

Addition

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2024 AT SIMPKINS EDWARDS

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FROM THE TOP

I have the privilege of introducing our Winter 2024/25 edition of Addition as a step towards my retirement as a partner in March.

We have recently marked the very sad death of our former partner, friend and colleague Lynn Woodward with whom I worked closely for nearly 25 years. We shared many interests including advising business owners and their families in predominately farming and rural enterprises.

This newsletter is an element in our service line, designed to keep you informed of developments in the world of tax and accounting so that we can help you navigate the slip streams and rapids while you keep your finances and business interests afloat. In particular, we have articles relating to the recent budget, upcoming furnished holiday lettings tax treatments, and changes to payrollling benefits in kind.

Inheritance tax changes outlined in the budget have brought succession planning into sharper focus. Succession planning is topical across all walks of life including at Simpkins Edwards. Our ethos is to develop a friendly, knowledgeable and ambitious team whose aims are to deliver you the support you require, ensuring a smooth transition from retirees to the next generation. I will switch to a consultant role from April creating a smooth handover to my successors.

In 2024, we were successful in a number of business awards (see page 11); we also had fun volunteering for local causes and raising funds for Clarity North Devon and the Special Olympics through our Really Big Quiz in Barnstaple.

Best wishes for a happy and successful year.

Mary Jane Campbell



When you have finished with this brochure, please recycle it, preferably by passing onto another reader.

Please note: The articles in this newsletter are for general information only and are not intended to constitute professional advice. No duty of care is assumed to any direct or indirect recipient of the articles and no liability is accepted for any omission or inaccuracy.

LYNN WOODWARD

1960-2024



It is with sadness that the partners of Simpkins Edwards announce the passing of Lynn Woodward, the firm's first female partner, first female senior partner and former chairman of the management board.

Following a degree in agriculture at Seale Hayne (a sandwich course where she went to work on a farm and had to point out that she was just as capable of tractor driving as her fellow male students!), she took up accountancy as a career, joining a Newton Abbot firm as a trainee. 13 years later, in 1997, she joined Simpkins Edwards as a member of the farming and rural team.

In 1998 Lynn made history by becoming the first female partner at Simpkins Edwards and quickly took on responsibility for human resources; a role she was involved in all through her career. Lynn was known for her thoughtfulness, organisation and incredible diligence in everything she did.

She played a significant role in recruitment, taking great pleasure in seeing trainees join the firm and progress their careers, learning as they worked and gaining in confidence.

In 2005 Lynn was elected to the join the management board of Simpkins Edwards and held this position for 17 years. In 2012 she became the firm's first female senior partner.

One of her long-term achievements was identifying and recruiting young managers with partner potential ensuring the firm's future leadership. A new generation of partners are now running each of our 5 offices across Devon.

Lynn enjoyed her contact with clients; her relationship with most of them was a mix of personal and professional interest, creating a bond of trust allowing her to deliver

technical expertise in a friendly and straightforward style.

She quickly gained an excellent reputation across her largely, but not exclusively, agricultural fee base.

Following the retirement of a colleague Lynn took on the post of Clerk to the Trustees, for St Petrocks and Heavitree Parish Lands Charity. Her organisation and communication skills were invaluable. On her retirement she became a trustee and continued to work with the charity until recently.

Lynn stepped down as senior partner in 2019. Despite the upheaval caused by the COVID 19 pandemic she remained a great source of support to everyone at Simpkins Edwards. She retired in March 2022 after spending most of the last two years working from home due to the pandemic. She was very sorry not to be able to say a "proper" goodbye on her retirement due to continuing restrictions, but kept in touch over the last three years.

Lynn had a passion for gardening. Our thoughts are with her husband Malcom with whom she especially enjoyed travelling abroad.

Lynn leaves a lasting legacy at Simpkins Edwards; her work ethic and dedication were second to none, alongside her personality and warmth, shared with all across the years. She's been described as a "fantastic leader", "the best mentor" and a "special person", who will be missed, and remembered fondly, on many counts.

The family have set up a donation and tribute page for Rowcroft Hospice, who supported Lynn in her final weeks, which can be found here: <https://lynn-woodward.muchloved.com/>.

AUTUMN BUDGET

The Autumn Statement, Labour's first Budget, delivered a number of changes for both individuals and businesses. As 2025 plays out, we'll see many of these changes come into effect:

- Change to higher income child benefit confirmed
- Furnished holiday let regimes confirmed as ending (please see page 7 for a detailed explanation of these changes)
- Car benefit rates increasing
- Change in Capital gains tax rates
- Change in Inheritance tax relief (please see page 6 for a detailed explanation of these changes)
- Stamp duty payable has increased

HIGH INCOME CHILD BENEFIT CHARGE

The High Income Child Benefit Charge (HICBC) is a tax charge that applies to higher earners who receive Child Benefit or whose partner receives it.

