

DISCOVER

PEOPLE

Getting to know
our new colleagues

OUT AND ABOUT

From North London to
North America

FOCUS ON TAX

How our
award-winning
specialists
can help you

IN THE COMMUNITY

Our charitable foundation

Discover
OUR PEOPLE
EXPERTISE
CULTURE

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Lee Brook
Managing Partner

I'm delighted to introduce BKL's brand new magazine.

To refer to one of BKL's values, we have a lot to Take Pride in. Discover is a new way for us to share it with you.

In my eight years at BKL, the past few months have been the most exciting. They've taken me personally from Marlow to Minneapolis to Mill Hill. More widely, BKL have welcomed new colleagues, many via FSPG's merger with us; we've taken to the stage at conferences, networking events and awards nights; we've explored inclusion and our values; we've supported charities; we've got together for our first whole firm away day since 2018.

To find out more, read on! We also have news from Companies House and HMRC, a focus on our excellent tax team, and more.

Who is Discover for? In short, it's for you. However long you've known us, and however well, Discover is here to help you get to know us better. I hope – to refer to another of BKL's values – that you Enjoy It.

If you'd like to comment on any of the articles, or you have suggestions to help us make Discover's next issue even better, we'd be pleased to hear from you. You can email us at Discover@bkl.co.uk.

For BKL news throughout the year, don't forget to follow us on social media too.



In it together: whole firm day 2022

On 25 May, our out-of-offices were on. North London's StoneX Stadium, home of Saracens Rugby, became BKL's home for the day.

Calling it an 'away day' or a 'whole firm event' makes it all sound rather corporate. Our focus was firmly on people. BKL has grown by a quarter in recent months, giving us plenty of new connections to make and old connections to renew over the course of our activities.

The morning was all about exploring what BKL's values mean to us. These five values, which we developed last year through conversations across BKL, are:

- / Think big
- / Take pride
- / Do the right thing
- / Enjoy it
- / In it together

With the help of art kits, magazines and our imaginations, we collaborated on 18 collages (mood boards). Every group got to present their creation to the rest of BKL: board meetings with a difference!

It helped us to appreciate how our values are more than just words: they reflect how we interact with each other, how we work with clients and how we conduct ourselves. The activity gave us something to take back with us in more ways than one: the boards are now on display around the office, and a professional artist is combining our ideas into a piece of digital artwork. Watch this space!

After lunch came our guest speaker: Maggie Alphonsi MBE. One of Saracens' own, Maggie became a highly accomplished international rugby player (including being part of England's winning team in the 2014 Rugby World Cup) and a

trailblazing commentator. We felt honoured to hear her personal insights into leadership, teamwork and overcoming adversity.

With Maggie's inspiration fresh in our minds, we went outside to tackle a series of team games based on The Crystal Maze. We enjoyed stretching our minds and bodies (talk about flexible working!) with fresh air and friendly competition. If only there'd been a little less rain. Even our cloud accounting experts couldn't solve that.

Having been unable to hold our customary summer party for the past couple of years, we rounded off the day with barbecue food, ice cream, popcorn and pick n' mix – and no one was judged for partaking of all four!

All in all, a brilliant and valuable day for us as individuals, as teams and as one big firm. The more people are In It Together at BKL, the better we get.





FSPG merges with BKL

1 April 2022 marked an exciting new chapter in BKL’s 42-year history when FSPG Chartered Accountants merged with us.

FSPG have a strong heritage with over 75 years of experience. Now based together at the BKL office in North London, we’ve made a combined team of over 200 people including 20 partners.

One of those partners from FSPG, Howard Presky, says: “Our relationship with BKL goes back many years, so the breadth and depth of their expertise are familiar to us.

“FSPG have always taken pride in building trusted relationships with our clients. As clients of BKL, they will continue to receive a bespoke, professional service while benefitting from a greater range of specialisms.”

Lee Brook adds: “We’re looking forward to collaborating closely to give our clients the high-quality personal service that they’re used to, while investing more in our people and our community.”

If you were a client of FSPG who’s now a client of BKL, we hope you’ll be able come and visit us soon.

How have the new members of our team been settling in? Here are Jason, Benazir and Ayesha’s experiences.



Jason Samuels

“The opportunity to join BKL was exciting yet formidable. Having been involved in the early conversations between the FSPG and BKL partners, it was apparent from the first meeting that our two firms shared many values and priorities. Even so, the thought of migrating thousands of clients, dozens of colleagues and decades of history was intimidating.

The thoughtful and driven nature of BKL’s people has made what at first appeared a daunting process seem like a doddle. I now realise that finding helpful and capable talent within the business is not limited to just a few individuals. The atmosphere in the office is one of productivity, excellence and warmth; the opportunities for the future are awesome.

