increase them. This will set back technological advances by years and harm much of the intangible capital the UK has to offer."

"I also suspect that a Trump administration will undermine real progress in green technology generally. Trump has already dismissed global warming and there will be no encouragement of reducing carbon emissions under his administration. Again, this is another area where the UK has leading scientific advancement to offer."

Bernhard Gilbey, global head of tax strategy and benefits at law firm Squire Patton Boggs said the likelihood of tax reform is now high given that the Republican party has control of the White House, the House, and the Senate as well as an existing blueprint for tax reform.

"The fact that there is broad agreement that tax reform is long overdue and with the Republican party having control across the board and an existing plan, there is a clear platform to deliver a new tax system, without what would otherwise have been the long-term stalemate of irreconcilable differences between the Republican party's philosophy on tax reform directly conflicting with a Democratic administration," Gilbey said.

"Whether one agrees with the Republican's plan for tax reform or not, at least the system is likely to be brought up to date to deal with the 21st century," he added.

Gilbey also raised concerns that Trump might refuse to cooperate with the BEPS project.

"Of course, if the US pursues a more isolationist approach to international trade and international relations (as foreshadowed by president-elect Trump) the US might step even further away from engaging with the BEPS project – the very antithesis of project whose success was built on the notion of coordination between nations."

Using the Brexit analogy again, David Larsen, managing director at Duff and Phelps said the US is having its own Brexit moment and that the markets will likely be volatile until they come to grips with the result.

“Whether one agrees with the Republican's plan for tax reform or not, at least the system is likely to be brought up to date to deal with the 21st century

Bernhard Gilbey, global head of tax strategy and benefits at Squire Patton Boggs

“EU-US ties are deeper than any change in politics”  
EU foreign affairs chief, Federica Mogherini

Ryan McNeley, managing partner at Duff and Phelps added that it is very difficult to predict what Trump will actually do and how he will bring his policies forward.

Yann Magnan, also a managing director expects this level of uncertainty to last a minimum of two months until Trump explains his policies, which have so far lacked specifics.

Magnan added that firms are likely to revisit their strategic options during this period.

Tim Watkins, managing director of UK200Group member accountancy firm Randall & Payne said, "The business community thrives on certainty, and at the moment we have a number of doubts about the future which we are all doing our best to deal with."

Watkins also pointed out that Trump's win could benefit the UK's post-Brexit trade deal. Obama had previously said that the UK's decision to leave the EU would put it to the back of the queue in terms of US trade deals but Trump was openly supportive of the UK leaving the EU.

"A victory for the Republicans may mean we are nearer the front of the queue for a post-Brexit trade deal but perhaps we can expect an element of isolationism on the part of the US going forward," Watkins added.

McNeley added that there is a possibility the UK-US trade deal "could be positively impacted".

Donald Tusk, president of the European council and Jean-Claude Juncker, president of the European commission, have already invited Trump to come to Europe for an urgent US-EU summit to discuss relations for the next four years, in a joint letter congratulating him on his victory.

"Today, it is more important than ever to strengthen transatlantic relations. Only by cooperating closely can the EU and the US continue to make a difference when dealing with unprecedented challenges such as Da'esh (ISIS), the threats to Ukraine's sovereignty and territorial integrity, climate change and migration," they wrote.

"Fortunately, the EU-US strategic partnership is broad and deep: from our joint efforts to enhance energy security and address climate change, through EU-US collaboration on facing threats to security in Europe's Eastern and Southern neighbourhoods, and to the negotiations on the Transatlantic Trade and Investment Partnership - we should spare no effort to ensure that the ties that bind us remain strong and durable."

The EU's foreign affairs chief, Federica Mogherini, added, "EU-US ties are deeper than any change in politics."

Theresa May also congratulated Trump. She said, "Britain and the United States have an enduring and special relationship based on the values of freedom, democracy and enterprise. We are, and will remain, strong and close partners on trade, security and defence."

May said she "looks forward to working with president-elect Donald Trump, building on these ties to ensure the security and prosperity of our nations in the years ahead".

Jeremy Corbyn was less pleased with the result but highlighted the result reflects unease and unhappiness with the current political landscape.

"Trump's election is an unmistakable rejection of a political establishment and an economic system that simply isn't working for most people. It is one that has delivered escalating inequality and stagnating or falling living standards for the majority, both in the US and Britain," the Labour leader said in a statement.

"This is a rejection of a failed economic consensus and a governing elite that has been seen not to have listened. And the public anger that has propelled Donald Trump to office has been reflected in political upheavals across the world."

