

RNS

# The Little Blue Book

Issue 41 | Spring 2018

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Chartered Accountants  
Independent Financial Advisers

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# Welcome

## to the Spring, 2018, edition of our Little Blue Book.

It is a lovely time of the year and I'm pleased to say our practice has a spring in its step too.

I would like to congratulate Brigg partner Karen Lyth who became an equity partner in the firm from 1st May.

We welcome back to RNS Stewart Wilson who brings with him several long-standing clients. They will be reading our newsletter for the first time – welcome.

Communication is important to us and the Little Blue Book is an effective, twice-yearly way to keep in touch.

Both these pieces of news are included in this edition.

We also profile one of our trainee accountants, offer advice on ISAs and feature a family business that RNS has supported as it expands into the caravan market.

I hope you enjoy reading it. Please feedback any comments through your partner here or email [action@rnsca.co.uk](mailto:action@rnsca.co.uk)

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# Karen Lyth - equity partner

*A one-time trainee has worked her way up to become RNS's latest equity partner.*

Karen Lyth, an associate partner at the firm since 2013, took up her appointment on 1st May.

She started at RNS in January 2000, part way through her professional training.

Karen moved from our Scunthorpe office to Brigg in 2003 and qualified as a Chartered Certified Accountant in 2005.

She said: "I'm delighted to be offered and accept the role.

"The firm has been incredibly supportive since I started at the practice 18 years ago. It has gone by quickly, mainly because I enjoy the job.

"I'm fortunate to have some terrific, loyal clients and I work with some lovely people."

When her friend and former partner Rebecca Abbott retired to a consultancy role last year, Karen took on a number of her clients.

"I'd worked with Rebecca for many years so the transition was made easier and, hopefully, our clients' experience is one of continued, excellent customer service from the team.

"I'm looking forward to helping to develop the practice still further."

Brought up in Scunthorpe, she is a former student at Brumby Comprehensive and John Leggott College.

Married to Fraser they live in Bottesford with their two children, aged seven and six.

They enjoy walking and family holidays including camping. She enjoys motorsport and if she gets any spare time she likes to run.

RNS senior partner John Heeney congratulated Karen on her new role.

"I'm pleased Karen is now a full equity partner," he said.

"She's been incredibly committed to RNS over the years.

"There's been a smooth transition of Rebecca's clients over the past few months and I know Karen's ambitious to work with colleagues and grow the firm further.

"I wish her well in her enhanced role."

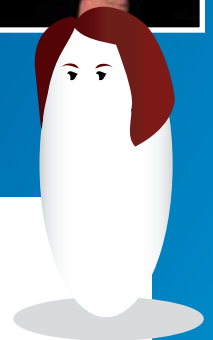


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# Tax advantaged investing



*This issue of the bluebook coincides with the start of the new tax year, which got underway on 6 April 2018. The start of a new tax year presents opportunities for tax efficient investing.*

ISA savings accounts are entirely tax free. This means that all of the profit and interest that your investment generates is not subject to any income tax.

ISA accounts are an established way of saving tax efficiently and they are set remain popular. The current government has increased the amount we can save into our ISAs and also created new ISAs, like the Lifetime ISA, designed to help younger people save tax efficiently for their first home.

Looking at the conventional ISA, which is by far the most common place, the amount each person can invest each tax year has risen steadily, and now, up to £20,000 per person can be invested each tax year. It is also possible to reinvest previous ISA savings without eating into this allowance.

There are two main ISA categories; cash ISAs and investment ISAs.

Cash ISAs are usually found in the high street, available through banks and building societies. Your money is held on deposit and you are paid interest. The interest rate on this type of account is usually quite low at the moment, even when placed on deposit for several years; 0.75-1.5% is typical.