For 2025/26, the income threshold at which HICBC starts to be charged is £60,000. The rate at which HICBC is charged is 1% of the Child Benefit payment for every additional £200 above the threshold. This means that Child Benefit will not be withdrawn in full until individuals have adjusted net income of £80,000 or more.

The government will not proceed with the reform to base HICBC on household incomes as proposed by the previous government.

TAXABLE BENEFITS FOR COMPANY CARS

The rates of tax for company cars are amended for 2025/26:

- The charge for zero emission cars rises from 2% to 3%.
- The charge for other cars increases by 1%.
- The maximum benefit of 37% remains.

The government has confirmed increases to the benefit in kind rates for company cars for tax years up to and including 2029/30.

Car fuel benefit charge

The government will uprate the car fuel benefit charge by CPI from 6 April 2025.

COMPANY VANS

The government will uprate the Van Benefit Charge and the Van Fuel Benefit Charges by CPI from 6 April 2025.



MANDATING THE REPORTING OF BENEFITS IN KIND VIA PAYROLL SOFTWARE

The government confirms that the use of payroll software to report and pay tax on benefits in kind will become mandatory, in phases, from April 2026. This will apply to income tax and Class 1A NICs.

CAPITAL GAINS TAX

Capital Gains Tax rates

The Capital Gains Tax rates will increase for disposals, other than of residential property and carried interest, made on or after 30 October 2024. The basic rate of 10% will increase to 18% and the 20% rate will increase to 24%.

No changes will be made to the rates applying to the disposal of residential properties of 18% and 24%.

The rate applying to trustees and personal representatives will increase from 20% to 24% from the same date.

Capital Gains Tax annual exemption

The annual exempt amount will remain at £3,000 for 2025/26.

Business Asset Disposal Relief and Investors' Relief

The rate applying for individuals claiming Business Asset Disposal Relief and Investors' Relief will increase from 10% to 14% for disposals made on or after 6 April 2025. The rate will increase again to 18% for disposals made on or after 6 April 2026.

In addition, the lifetime limit for Investors' Relief will be reduced from £10 million to £1 million for qualifying disposals made on or after 30 October 2024. This limit takes into account any prior qualifying gains where the relief was claimed.

STAMP DUTY LAND TAX CHANGES

Individuals who purchase additional residential properties, such as second homes or buy-to-let properties, in England and Northern Ireland, generally pay Stamp Duty Land Tax (SDLT) at 3% above the standard SDLT rates. This rate is increased to 5% for transactions with an effective date (usually the date of completion) on or after 31 October 2024.

In addition, there is also an increase in the single rate of SDLT payable by companies and other non-natural persons when purchasing residential properties worth more than £500,000, from 15% to 17%, from the same date.

REMOVAL OF VAT EXEMPTION FOR PRIVATE SCHOOL FEES

Private school fees for education and vocational training will no longer benefit from VAT exemption and will be subject to VAT at the standard rate (20%). The change will apply to terms beginning on or after 1 January 2025 although certain prepayments made after 29 July 2024 will also be included.

BUSINESS RATES

For 2025/26, eligible retail, hospitality and leisure (RHL) properties in England will receive 40% relief on their business rates liability. RHL properties will be eligible to receive support up to a cash cap of £110,000 per business.

For 2025/26, the small business multiplier in England will be frozen at 49.9p. The standard multiplier will be increased to 55.5p.

If you are concerned about how any of these changes may affect you, please do seek professional advice about your individual circumstances. Our friendly team are available on 01392 211233.

INHERITANCE TAX

The Autumn Budget is estimated to be one of the most tax-increasing budgets in recent history. One of the most significant announcements was on the subject of Inheritance Tax; something that has caused significant concern for many.

INHERITANCE TAX NIL RATE BANDS

The nil rate band has been frozen at £325,000 since 2009 and this will continue to be frozen up to 5 April 2030. An additional nil rate band, called the 'residence nil rate band' is also frozen at the current £175,000 level, as is the residence nil rate band taper starting at £2 million. These are also frozen until 5 April 2030.

UNUSED PENSION FUNDS AND DEATH BENEFITS

The government will bring unused pension funds and death benefits payable from a pension into a person's estate for inheritance tax purposes from 6 April 2027.

AGRICULTURAL PROPERTY RELIEF & BUSINESS PROPERTY RELIEF

From 6 April 2026, agricultural and business property will continue to benefit from the 100% Inheritance Tax relief up to a limit of £1 million. The limit is a combined limit for both agricultural and business property. Property in excess of the limit will benefit from a 50% relief, as will, in all circumstances, quoted shares designated as 'not listed' on the markets of recognised stock exchanges, such as AIM.