McNeley added that the result of the election should act as a wake-up call to status-quo politicians.

Charles Olley, partner at Price Bailey and UK200Group member added, "I am delighted that Donald Trump has been elected. Career politicians who spend their lives inventing policies and rules for everyone else again feel the wrath of the voters, just as they did or should do with the Brexit vote.

"There is so much waste to come out of both the US and UK administrations and wider public economy, and I feel sure Donald will find some of it. Perhaps he will be able to point Philip Hammond at some of ours."

Unlike the referendum, which took place at the end of the second quarter of the year, firms, investors and markets have a longer period of time to take stock and thoroughly assess the impact of the US election result before releasing their end of quarter results on 31 December.

Sinead Moore

“Trump's election is an unmistakable rejection of a political establishment and an economic system that simply isn't working for most people

Labour leader Jeremy Corbyn



- Date: Wednesday 9 November 2016
- Equities.com is the leading financial news source for emerging growth companies. An interactive and informative global online platform with over 90,000 subscribers.
- Reach: 168,361
- URL:  
<https://www.equities.com/news/what-does-trump-s-election-win-mean-for-uk-business>

## What Does Trump's Election Win Mean for UK Business?

M2 PressWIRE | Wednesday, 09 November 2016 11:00 (EST)



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"I have real concerns that the US will harden its position on international trade and it will become more difficult for overseas businesses to take their goods and services to the US market. The US already makes it difficult for the importation of some goods, especially software and some cutting-edge technologies such as pharmaceutical products and things such as biosimilars (synthesised human hormones etc). A more protectionist President won't seek to reduce barriers, he will seek to increase them. This will set back technological advances by years and harm much of the intangible capital the UK has to offer.

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*Tim Watkins*, Managing Director of UK200Group member accountancy firm Randall & Payne said:

"The business community thrives on certainty, and at the moment we have a number of doubts about the future which we are all doing our best to deal with. A victory for the *Republicans* may mean we are nearer the front of the queue for a post-Brexit trade deal but perhaps we can expect an element of isolationism on the part of the US going forward."

*Peter Duff*, Partner at law firm *Morisons LLP* and Vice-President of the UK200Group, said:



"Post-Brexit UK businesses, in particular the SME market, are facing a period of uncertainty with which it is difficult to cope. The election of a president who has no political experience and has never operated at the top level of international politics, who is viewed with scepticism by the markets, will create further uncertainty until we see what experience he can garner around him."

*James Abbott*, Managing Director at accountants *Abbott Moore* and President of the UK200Group, said:

"With such a polarising result, I am concerned by the implications of having such a significant part of the USA that adamantly disagrees with the outcome of this election. I don't want to over-emphasise the significance of that, but it must affect behaviour. That creates the risk of more uncertainty, which has implications for economies the world over."

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Media information provided by Famous Publicity. For further information, please contact *George Murdoch* on 0333 344 2341 or [george@famouspublicity.com](mailto:george@famouspublicity.com), *Adam Betteridge* on 0333 344 2341 or [adam@famouspublicity.com](mailto:adam@famouspublicity.com) or *Tina Fotherby* on 07703 409 622 or [tina@famouspublicity.com](mailto:tina@famouspublicity.com).

About the UK200Group:

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The association brings together around 150 member offices in the UK with more than 500 partners who serve around 150,000 business clients. Its international links in nearly 70 countries give its members access to expertise across the globe.

The UK200Group remains impartial and unbiased in political matters.

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- URL:  
<http://scotlandb2b.co.uk/2016/11/10/what-does-trumps-election-win-mean-for-uk-businesses/>

What does Trump's election win mean for UK businesses?



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## Digitisation of tax 'harder on on small businesses'

**"The digitisation of tax is going to have a very different effect on small companies compared to larger ones..."**

In preparation for its 'Making Tax Digital' project, HMRC is reviewing the results of its official consultation period with the business community.

The UK200Group, the UK's leading membership association of quality-assured chartered accountancy and law firms, has been an active part of the consultation process and has in turn asked its members for their views and the views of their SME clients.

The UK200Group represents the interests of 150,000 SMEs through its members and it is taking a lead on tax digitisation to guide business owners through the process. So what exactly does HMRC mean by 'making tax digital'?

By 2020, businesses, self-employed people and landlords earning over £10,000 per annum will manage their tax affairs through a digital, online account, and will be required to update HMRC at least quarterly.

These digital tax accounts will be a more sophisticated version of the personal tax accounts which are already in use for individuals, and allow taxpayers to see their Pay As You Earn position, tax credits and National Insurance Contributions, plus an estimate of state pension on retirement.