*Tip – check any of your old cash ISAs and make sure they have not fallen into a zombie account which may be paying less than half a percent interest! Your account can do better.*

Investment ISAs, usually provided by financial advisers like RNS Financial Advisers, invest into stocks and shares and other financial assets, typically using a range of investment funds. Funds are collective saving schemes

which pool money so that it can be actively managed by a team of professional fund managers. There are hundreds of funds like this all with their own characteristics and objectives. Providing recommendations on and investing into these kinds funds is one of the core activities for our team of financial advisers. RNS Financial Advisers is fully independent which means it can invest into the top funds in the market without any bias.

**Case study – John has £10,000 in his current account, £40,000 in a savings account, and £30,000 in an ISA account, with his high street bank. He does not have an account manager at the bank anymore and there has been nothing done with the accounts for some time. A review by RNS highlights that he has unused tax free ISA allowances and that the ISA has been neglected and fallen into a zombie account earning just 0.1% interest.**

**To improve the situation we are able to transfer the full £30,000 from the existing ISA into a new account, and add an extra £20,000 for the current tax year, meaning he now has £50,000 in tax free accounts instead of £30,000. And to get a better return the money is invested into the Prudential PruFund Growth account, which has an expected growth, net of all charges, of 4.7% a year.**

To discuss your investments please contact the office who will be able to arrange a meeting free of charge with one of our financial advisers. They are able to provide advice on investments, pensions, and life insurances, for you and for your business.

The value of investments are not guaranteed and they can go down in value as well as up and if they go down your investment could be worth less than what was invested.



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# Staff profile

Name: Chris Driver

Title: Trainee Chartered Accountant

When did you join RNS: I joined the firm in July 2015, just after graduating School / college / university: I went to Winterton Comprehensive, followed by John Leggott College to study my A levels and then on to the University of Durham.

Stage of training: I am at the Advanced Stage.

Your next exam / stage: Case Study

Interest out of work: I watch anything sport related, particularly football, rugby union and cricket and enjoy supporting my teams Manchester United and Leicester Tigers.

Favourite holiday destination: I don't really have a favourite holiday destination, instead I like to explore new places every year.

Favourite TV programme: The Walking Dead

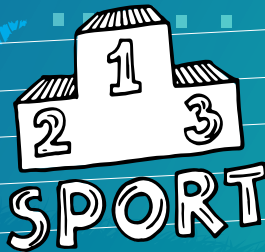
Favourite music: Anything by the Foo Fighters

Favourite food: Anything barbecued

Favourite book: A Song of Ice and Fire series (the Game of Thrones series)

Best thing about living in North Lincolnshire: I like that it's quiet, rural, with a lot of open spaces.

What is the best thing about working at RNS: I enjoy the variety of working on both audits and accounts prep for clients of varying size and in a range of industries, in a friendly and flexible environment.



# Get help with your tax return

*A full range of accountancy services is offered by RNS – including support to those who just want help with a tax return.*

Partner Jenny Camm said: “There are a host of reasons why people have to fill in a tax return.”

These include:

- *Rental property*
- *Income that means child benefit gets clawed back*
- *Complex or multiple sources of investment income*
- *A small business they run alongside employment*
- *HMRC has just asked them for a return*

Jenny said: “We look after these type of clients day-in, day-out.

“Compliance costs can be very reasonable and it takes the hassle and worry out of doing your own tax return.

“If clients do their own there is a risk they get it wrong, perhaps innocently, or HMRC get something wrong and people don’t realise they have missed some valuable relief.

“When we pick up clients who have been doing their own return the typical reaction is: ‘well I wish I had done that years ago’.

“We are qualified professionals who undertake this work daily and keep up with the legislation through annual training.

“After all, when the heating goes wrong at work we ring the plumbers and ask them to fix it.

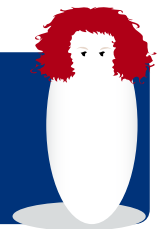
“We know they will get it sorted instead of us, as accountants, having a go at some plumbing and, no doubt, creating a bigger problem than we had in the first place!”

Contact us in Scunthorpe, Brigg or Barton if you would like support with your tax return.