I often discuss with young clients the concept of the “forever house”; the big house that you live in for most of your life, where children grow up and memories are made. If things continue how they have begun then I am confident that, in BKL, all clients and colleagues from FSPG have found the right “forever house” and I am excited for what may come.”



Benazir Dadabhoy

“I wasn’t sure if I would fit in because I didn’t know anything about BKL. Our senior management was very reassuring, but I needed to see it for myself.

When I started in April, I started with a positive attitude, and I do feel that indeed it was the right move and a great opportunity for us. It is still early days but I feel positive and ready for the challenges and variety of new experiences I will have at BKL.

BKL has been very welcoming. Soon after we started, we were invited by one of the managers to join his team for dinner. Likewise it was lovely to see an email from a new colleague regarding Eid. These small efforts make a huge difference in making us part of this team.

BKL has a clear vision of where it wants to be with set objectives and I feel thrilled to be part of it and looking forward to the new exciting learning opportunities.”



Ayesha Ibrahim

“The news of the merger came as a surprise. FSPG, has, in all my time with the firm, provided services to many varied and diverse clients and I wondered: “How will this merger affect client relations?”

In this respect, we were only changing addresses and the core client services and the interaction with our clients haven’t changed in any form. In fact, the merger has given our existing clients a far wider pool of expertise and knowledge to help with their business decisions and tax planning.

The road ahead I’m sure will have its twists and turns. Personally, having a ‘buddy’ to show me around and introduce me to the various office processes and systems has been helpful. I am now walking around with my BKL cup, exchanging banter with new colleagues and generally getting on with the tasks at hand.”

My first three months at BKL

Helena Kanczula



I joined BKL in March as a director of taxes and already, I am excited about the direction the firm is taking and its commitment to its clients and people.

My new colleagues quickly made me appreciate what an exceptional move this has been. Technically astute, widely experienced and commercially sharp, there is a genuine collaborative approach across all teams.

The tax team itself works across a number of specialisms, but the breadth of knowledge and experience I have been able to draw on has been astounding.

The spirit of the tax team is reflected across the firm. The younger personal tax trainees have been supportive of my frequent pestering on areas such as employee benefits and expenses and pounce to help. In return, I'm sure they are delighted by my regular history lessons on topics as diverse as life without mobile phones, using fax machines and living until recently with a TV which is older than them...

New surroundings

In late April I attended the induction morning for everyone who'd recently joined BKL. It's easy to be cynical about corporate initiatives but the BKL values were written through consultation with all colleagues and have really shone through in working with everyone across the firm. Colleagues really do Take Pride but above all, there is an obvious sense that they Enjoy It and the leadership team are committed to ensuring that a working environment is sustained where everyone matters.

The business's commitment to technology, which started well before remote working became widespread, means that flexible working really is flexible, and I was awestruck to learn about work the IT and management teams are doing to continue moving forward. So much so that it's pushed me to get to grips with a new smart TV which I traded the 25-year-old boulder in for.

Since I joined BKL, I have been struck by the number of ex-colleagues and contacts who have been in touch to congratulate me on the move as they have been impressed with the firm, having worked with us or having been introduced through newsletters or articles which my learned BKL colleagues have written.

I was a hermit during the pandemic, but I have been fully coaxed out of hibernation. The office is stunning following its refurbishment and makes for a bright, buzzy but calm working environment designed to work for the business. The coffee is pretty good too so a huge thank you whoever put in the legwork sourcing the machines!

Getting to work

But apart from drink coffee, what do I actually do? The beauty of a firm like BKL is that there is the opportunity to work across a number of different tax specialisms. My experience is broad, having worked with other more boutique firms after training with one of the 'Big' accountancy firms (Andersen, now confined to the annals of history). My focus therefore is on entrepreneurs and their businesses, providing both corporate and personal tax advice and support on transactional matters.

Since I joined, I have worked on projects as diverse as investment into property rental and trading businesses, passing shares to family members in a tax efficient way, managing the exit of shareholders from a structure, and transactional support for the introduction of third-party investment into a group.

I am supporting the firm's financial services sector group headed by Jon Wedge, having previously worked with a number of clients in this sector. We are working on a number of exciting initiatives.

It turns out that I may also now be the firm's responsible person for quirky taxes. I have worked with several shipping clients in the past and at BKL I have had the opportunity to advise on tonnage tax, a particularly beneficial regime for those companies which meet the relevant criteria. Plastic packaging tax which was introduced on 1 April 2022 is also an area of experience and I will be interested to see how the Government delivers other policies to suit its green agenda.

1 April was also when new colleagues and clients joined from FSPG. I'm already involved in working with some of those fabulous clients.