However, by 2018, banks and building societies will be required to report interest payments to HMRC to be included in digital tax accounts, and individuals will be able to report additional sources of income digitally.

Digital tax accounts for businesses will show an overview of income tax or corporation tax, VAT and National Insurance Contributions, plus income and expenses on a quarterly basis.

Taxpayers will be expected to use software accounting systems to record day-to-day transactions, categorise them into different types of income and feed back to HMRC.



Andrew Jackson is head of tax at UK200Group member Fiander Tovell and chair of the UK200Group Tax Panel, and is also on the consultative committee of the Office for Tax Simplification.

**He said:** “The digitisation of tax is going to have a very different effect on small companies compared to larger ones. For larger companies with financial controllers, accounts teams and reasonably sophisticated software accounting systems in place, the switch will be much easier than for smaller businesses without a dedicated accountant or bookkeeper. There is already internal reporting going on in a large business so it is not so difficult to start diverting that reporting to HMRC.

“Making tax digital will force all businesses and self-employed workers to start using accounting systems, and that implies having someone to deal with accounts – even if they’re not a chartered accountant.

“If they don’t have someone to input the data, keep the system up-to-date – who is aware of how things need to be done – they will have to get to a place where they have one. And often, that will be a bookkeeper who has never had to deal with taxation before.

“HMRC officials think that getting small business to use accounting systems will reduce errors, and if people are making fewer errors they should have a more accurate idea of how their businesses are performing. That’s got to be a good thing.

“However, they don’t seem to appreciate why people aren’t using accounting systems at the moment. I think what they’ve failed to identify is that businesspeople aren’t doing it now because of the cost of implementing an accounting system – this isn’t just financial, but includes the time and effort spent learning how to use it and keeping it up to date. It’s not just a case of putting a few numbers in various boxes – it takes a whole new set of skills to use these programs properly.

“This, again, is going to affect small businesses more than it affects larger ones because the overheads for setting up accountancy systems are going to remain broadly the same, regardless of turnover.

“A complex accounting system, for example, is also massively over-engineered for a lot of the UK’s businesses, which might only have half a dozen clients or customers.

“HMRC seem to acknowledge this, and are also proposing that businesses be allowed to use simplified methods for doing their accounts. Unfortunately, what this would do is destroy a lot of the useful information that is the whole the point of preparing accounts in the first place.

There are also technical issues that Andrew sees as potential problems for his clients, such as whether he’s going to be able to access their digital tax accounts easily and effectively.

“HMRC officials are happy to make the information in the digital tax account available to agents. Agents will be able to dial into HMRC’s systems, download the information they need and pull it into the tax return or the accounts that they’re preparing, or use various interfaces to see the information in the way that they want to.

“They’ll not be restricted to seeing the information in the way that the client does, and the format will be more flexible and more useable. I like that.

“However, what HMRC officials have said is that the agent will not be able to see the digital tax account itself. What they’ll have to do is reconstruct the account from the data they have available. Now that is very dangerous because it means that the taxpayer and the agent are potentially seeing different things.

“I think it’s crucial that we can see on our screens what the client can see on theirs. If we can’t see your tax affairs, how are we supposed to help you handle them?”

# Essex Mag

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- URL:  
<http://www.essexmagazine.co.uk/2016/11/uk200group-outlines-trumps-win-means-uk-businesses/>

## The UK200Group outlines what Trump's win means for UK businesses

📅 November 10, 2016

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- Date: Thursday 10 November 2016
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- Reach: 9,133
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## What does Trump's election win mean for UK business?

By The UK200Group  
Financial Planning  
Published: 10 November 2016

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- Date: Thursday 10 November 2016
- Accountancy Age is a finance, business and accountancy magazine with news, features and resources for business and finance professionals.
- Reach: 32,947
- URL:  
<https://www.accountancyage.com/2016/11/10/trumped-the-three-key-concerns-of-uk-accountants-post-us-election/>

## Trumped: The three key concerns of UK accountants post-US Election

10 Nov 16 | Author [Stephanie Wix](#) | [Business regulation](#) [Corporate tax](#) [Governance](#) [Politics](#)

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**ACCOUNTANTS**, whether on the boards of large corporates, or advising small business clients, are scratching their heads and furrowing brows following the shock victory for Donald Trump in the 2016 US Election.