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## Farming Breakfast

Partners of RNS Chartered Accountants Adrian Ingleton (centre) and Gary Makinson (right) with (left to right) Andrew Brown, Michael Anyan, both of the NFU, and speaker Nick Von Westenholz, NFU Director of Brexit and International Trade, at a well-attended National Farmers’ Union Younger Farmer Breakfast Meeting, held at Hickman Hill Hotel in Gainsborough and sponsored by the firm.



# A welcome return

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*Stewart Wilson, a well-known Grimsby accountant, has joined RNS Chartered Accountants.*

Stewart, who has been in partnership for 20 years with Carol Sharpe until her recent retirement, will be based at our Brigg offices with a meeting room facility in Grimsby.

It marks a return to RNS for Stewart, a partner at the firm between 1979 and 1996.

He was welcomed to the practice by senior partner John Heeney.

“This arrangement suits both parties,” John said. “Stewart brings with him a wealth of experience and has excellent relationships with a strong client base.

“From our perspective, the arrangement is a perfect opportunity to continue to grow our business across northern Lincolnshire.

“We welcome Stewart and his clients into RNS where they will continue to receive first class customer service.”

Stewart said he was pleased with the move and thanked John and his colleagues for the welcome.

“RNS is a long-established firm and one that will give my clients the attention to detail and level of service they have come to expect,” he said.

“I have continued to work in conjunction with the firm on a number of client matters since I was a partner and we have worked together to ensure the current transition is as smooth as possible.

“Although I wish to reduce my work commitments I do want to continue acting for a portfolio of personal tax and trust clients.

“RNS have offered me the opportunity of undertaking this work and I am confident they will provide the support and any expertise I may need in the future.”

Stewart can be contacted at our Brigg office on (01652) 655111 or email him at [stewart.wilson@rnsca.co.uk](mailto:stewart.wilson@rnsca.co.uk)



# Caravans take family to another planet!



*RNS partner Alex Douglas (left) congratulates Inglewood Caravans director Tom Burrows at their premises in Messingham on becoming a dealer for the Venus range of Lunar caravans.*

*A family business near Scunthorpe that has been successful for more than 40 years is entering a new era with exciting expansion plans.*

Inglewood Leisure, based in Messingham, has become a dealer for the Venus range of Lunar caravans – expanding its range to include new models for the first time since the firm was established.

It also has plans to extend its caravan storage facility and develop a caravan and camping site, which could open this time next year.

The growth has been achieved with the long-standing support of RNS Chartered Accountants.

The caravan arm of the business was launched around five years ago, building on the reputation of N and P Burrows Fireplaces, which was started on the same site more than

40 years ago by the late Norman Burrows and his son Paul, who is still the managing director and has been joined by his son Tom, a director.

Also a director is Paul's wife Elizabeth and their daughter Clare is company secretary.

Tom said the expansion into caravans was prompted by a desire to utilise the six-acre site and an adjoining field. It began with a caravan storage facility – which now accommodates around 200 at any one time – and has grown to include a workshop offering servicing, repairs, valeting and warranty work, plus a shop selling accessories and spares.

The range of used caravans boasts some of the finest, most well cared for vehicles you could ever find, from starter models up to luxury twin axle ones, and the addition of the new Venus range is the icing on the cake.





*Paul Burrows, wife Elizabeth, son Tom and daughter Clare with examples of the Michael Miller Collection fireplaces at their showroom.*

Tom said last year was the best so far for Inglewood Leisure.

“We like to think it’s down to our established name and location and the fact we are a small family business – we still offer the personal touch.”

He added that sales of new and used caravans had “gone through the roof” over the last 10 years and said: “It’s never been as popular as it is now.”

BBC figures show that in the UK just over 22,000 touring caravans were sold in the year to June - a 7% rise on the previous 12 months - while sales for the entire leisure vehicle market, which also includes motor homes and static caravans, rose by 9% to more than 56,000.

The UK market is second only to that of the US, and Tom attributed the growth to the popularity of “staycationing” due to fears about terrorism and the cost of taking children away during school holidays.

