

NEWSLETTER

Prevail Accountancy Ltd Newsletter

In this issue:

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Welcome to our first newsletter issue

I want to welcome everyone to our new newsletter. This newsletter is for you and we plan to include all the information relevant for You, and your business and answer any challenging questions sent by our clients. This way, we will help each other and give support to your business.

Catherine Machalinski ACMA

I. NEW BUDGET, BUSINESS TAX CHANGES WHICH MAY AFFECT YOUR BUSINESS

DOMESTIC VAT REVERSE CHARGE

As we know VAT Reverse Charge started on the 1st of March 2021. I am happy to say that we have been prepared for that, and now we can sit and drink coffee with whipped cream.

To summarise the changes:

- ◆ The Reverse charge does not apply to end users' supplies where the end-users tell their supplier or building contractor that they are an end-user.
- ◆ The reverse charge applies to services/ supplies which are within the scope of the Construction Industry Scheme (CIS)
- ◆ The services /supplies are standard or reduced rated



JOB RETENTION SCHEME

Just a quick update on the extension of the Scheme and how much the Government will contribute in the next month up till 30th of September 2021:

	May	June	July	August	September
Government contribution for hours not worked	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875	60% up to £1,875
Employer contribution: employer National Insurance and pension contributions	Yes	Yes	Yes	Yes	Yes
Employer contribution for hours not worked	No	No	10% up to £312.50	20% up to £625	20% up to £625
For hours not worked employee receives	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month

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BUSINESS TAX

- ◆ The amount of **trading losses** can be carried back against profits of the same trade **to the earlier 3 years**. This temporary extension covers accounting periods 01 April 2021 till 31 March 2022.
- ◆ Any **Covid Grants** received for the business and includes SEISS, JRS as an employer, and business support grants, these form part of your trading income.
- ◆ **Plant and machinery:** Between 01/04/2021 and 31/03/2023 you can claim a super-deduction allowance of 130% on most plant and machinery investments that would qualify for 18% main rate written down allowance. Cars are excluded from the allowance.

Question of the week: “ We made a profit on a project but our overall company’s Profit and Loss shows a loss. Why?

Answer: There may be a few reasons:

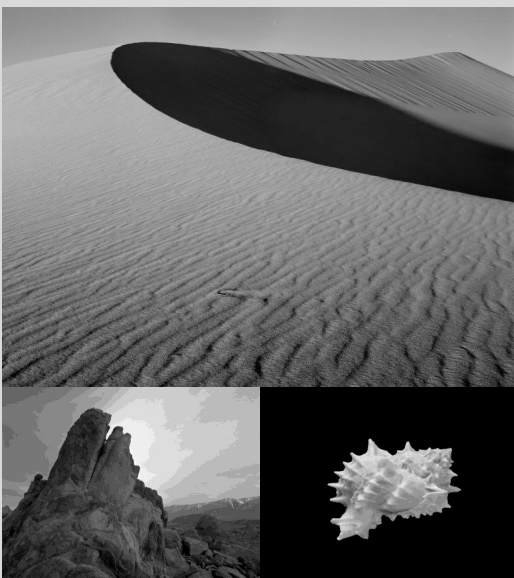
1. Another project that you run is making a higher loss that caused the company’s loss.
2. The project is not profitable “enough” to cover your company’s overheads. If you start a four-month project with a gross profit margin of £80 000, it will only cover £20 000 of the overheads per month. And if your monthly fixed costs exceed this amount - your P&L will show a loss— especially if that is the only project you have.
3. The cost allocation wasn't correct, and the project is a loss-making one. Please check all the costs, and compare with your budget.



What Customers say about us:

"Do you need better cost control on your projects? is your accountant doing what you need? if the answer is NO...give Catherine a call. Prevail has been our new accountants for the last 12 months and has transformed the way we run our projects financially and commercially. I can honestly Catherine is the most driven person I have met and will not settle until she has satisfied your needs as a company. Her determination to make your business successful is second to none...go on...if you are sinking in your own call Catherine...you won't regret it! Real-time accounting is the way forward! -

Gerard Dolan at Cardon Property and Construction Ltd



FOR THE MIND

“There are only two ways to live your life. One is as though nothing is a miracle. The other is as though everything is a miracle.” Einstein

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GREAT OUTDOORS AWAITS!

Easter is coming, and we are thinking about where to go, to minimize travel and stay safe, but enjoy the outdoors.

As you know, I love hiking and climbing and would like to share with you a few beautiful places that you may enjoy for a walk, hike, or cycle:

- ◆ **Mountain biking: Gisburn Forest** - a great day out for the whole family with fantastic forest cycling routes. <https://www.gisburnbiketrails.com/trail-info>
- ◆ **Hiking the Lakes: Stickle Tarn**—a beautiful walk alongside waterfalls up to the tarn, where you can have a lunch break and continue walking up the Langdale Pikes. If you don't feel confident navigating, stay at the tarn and go back—it is a beautiful place in the heart of the Lake District (Map: OS Explorer OL6, National Trust Car Park LA22 9JU).
- ◆ **For the kids: Treetop Trek, Kayaking and other adventures in Windermere**—absolutely great fun for the whole family: <https://www.brockhole.co.uk/activities/>