*Accountancy Age* has rounded up the thoughts and reactions of the UK accounting profession 24 hours on from the result. Will Trump's appointment impact UK business, and if so, how? Is there a positive spin? Or should we keep our heads down and focus on mitigating Brexit?

Peter Duff, partner at Morisons and vice-president of the UK200Group, said: "A president with no political experience, or in international politics, who is viewed with scepticism by the markets, will create further uncertainty."

The administration of Brexit; taxation; and technology are key areas where Trump's appointment could impact UK business

### Administration and Brexit

With plans for Brexit still being debated and discussed in Parliament, any presidential change – particularly where the rhetoric has been protectionist – is an additional worry, which is bad for business. This business community 'thrives' on certainty and now we have many doubts, said Tim Watkins, managing director of member firm Randall & Payne, but there are trade opportunities.

"A victory for the Republicans may mean we are nearer the front of the queue for a post-Brexit trade deal but perhaps we can expect an element of isolationism on the part of the US going forward."

Others see Trump as a breath of fresh air, who will revitalise the administration of politics. "Career politicians who invent policies and rules for everyone else 'feel the wrath' of the voters, just like Brexit," stated Charles Olley, partner at Price Bailey. A lot of 'waste' could be trimmed from both administrations and "Trump will be able to point Philip Hammond at some of ours".

Stephen Hemmings, corporate tax partner at Menzies, said: "Having set a timetable for Brexit, the UK could benefit from independent control over its fiscal rules in the future, there is an opportunity. If the US market opts for an ultra-low corporate tax rate, the UK may wish to match it. Free from EU State Aid restrictions, the UK government could also consider extending current incentives offering tax-relief for innovation."

## Trump and Tax

As Hemmings pointed out, a UK free of EU restrictions could ape tax competitiveness with the US, or outdo it. Trump has previously stated that he plans to reduce the corporate tax rate in the U.S to 17% by 2020, mirroring the UK's proposals.

Hemmings, added: "This is potentially good news for UK-based tech companies that may be seeking to expand into the US in the future, particularly if the rate drop is as drastic as anticipated (potentially more than halving to 15%)."

Many US nationals have been accused of engaging in tax avoidance in Europe. But with Trump's plans to lower the domestic corporation tax, this 'could' lead to companies engaging in less tax planning in the UK and Europe, as they would be disincentivised to shift funds out of the jurisdiction across the pond.

"These reforms would reduce avoidance incentives and remove part of the mechanism for aggressive tax planning," said Kevin Phillips, international tax partner at Moore Stephens.

This move could come at a price for the UK, though, particularly if a more competitive US tax regime sees US businesses 'staying at home' to undertake M&A deals. "It remains to be seen whether U.S. companies would engage in less overseas M&A if the tax rates for repatriating earnings were to drop," Phillips added.

The situation is nuanced, of course. Offshore US capital has often been used to fund the acquisition of UK and European companies. A lower domestic corporate tax rate would lead fewer US companies to buy European rivals.

Phillips continued: "The OECD has worked hard to counter tax avoidance or 'base erosion and profit shifting'. It has been argued that this has been mostly targeted at US multinationals. If the US corporate tax rate does go down, then some of the need for the BEPS changes goes away."

## High-tech, and 'green', trade

The US could harden its position on the importation of high-tech and software poreudcts into its market – areas which would hit the UK hard.

In terms of trade, not only with the trade deals of the UK and the EU since the Brexit result, but now additionally with trade possibly affected with the UK and the US, there could be many losses and opportunities lost. An example of this is software and technological advances which will be more difficult for the UK to acquire.

"A more protectionist president won't seek to reduce barriers, he will seek to increase them. This will set back technological advances by years and harm much of the intangible capital the UK has to offer," said Liz Ward, principal at UK200Group member firm Virtuoso Legal.

"I also suspect that a Trump administration will undermine real progress in green technology generally. Trump has already dismissed global warming and there will be no encouragement of reducing carbon emissions under his administration. Again, this is another area where the UK has leading scientific advancement to offer."

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- The Guardian is a national daily newspaper.
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## Small businesses may end up paying the price for digital tax system

The government's consultation to 'eradicate bureaucratic form filling' has closed. But experts fear small firms could be hit with extra admin and IT costs



Experts say government proposals to move everything online were initiated because the business community wanted to be able to track the tax it owed during the year. Photograph: Alamy Stock Photo

On Monday night, the curtain came down on the government's consultation on plans to fully digitise taxation in the UK by 2020. This will create significant challenges for many micro businesses and sole traders, some experts warn.