EXTENSION OF AGRICULTURAL PROPERTY RELIEF TO ENVIRONMENTAL LAND MANAGEMENT

From 6 April 2025, the existing scope of Agricultural Property Relief will be extended to land managed under an environmental agreement with, or on behalf of, the UK government, devolved governments, public bodies, local authorities, or approved responsible bodies.

Our team will be running events on this topic shortly after the consultation period ends, so please do keep an eye on www.simpkinsedwards.co.uk/events for more information.

FURNISHED HOLIDAY LETTINGS

The Furnished Holiday Lettings (FHL) tax regime will be abolished from April 2025. The effect of abolishing the rules will be that FHL properties will form part of the person's UK or overseas property business and be subject to the same rules as non-furnished holiday let property businesses. This will apply to individuals, corporates and trusts who operate or sell FHL accommodation.

There are a number of implications from 2025/26 which are detailed below:

PENSIONS

Individuals will no longer be able to include this income within relevant UK earnings when calculating maximum pension relief.

DWELLING-RELATED LOANS

The amount of income tax relief landlords can receive on residential property finance costs is restricted to the basic rate of income tax of 20%.

REPLACEMENT OF DOMESTIC ITEMS

Capital allowances will no longer be available for expenditure on new plant and machinery (subject to transitional rules) but instead businesses may claim relief on the replacement of certain items.

CAPITAL GAINS

The rules which allowed FHL to be treated as a trade for various capital gains

tax reliefs are withdrawn in relation to disposals made on or after 6 April 2025 (1 April 2025 for Corporation Tax). Roll-over relief on the replacement of business assets will no longer apply to acquisitions which take place on or after those dates. However, there are a number of detailed transitional rules to preserve certain reliefs such as Business Asset Disposal Relief in specific situations.

LOSSES

Broadly, any unused losses can be carried forward to set against future years' profits of either the UK or overseas property business as appropriate.

If you would like to discuss how this will impact you and your property, get in touch with a member of our team on 01392 211233.

CLIENT FOCUS:

AGRICULTURAL SUCCESS THROUGH FINANCIAL INSIGHT

A J Heywood & Sons, a family-run agricultural and groundwork contracting business, has been a pillar of support for the local community in North Cornwall and West Devon for over 45 years.

Founded in 1979 by Kevin's late father, the business has grown under the guidance of Kevin and Anna Heywood, who have overseen its evolution into an award-winning enterprise. In 2023, A J Heywood & Sons was recognised as Contractor of the Year at both the British Farming Awards and Farmers Weekly Awards, a testament to their dedication and passion.

INSIGHTS TO CULTIVATE GROWTH

As the business expanded, Kevin and Anna realised they needed more robust financial insight to guide their decisions and support their growth. Their previous accountant, who had served the family for generations, was nearing retirement and struggling to meet their increasing needs. Recognising the necessity for a more professional and agriculture-focused financial partner, Kevin and Anna turned to Simpkins Edwards.

Knowing Simpkins Edwards had a strong local reputation and a deep understanding of the agricultural industry, A J Heywood & Sons felt confident in their decision. The transition was further reinforced by recommendations.

From the outset, Simpkins Edwards recognised the business required more than just the standard accountancy services. The firm provided Kevin and Anna with clear insights into their income, expenses, and cash flow. This information proved crucial, particularly in dealing with the unpredictability of the weather and coping with wet seasons. Being able to have a clear picture of finances enables you to make quick decisions when unexpected events occur, rather than waiting until the year-end to assess the situation.

NAVIGATING TAX COMPLEXITIES

One of the key challenges faced by A J Heywood & Sons was purchasing another house, which posed complications due to depreciation and tax issues affecting the mortgage process. Simpkins Edwards assisted by balancing tax-efficiency with helping demonstrate the business' profitability so the Heywoods could access the finance required.

Furthermore, Simpkins Edwards provides year-to-year reviews, helping A J Heywood & Sons navigate their tax liabilities, plan for the upcoming season, and manage their financial health with precision. This proactive approach allows the business to make informed decisions, avoiding the pitfalls of guesswork.





ON THE SAME TEAM

In great support of the relationship between Simpkins Edwards and the Heywoods, is Verity, a team member who previously worked at Simpkins Edwards and now handles the finances for A J Heywood & Sons in-house. Her deep knowledge of both organisations ensures a seamless handover and maintains the high standards of financial management.

The collaboration between A J Heywood & Sons and Simpkins Edwards highlights the importance of having a trusted financial partner. With real-time insights, proactive planning, and expert support, A J Heywood & Sons has strengthened its financial foundation while enhancing its ability to serve the local agricultural community. As Kevin notes:

“Understanding whether our business is performing well or facing challenges, and having the ability to look forward, is what we need. It allows us to make informed decisions based on facts, rather than guesswork, with consistent support from Simpkins Edwards.”