“It also enables people to get weekends away frequently – it’s still relatively low cost,” he said.

Tom added help from RNS Chartered Accountants had also led to the company gaining Financial Conduct Authority approval to broker finance.

“We have a relationship going back 20 years and they have helped us a great deal along the way,” he said.

However the expansion of the caravan business doesn’t mean the fireplaces have taken a backseat.

N and P Burrows Fireplaces has taken on a new dealership of its own – it is now one of only around 40 showrooms to offer the prestigious Michael Miller Collection.

“It’s a quality product at a reasonable price and we offer a good service to go with it,” said Tom.

The range includes fabulous open-sided models, sleek ‘hole-in-the-wall’ designs and easy-to-install fires that don’t need a chimney, all backed by a 25-year guarantee.

Alex Douglas, partner at RNS Chartered Accountants, said Tom was the third generation to take the Burrows’ family business forward and wished the firm “all the best” with its expansion plans.

He said: “We have been pleased to help wherever we can and hope to continue to support Tom in his ambitions.”



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# GDPR

*This checklist from the Information Commissioner's Office highlights 12 steps to take to prepare for the General Data Protection Regulation (GDPR) which will apply from 25 May.*

Many of the GDPR's main concepts and principles are much the same as those in the current Data Protection Act (DPA), so if you are complying properly with the current law then most of your approach to compliance will remain valid.

## 1 Awareness

You should make sure that decision makers and key people in your organisation are aware that the law is changing to the GDPR. They need to appreciate the impact this is likely to have and identify areas that could cause compliance problems under the GDPR. It would be useful to start by looking at your organisation's risk register, if you have one.

## 2 Information you hold

You should document what personal data you hold, where it came from and who you share it with. You may need to organise an information audit across the organisation or within particular business areas.

## 3 Communicating privacy information

You should review your current privacy notices and put a plan in place for making any necessary changes in time for GDPR implementation.

## 4 Individuals' rights

You should check your procedures to ensure they cover all the rights individuals have, including how you would delete personal data or provide data electronically and in a commonly used format.

## 5 Subject access requests

You should update your procedures and plan how you will handle requests to take account of the new rules.

## 6 Lawful basis for processing personal data

You should identify the lawful basis for your processing activity in the GDPR, document it and update your privacy notice to explain it.

## 7 Consent

You should review how you seek, record and manage consent and whether you need to make any changes. Refresh existing consents now if they don't meet the GDPR standard.

## 8 Children

You should start thinking now about whether you need to put systems in place to verify individuals' ages and to obtain parental or guardian consent for any data processing activity.

## 9 Data breaches

You should make sure you have the right procedures in place to detect, report and investigate a personal data breach.

## 10 Data Protection by Design and Data Protection Impact Assessments

It has always been good practice to adopt a privacy by design approach and to carry out a Privacy Impact Assessment (PIA) as part of this.

## 11 Data Protection Officers

You should designate someone to take responsibility for data protection compliance and assess where this role will sit within your organisation's structure and governance arrangements.

## 12 International

If your organisation operates in more than one EU member state, you should determine your lead data protection supervisory authority and document this.

# Dividend Tax Change & Profit Extraction

Clients who own limited companies have seen big changes since 2016-17 to the way in which dividends received are taxed.

Most have probably got used to them but 2018-19 sees another subtle change to the dividend tax rules.

Many clients will be familiar with the concept of the £5,000 “tax free” dividend allowance from their discussions with RNS partners as part of their tax planning.

Some of you will be aware this £5,000 “tax free” dividend allowance drops to £2,000 starting from 6th April.

We will continue to monitor and offer advice on a one-to-one basis.

Partner Rob Smith said:

*“We always look closely at clients’ personal circumstances and marry those to tax efficient profit extraction from their limited companies.”*

The mix of salary, pensions and dividends for profit extraction together with retirement planning, succession planning, business expansion and business sale can be complex.