In the March 2015 budget, the government set out its “vision for a transformed tax system”, later publishing a roadmap - [Making Tax Digital \[pdf\]](#) - with David Gauke MP (then financial secretary, now chief secretary to the treasury) penning the foreword. “In every walk of life, people are embracing the digital revolution,” he observed, with “millions benefiting from the convenience and simplicity of digital services.”

The government wants to “eradicate bureaucratic form filling”, wrote Gauke, “eliminate unnecessary time delays” and give taxpayers digital accounts, where information is uploaded automatically, heralding the end of annual tax returns.



### Knock-on effects

In practice, this means that “come 2020, small businesses and self-employed people earning more than £10,000 a year will manage their tax affairs through an online account, which will need updating at least every quarter,” explains chartered tax adviser Andrew Jackson, head of tax at Southampton-based accountancy firm [Fiander Tovell LLP](#). He is also chair of the tax panel at [UK200Group](#).

“Digital tax accounts will provide an overview of income tax or corporation tax, VAT and national insurance contributions, as well as income and expenses each quarter,” he adds. “The tax system is being fully digitalised to reduce accidental errors by taxpayers, improve information flow and reduce the admin burden for everyone, which I welcome – assuming the technology works. But I’m not convinced we’ll see all the benefits HMRC is looking for.”

Jackson is concerned small businesses will face an increase in administration, particularly around new reporting requirements, and make investing in accounting software and staff training a necessity.

“Larger companies have accounts people and sophisticated accounting software, making the switch much easier. But many small firms will have to buy accounting software and have someone to input data and update records regularly.”

However, according to the government, many businesses might not in fact need to buy new software. Its digital roadmap states: “Businesses will be required to use digital tools, such as software or apps, to keep records of their income and expenditure. HMRC will ensure that free apps and software are available.” There’s also time to adapt – some businesses will be affected as early as April 2018, but the changes will be more widely phased in thereafter.

The consultation, which closed this week, invited comments on how the government could simplify the payment of taxes, including whether to align payment dates and bring them closer to the point when profits arise, so that businesses make a single regular payment to cover all tax owed. And whereas now business owners might need to contact different HMRC departments, the new system will provide a single view across all liabilities.

But Jackson questions the government’s approach to introducing the changes. “We seem to be legislating the new reporting system, then trying to set up mechanisms for it. I fear that the cart has been put before the horse. Once the government has worked out exactly what the new system should look like – with infrastructure fully tested – only then should it be legislated.”

### New priorities

Elaine Clark, founder and managing director of [CheapAccounting.co.uk](#), which provides online accounting services to hundreds of small businesses, says the proposal to make tax digital was initiated partly because the business community wanted to know how much tax it owed as it went along, rather than waiting until the end of the year.

“Digitalising the system will certainly enable that – although HMRC may demand tax due sooner,” she adds. “I’d expect accounts and bookkeeping to move up the priority list for many small businesses come 2020.”

“Some owners will need to change their approach to managing their financial records, because there are likely to be penalties for late filing. The old approach of popping along to your accountant with a carrier bag full of invoices, receipts and bank statements once a year will be gone forever.”

Clark sees the need for small business owners to stay on top of their books as a good thing, with far-reaching consequences. “Remaining aware of your income, costs, profit and cash in the bank is key to success. You can react quicker to situations and make decisions based on up-to-date, rather than historical, financial data. That should deliver better outcomes.”

But finding the time to update accounts and get to grips with accounting software may be a challenge for some. “The fortunate few will be able to pay others to take care of their day-to-day bookkeeping,” she says, adding that the majority will have to find the time to do it themselves. And of course, infrastructure may be an issue in parts of the country that don’t have the broadband capabilities to upload the necessary files.

Mike Cherry, national chairman of the [Federation of Small Businesses](#) (FSB), says the organisation recognises the benefits the changes will have for some small businesses. “However, the business community still has fundamental concerns around the proposals, including on mandatory quarterly tax reporting,” he adds. “We estimate that the average small business could face costs of £2,770 from this reform.” This, at a time when the community faces an increase in the [national minimum wage](#), [pensions auto-enrolment](#) and the taxation of dividends.

Cherry says the FSB believes more time is needed before implementation begins to ensure costs can be mitigated. “This includes publication of a full impact assessment detailing the new system’s costs and benefits, a comprehensive round of user-testing, an extensive period of consultation and adequate time for HMRC to take on board required changes.”