ARE YOU PLANNING FOR PAYROLLING BENEFITS?

A review of changes to the way companies treat Benefits in Kind.

Within the budget in October 2024 the Chancellor confirmed that the payrolling of 'benefits in kind' is still planned to become mandatory from April 2026.

WHAT ARE BENEFITS IN KIND?

Some of the most common benefits are:

- Company Cars
- Private Medical Insurance
- Living Accommodation
- Interest Free and Low Interest Loans

WHAT IS CHANGING?

Currently benefits are reported once a year on Forms P11D and P11D(b) however with payrolling the benefits this means that employers will need to report these benefits in real-time through the submissions of their payroll to HMRC each pay period.

From the employees' point of view, they will not have tax for these benefits collected in arrears but collected when it is due at the right time. This will make it easier to understand what they are paying tax on.



WHAT CAN YOU DO NOW TO PLAN?

- What benefits in kind do you have? – Are they mandated to be submitted in real-time from April 2026?
- Review current arrangements - Do you do the payroll or is it outsourced to us or another provider?
- Employee impact and communication – as soon as HMRC release detailed guidance later this year notify employees of how this will affect them.
- If you do your payroll or P11Ds, what systems do you currently have in place? – If nothing is in place set up a robust system to keep accurate records of which employees have what benefits and have clear records of how the benefit is calculated.
- What payroll deadlines do you currently have? – Review these as benefit changes and benefits for employees leaving will need to be incorporated into this new system.

DID YOU KNOW....?

You can opt in to reporting this voluntarily from April 2025 but to do this you need to advise HMRC before 5th April 2025.

If this is something you are interested in or you have any questions regarding the changes, please contact Lorraine in our payroll team who can assist you.
ladams@simpkinsedwards.co.uk

2024 AT SIMPKINS EDWARDS

2024 was a remarkable year for the team!

These milestones are a reflection of our core values of Reputation, Commerciality and Sustainability:

- **National Apprenticeship & Skills Awards:** Finalists
- **Exeter College Apprentice and Employer Awards:** Large Employer of the Year



- **Devon Women in Business:** Winner of Employee of the Year, Alyson Maguire & Highly Commended Apprentice of the Year, Ashleigh Chambers



- **General Practice Awards:** Professional Services Provider of the Year Winner

We're very proud to celebrate the collective impact of our team; each year, every employee takes a day off to volunteer their time. We arrange a number of different opportunities throughout the Summer and this year we did some amazing things! Including:

- Clearing invasive Himalayan Balsam from the River Tale
- A morning at Paignton Zoo, clearing an exhibit



- Gardening at the Calvert Trust
- Cleaning the beach at Exmouth
- Helping Okehampton Medical Centre with gardening, organising and cleaning
- Painting at Bovey Scout Hut



- Weeding and tidying the gardens at Holsworthy Hospital
- Weeding and tidying the gardens at Holsworthy Hospital

Alongside volunteering, the team took part in a number of charity initiatives throughout the year including quizzes, 5-a-side football matches, treasure hunts and a garden games night.

A particular highlight was achieving our 'Great Place to Work' certification. Our most valuable asset is our people, and this certification is judged on feedback from our team as well as an assessment of our culture and employer offering.

If you're interested in working for us, please take a look at our current vacancies on www.simpkinsedwards.co.uk/careers

REALLY BIG QUIZ BARNSTAPLE 2024

Now in its 14th year, the Really Big Quiz Barnstaple is a good-natured battle to find the brainiest bunch in Barnstaple, all in the name of great causes. Each year we support the Mayor of Barnstaple's charities, and this year Cllr Janet Coates has chosen Clarity and Special Olympics North Devon.

Clarity, based in Barnstaple, offer an affordable and confidential therapeutic service, delivering 1-to-1 and group sessions to support mental wellbeing.

Special Olympics is a global sport movement to end discrimination against people with intellectual disabilities. The North Devon branch has just celebrated their 10-year anniversary.

James Welton played the role of quiz master for us, as well as auctioneer. A special thank you to Race Mode for

donating the very popular auction prize of a group race simulator day! Our teams enjoyed a buffet and drinks at The Barnstaple Hotel, alongside the quiz and other games.

Winners on the night were brand new team 'Fifty Percent', with 'Might Minds' in second place, and last year's winners 'Scumbag University' in third.

A big thank you to our 29 quiz teams for donating so generously to the raffle, auction and 'heads and tails' game, and to all at Simpkins Edwards who volunteered their time to the organisation of the event. The total raised by the end of the evening was £3,250!

The date for next year's quiz is already booked – we'll see you on **Wednesday 19th November 2025**.



NEWSLETTERS

Current and back issues of Addition, Agricultural Addition and Healthcare Addition, can be found on our website.

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