*“We are seeing an increasing need to consider strategies for clients who are considering their retirement or perhaps succession planning.*

*“This can be a complex area where the input of your accountant as tax advisor and an independent financial advisor working closely together is essential to achieve your goals and a tax efficient outcome.*

*“To that end we work closely with our fellow partners and colleagues at RNS Financial Services Ltd, often have a combined meeting and reviewing the full picture of tax and retirement planning for clients.”*

This experience and advice under the trusted RNS banner helps enormously, said Rob.

He has worked on several cases over the past two years with partner and independent financial advisor Andrew Clayton on retirement and exit strategies following business sales.

*“As ever it is important to start these conversations early,”* said Rob.

*“We are seeing an increasing number of clients who would perhaps consider themselves a good few years away from the ‘state retirement’ age seeking the full spectrum of advice a combined chartered accountant and IFA meeting can offer.”*



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# Making Tax Digital for Businesses

*In August 2016, the Government published its proposals on how businesses will maintain their accounting records for tax purposes in the future and also how businesses will report their profits to HMRC.*

Following representations about the scope and pace of the reforms, the Government decided in July 2017, that businesses would not be mandated to use the Making Tax Digital system until April 2019 and then only to meet their VAT obligations.

## *When does MTD apply to you?*

From April 2019, VAT registered businesses (including self-employed and landlords) with turnover above the VAT registration threshold (currently £85,000) will have to:

- keep their records digitally (for VAT purposes only)
- provide their VAT return information to HMRC through Making Tax Digital compatible software

## *What are digital records?*

HMRC has confirmed that the requirement to keep digital records does not mean that businesses will have to make and store invoices and receipts digitally, however the transactions will need to be stored digitally.

HMRC has stated that the following records will need to be kept digitally:

For each supply you make you must record:

- The time of supply
- The value of the supply
- The rate of VAT charged.

For each supply you receive you must record:

- The time of supply
- The value of the supply including any VAT that is not claimable by you
- The amount of input tax that you will claim.

## *Quarterly returns*

Once all the relevant data for a quarter has been compiled into the software, the business will then feed this data directly into HMRC systems.

The information that will be sent to HMRC will be summary data for the quarter, not all income and expense items.

HMRC's online portal will no longer be available to businesses that complete a VAT return and have a turnover above the VAT threshold.

If you are worried about Mtd then contact either Karen or Jenny who have been designated as the Mtd coordinators at RNS.



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# Practice supports high profile campaign

*A campaign to boost small firms was supported by Barton businesses.*

RNS Chartered Accountants was among those backing Small Business Saturday.

The firm opened its High Street, Barton, office, on the morning with a warm welcome including tea, coffee and cakes.

Small Business Saturday aims to keep the pound spent and earned local.

RNS' Barton office manager Carol Clayton said: "Local is best and this campaign provided an opportunity for businesses to come together and encourage them to use each other."

Carol, who attended the town's Baysgarth School and began working at the office in 1981, said: "Barton's a lovely, friendly place to live, offering great value-for-money.

"It's often overlooked as a destination but it has a terrific visitor and resident offer in terms of retail outlets, places to eat and drink and things to do."

Carol works alongside Sarah Johnson, who also lives in Barton and joined the firm in 1983. As well as dealing with RNS clients, they also look after the Yorkshire Building Society branch.

Senior Partner John Heeney revealed Barton had seen an 18% increase in business through the office in 2017.

"We are very fortunate to have two trusted, local faces looking after our office on the High Street," he said.

John and Carol visited clients in Barton to highlight the campaign and were met with a positive response.

John said: "Small, retail businesses' unique selling point is that personal service and, in a close knit community like Barton, word of mouth helps too.

"People will go where they know they are going to get first class customer service. Many Barton businesses are a case in point."

Butcher Rob Newton, also on the High Street, also supported Small Business Saturday.

"It's a great idea," he said. "Like RNS, we want to do all we can to highlight what Barton has to offer."

RNS's Barton team can be contacted on (01652) 655111.