The treasury select committee, chaired by Andrew Tyrie, has recently [expressed concerns](#) to the chancellor that the consultation and implementation of Making Tax Digital (MTD) has been rushed. The committee [heard evidence](#) from a number of tax experts, which supported the FSB’s estimation of the cost of the programme for small businesses. At the time of the hearing, Tyrie said: “Nothing like enough has been done, so far, to ensure that this [MTD] proposal does not harm many of Britain’s small businesses. As things stand, it looks as if the effect will be to transfer part of the costs of HMRC’s IT investment to businesses, along with a heap of administration.”



# the Marketingblog

- Date: Thursday 10 November 2016
- The Marketing Blog
- URL:  
<http://www.themarketingblog.co.uk/2016/11/what-does-trump%E2%80%99s-election-win-mean-for-uk-business/>

## What does Trump's election win mean for UK business? – Exclusive Comment

by James on November 10, 2016 in [Latest News](#), [Lead Article](#), [Lead story](#), [News you can use](#), [Nuggets](#)



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What does Trump's election win mean for UK business? – Exclusive Comment



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"I have real concerns that the US will harden its position on international trade and it will become more difficult for overseas businesses to take their goods and services to the US market. The US already makes it difficult for the importation of some goods, especially software and some cutting-edge technologies such as pharmaceutical products and things such as biosimilars (synthesised human hormones etc). A more protectionist President won't seek to reduce barriers, he will seek to increase them. This will set back technological advances by years and harm much of the intangible capital the UK has to offer.



"I also suspect that a Trump administration will undermine real progress in green technology generally. Trump has already dismissed global warming and there will be no encouragement of reducing carbon emissions under his administration. Again, this is another area where the UK has leading scientific advancement to offer."

## **Fellow UK200Group member Charles Olley, Partner of accountants Price Bailey said:**



"I am delighted that Donald Trump has been elected. Career politicians who spend their lives inventing policies and rules for everyone else again feel the wrath of the voters, just as they did or should do with the Brexit vote. There is so much waste to come out of both the US and UK administrations and wider public economy, and I feel sure Donald will find some of it. Perhaps he will be able to point Philip Hammond at some of ours."

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## **Randall & Payne said:**

"The business community thrives on certainty, and at the moment we have a number of doubts about the future which we are all doing our best to deal with. A victory for the Republicans may mean we are nearer the front of the queue for a post-Brexit trade deal but perhaps we can expect an element of isolationism on the part of the US going forward."

## **Peter Duff, Partner at law firm Morisons LLP and Vice-President of the UK200Group, said:**

"Post-Brexit UK businesses, in particular the SME market, are facing a period of uncertainty with which it is difficult to cope. The election of a president who has no political experience and has never operated at the top level of international politics, who is viewed with scepticism by the markets, will create further uncertainty until we see what experience he can garner around him."



## **James Abbott, Managing Director at accountants Abbott Moore and President of the UK200Group, said:**



"With such a polarising result, I am concerned by the implications of having such a significant part of the USA that adamantly disagrees with the outcome of this election. I don't want to over-emphasise the significance of that, but it must affect behaviour. That creates the risk of more uncertainty, which has implications for economies the world over."

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- Business Link Magazine was established in 1985 and is the most read publication for all those in industry and commerce; from boardroom executive to senior manager and professional advisors.
- URL: <http://blmforum.net/mag/what-does-trumps-election-win-mean-for-uk-business/>

## What does Trump's election win mean for UK Business?

By **Michael Fisher** - 10th November 2016

95



Given that the US is often seen as a barometer for trends in the UK and much of the rest of the world, the US presidential election is of massive interest to our business community.

The UK200Group – the UK's leading membership association of chartered accountancy and law firms – has asked its members, who collectively act as trusted business advisers to 150,000 SMEs, how Donald Trump's election victory is likely to affect the UK's economy.



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- URL:  
<http://www.execreview.com/2016/11/small-businesses-may-end-up-paying-the-price-for-digital-tax-system/>

## Small businesses may end up paying the price for digital tax system

The government's consultation to 'eradicate bureaucratic form filling' has closed. But experts fear small firms could be hit with extra admin and IT costs



On Monday night, the curtain came down on the government's consultation on plans to fully digitise taxation in the UK by 2020. This will create significant challenges for many

micro businesses and sole traders, some experts warn.

In the March 2015 budget, the government set out its "vision for a transformed tax system", later publishing a roadmap – [Making Tax Digital](#) [pdf] – with David Gauke MP (then financial secretary, now chief secretary to the treasury) penning the foreword. "In every walk of life, people are embracing the digital revolution," he observed, with "millions benefiting from the convenience and simplicity of digital services."

The government wants to "eradicate bureaucratic form filling", wrote Gauke, "eliminate unnecessary time delays" and give taxpayers digital accounts, where information is uploaded automatically, heralding the end of annual tax returns.

### Knock-on effects



In practice, this means that “come 2020, small businesses and self-employed people earning more than £10,000 a year will manage their tax affairs through an online account, which will need updating at least every quarter,” explains chartered tax adviser Andrew Jackson, head of tax at Southampton-based accountancy firm [Fiander Tovell LLP](#). He is also chair of the tax panel at [UK200Group](#).

Related: [Tax plans to bind small firms with more red tape? No thanks](#)

“Digital tax accounts will provide an overview of income tax or corporation tax, VAT and national insurance contributions, as well as income and expenses each quarter,” he adds. “The tax system is being fully digitalised to reduce accidental errors by taxpayers, improve information flow and reduce the admin burden for everyone, which I welcome – assuming the technology works. But I’m not convinced we’ll see all the benefits HMRC is looking for.”

Jackson is concerned small businesses will face an increase in administration, particularly around new reporting requirements, and make investing in accounting software and staff training a necessity.

“Larger companies have accounts people and sophisticated accounting software, making the switch much easier. But many small firms will have to buy accounting software and have someone to input data and update records regularly.”

However, according to the government, many businesses might not in fact need to buy new software. Its digital roadmap states: “Businesses will be required to use digital tools, such as software or apps, to keep records of their income and expenditure. HMRC will ensure that free apps and software are available.” There’s also time to adapt – some businesses will be affected as early as April 2018, but the changes will be more widely phased in thereafter.

*You’ll no longer be able to pop along to an accountant with a carrier bag full of invoices, receipts and bank statements*

ELAINE CLARK

The consultation, which closed this week, invited comments on how the government could simplify the payment of taxes, including whether to align payment dates and bring them closer to the point when profits arise, so that businesses make a single regular payment to cover all tax owed. And whereas now business owners might need to contact different HMRC departments, the new system will provide a single view across all liabilities.

But Jackson questions the government’s approach to introducing the changes. “We seem to be legislating the new reporting system, then trying to set up mechanisms for it. I fear that the cart has been put before the horse. Once the government has worked out exactly what the new system should look like – with infrastructure fully tested – only then should it be legislated.”

### New priorities

Elaine Clark, founder and managing director of [CheapAccounting.co.uk](#), which provides online accounting services to hundreds of small businesses, says the proposal to make tax digital was initiated partly because the business community wanted to know how much tax it owed as it went along, rather than waiting until the end of the year.

“Digitalising the system will certainly enable that – although HMRC may demand tax due sooner,” she adds. “I’d expect accounts and bookkeeping to move up the priority list for many small businesses come 2020.



“Some owners will need to change their approach to managing their financial records, because there are likely to be penalties for late filing. The old approach of popping along to your accountant with a carrier bag full of invoices, receipts and bank statements once a year will be gone forever.”

Clark sees the need for small business owners to stay on top of their books as a good thing, with far-reaching consequences. “Remaining aware of your income, costs, profit and cash in the bank is key to success. You can react quicker to situations and make decisions based on up-to-date, rather than historical, financial data. That should deliver better outcomes.”

But finding the time to update accounts and get to grips with accounting software may be a challenge for some. “The fortunate few will be able to pay others to take care of their day-to-day bookkeeping,” she says, adding that the majority will have to find the time to do it themselves. And of course, infrastructure may be an issue in parts of the country that don’t have the broadband capabilities to upload the necessary files.

Related: [Business groups attack HMRC plans for quarterly tax returns](#)

Mike Cherry, national chairman of the [Federation of Small Businesses](#) (FSB), says the organisation recognises the benefits the changes will have for some small businesses. “However, the business community still has fundamental concerns around the proposals, including on mandatory quarterly tax reporting,” he adds. “We estimate that the average small business could face costs of £2,770 from this reform.” This, at a time when the community faces an increase in the [national minimum wage](#), [pensions auto-enrolment](#) and the taxation of dividends.

Cherry says the FSB believes more time is needed before implementation begins to ensure costs can be mitigated. “This includes publication of a full impact assessment detailing the new system’s costs and benefits, a comprehensive round of user-testing, an extensive period of consultation and adequate time for HMRC to take on board required changes.”