*RNS' Barton office manager Carol Clayton and senior partner John Heeney with butcher Rob Newton, also on the town's High Street, in support of Small Business Saturday.*

# Staff news

## Long Service

Special 30-year long service awards were given to Anne Britcliffe (far right) and Fiona Shipman.

Both started at the firm in 1987.

Accountant Anne began her career as a trainee while accounts clerk Fiona joined RNS as an office junior.

They were given the awards by partner Karen Lyth who thanked both for their service and dedication on behalf of all the partners.



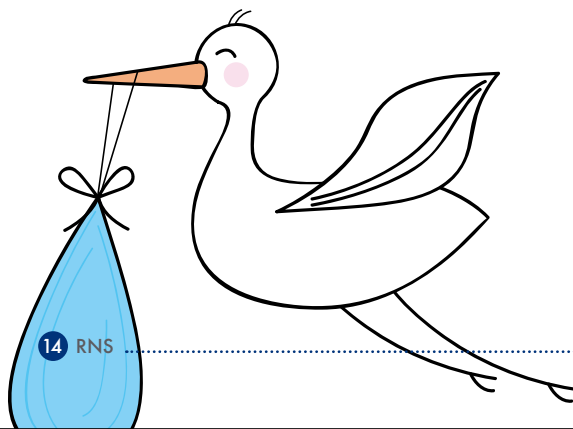
## New Arrival

Congratulations to partner Alex Douglas and wife Hannah on the birth of their first son Ezra Alexander. He arrived on 6th November and is a brother to two-year-old Martha.



## Congratulations

Our best wishes to accountant Jayne Wright who married Craig Mumby on 3rd February at St Peter's Church in Bottesford. The happy couple had a reception at the White Swan in Scotter. Jayne has taken Craig's surname.



# Aiden strengthens team

*RNS Independent Financial Advisors have bolstered their numbers to meet growing demand.*

Aiden Boucher has been welcomed to the team to help manage growing client numbers across a range of products including pensions, insurance and investments.

The Trainee Financial Adviser, who is from Bottesford, attended St Bede's Academy and John Leggott College.

He will prepare information for the team's qualified financial advisers as they help clients plan for their short and long-term financial goals.

Aiden's completing a Diploma in Financial Planning and also accountancy exams on his way to becoming a qualified chartered accountant.

He said of the new role:

*"I enjoy finding out about the different varieties of investments, pensions and insurance there are out there, meaning that not one day in the job is the same."*

Outside of work, Aiden's a goalkeeper for a local Sunday League football team.

*"I am a season ticket holder for Scunthorpe United and I occasionally participate in local 10k running events,"* he added.



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### Income tax rates and bands 2018/19

	£ per year
Basic rate - 20% <sup>1</sup>	0 - 34,500
Higher rate - 40%	34,501-150,000
Additional rate - 45%	Over 150,000

<sup>1</sup> 1 There is a 0% starting rate for savings income only. The starting rate limit is £5,000 for 2018/19. If an individual's taxable non-savings income exceeds the starting rate limit, then the 10% rate for savings is not available. The tax rates for dividends are 7.5% basic rate, 32.5% higher rate and 38.1% additional rate.

### Income tax allowances 2018/19

	£ per year
Personal allowance	11,850
Income limit for personal allowance	100,000
Dividend allowance	2,000
Marriage allowance	1,190

### National insurance rates 2018/19

Lower earnings limit	£116 a week
Primary threshold	£162 a week
Secondary threshold	£162 a week
Upper earnings limit	£892 a week
Employees rate on earnings between £162 & £892 per week	12%
Employees rate on earnings over £892 per week	2%
Employers' rate on earnings above £162 per week	13.80%
Upper profits limit	£46,350 a year
Lower profits limit	£8,424
Class 4 self-employed rate on profits between £8424 and £46,350	9%
Class 4 self-employed rate on profits over £46,350	2%
Class 2 self-employed national insurance	£2.95 per week

**We help and advise businesses every day. Give us a call for a completely free, no obligation meeting.**



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