The treasury select committee, chaired by Andrew Tyrie, has recently [expressed concerns](#) to the chancellor that the consultation and implementation of Making Tax Digital (MTD) has been rushed. The committee [heard evidence](#) from a number of tax experts, which supported the FSB’s estimation of the cost of the programme for small businesses. At the time of the hearing, Tyrie said: “Nothing like enough has been done, so far, to ensure that this [MTD] proposal does not harm many of Britain’s small businesses. As things stand, it looks as if the effect will be to transfer part of the costs of HMRC’s IT investment to businesses, along with a heap of administration.”



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## SME must adapt to digital economy

by Ian Murphy | November 10, 2016 | 0 Comments | Accountants, Cloud, Cyber security, HMRC, Legal, malware, Octree, ransomware, SaaS, Tony Richardson, Trojans



Security and managed services vendor Octree has warned SMEs that they need to take cyber security more seriously. This warning is contained in details of a speech from [Tony Richardson, Managing Director, Octree](#). It is to be given on Friday 18th November to members of the [UK200Group](#) made up of chartered accountancy and law firms. The speech is focused on the recent UK Government announcement of £1.9 billion for cyber security.

Earlier this week [Xero released its State of Accounts report](#). It showed that accountants are still the most trusted advisor to SMEs. It also showed that accountancy firms need to bring in skills to offer a wider range of services. Richardson will not focus on the need for new skills in accountancy or legal. Presumably this is because he would like them to consider directing their clients to Octree.

### Cloud computing a must for SMEs

Gary Turner, UK Managing Director, Xero also believes that the only solution in the future for SMEs is cloud computing. When asked about connectivity issues at a brunch he brushed them aside. With the UK the world's largest per capita online shopping nation he doesn't believe connectivity is an issue. Turner also sees no place for on-premises computing and dismisses the idea of hybrid computing.



*Tony Richardson, Managing Director, Octree*





Richardson has a similar view of cloud computing but more from a security than cost perspective. He says: *"I'm a great believer in cloud computing improving security for SMEs, because cybersecurity becomes the responsibility of the software provider, which is in a better position to address those."*

### **Businesses must invest in security training**

Unsurprisingly Richardson sees security training as a requirement for all companies. Unlike many others calling for training Richardson is focusing on soft skills such as social engineering. He says: *"For businesses, security training has to be moved up the agenda."* It is social engineering that leads to problems as far as ransomware is concerned, because the delivery mechanism will always be an email being delivered or a website being visited. Therefore, people need to be educated not to click on links or open attachments, and to be prepared to question suspect emails and, if necessary, escalate them."

This training around soft skills is something that companies and training companies are ill equipped to deploy. Many are still focused on a hard skills approach to checking the endpoint protection is updated. They tell users to check logs and if there is nothing there they are safe. The majority of these tools only work by knowing what the threat is. Educating users on how to avoid social engineering means that they should be able to avoid new attacks.

### **Directors must face up to their responsibilities**

Among SMEs there is an acceptance that they are poor in cyber security. The SME channel partners have generally failed their clients. Where they were once trusted advisors they have not delivered the support to protect companies. Instead, they have focused on selling product and shifting boxes. As a result there is a fast growing market that seeks to outsource that knowledge. This is a market that Richardson knows well as the MD of Octree.

Richardson makes the point: *"Ultimately, business directors are going to be liable, so I'm sure they'll be keen to get that message across."* This is all too often not the case. SMEs outsource their cyber security and seem to think that this means they are no longer responsible. You cannot, under the law, outsource responsibility. If you choose the wrong cyber security partner and they lose your data you are still liable. There is a gap between Richardson and many SMEs that still needs addressing.

### **Richardson's advice for SMEs**

In his closing remarks Richardson has some sound advice on getting it right when choosing a cyber security partner. *"Review any service-level agreements and security certifications. Bear in mind that a small business will have very little influence on negotiation on a large Software as a Service (SaaS) provider, but if you imagine how damaging a successful cyber-attack would be to a large SaaS provider, that offers some reassurance that they will be ensuring their systems are up-to-date."*

### **Conclusion**

Richardson is right to raise the issue of cyber security with accountancy and legal firms. We've already seen campaigns targeting legal firms with both malware and trojans looking to steal data. So far the smaller accountancy market has been relatively unscathed. This will not continue for long.

The UK HMRC has a Making Tax Digital agenda. While consultation only closed this week it is intended to move all tax affairs online. As government IT beefs up its security it means that accountancy firms will become a more important target to criminals. The increase in automation in the supply chain also means that SMEs are a more valuable target. They are seen as the soft underbelly of large enterprises and automation means that a successful attack can reap big rewards quickly.

It will be interesting to see how attendees at the UK200Group meeting respond to Richardson's speech.