North London and further afield

Like me, this is for most of the former FSPG team their first foray into working outside the centre of town and they are discovering a great number of positives. When I first moved to London, my pal and I lived in Finchley. I always felt it was a calm retreat from the mayhem of '90s working.

I now live in Northeast London in the former wreck of a house I did up and it's safe to say it's a fatty commute on public transport. I have decided to embrace this. My vehicle of choice is a pair of trainers which are taken on a long walk before work, taking in the views of the city from Muswell Hill. As a fan of urban rambling, it is a welcome change to take a different approach to travel more frequently.

There will be some interesting initiatives launching over the next few months including revamped training workshops which I am coordinating. Outside work, I am currently planning a refresh of home decor. I have also been learning Italian on and off since living there after qualifying and am excited that travel is back on the agenda as I have many wonderful friends to visit. The experience taught me a lot and as I could not speak any of the language before I went, it surprised me just how quickly I made sure I could be understood. So, 20 years later, I will resume my free holidays to Bologna and look forward to future road trips with the gang.

I recently got some studying I embarked on personally out of the way and the firm has been very supportive. There are so many exciting things in the pipeline at BKL that I am pleased to free up the time to get involved and hope to soon have more letters after my name.

Watch this space!

Read about our tax team's expertise on [page 16](#).

Taxation Awards WIN!



Sam Inkersole with Taxation Awards host Marcus Brigstocke and Julie Lawrance from Hays Taxation which sponsored the Rising Star award. Photo by Telling Photography

We enjoyed being at the Tolley's Taxation Awards on 12 May as the tax community reconnected in person.

We were there to cheer on BKL's Sam Inkersole, one of five finalists in the Taxation's Rising Star category. To our delight, he won!

Sam says: "Winning the award was a bit of a shock – the finalists were all high achievers at the start of their careers in the tax world. It feels brilliant to be recognised by my peers for what I have achieved so far. Seeing those who won in the other awards categories reminded me of how much more there is to learn and

how working in tax can make a positive impact on so many people."

We're so proud of Sam for being recognised for his tax specialisms, his support of clients and colleagues alike, and his contributions via magazine articles, webinars and other videos. Having the judges praise the 'imagination and entertaining style' of our submission was the icing on the cake. Thank you to the colleagues, clients and contacts who contributed to it.

You can read one of Sam's articles, exploring the tax-efficient benefits of electric company cars, on [page 18](#).

Ladies' Networking Event



On 22 April, Myfanwy Neville and Lucy Needleman were excited to take up an opportunity from Sopers House to speak at their first ever Ladies' Networking Event.

You may have seen Myf and Lucy in our [#BreakTheBias video](#) for International Women's Day in March.

Their presentation for Sopers House was 'What does it take to be a woman in business?' and tackled these questions:

- / How easy is it being a woman in business compared to being a man?
- / How will businesses benefit from greater female representation?
- / What challenges have we encountered?
- / How can we change things for the better?

Weaved throughout the conversation were thoughts they'd collected from some incredible women who've paved the way for others – from Starling Bank founder Anne Boden to Ann Summers CEO Jacqueline Gold.

Lucy says: "The experience was great fun and we met so many brilliant women – running construction companies, buying law firms, running yoga studios, navigating their way back into the work world after taking a career break. Thank you to everyone who came along and to Wendy Harpur for organising our presentation.

We're delighted that Sopers House will be running their Ladies' Networking Event monthly and we can't wait to visit again soon."



On our travels

Joining AGN International in January 2020 made BKL part of a global association of accountancy and tax firms in over 80 countries. With Covid restrictions so soon after that, we've had to wait a while for the opportunity to meet many of our fellow members in person.

In May we were pleased to take up two such opportunities. First, some of our managers and senior managers went to AGN's UK NextGen Conference in Edinburgh.

Later, we crossed the Atlantic for AGN's North America Regional Meeting (NARM) in Minneapolis. Simon Bussell, our Marketing and Business Development Director, says: "We were warmly welcomed by other AGN firms, physically met those previously only spoken to

over Microsoft Teams, and forged new relationships. With many of our clients looking to expand overseas, the strength of our relationships with these firms is ever more important. We're keen to return to the US to continue the conversations we had with the excellent people we met there."

More recently, in June we were at AGN's Europe, Middle East and Africa Regional Meeting in Berlin, getting to know more of our fellow members. We're looking forward to the AGN World Congress in Athens in November.

Our business visits to Tel Aviv have also resumed. We're looking forward to meeting up with Israel-based clients and contacts again later in the year.





Chairing is caring: Alternative Events

We've also been part of some great conferences closer to home. On 27 April, Lee Brook chaired Day One of The Alternative Accountancy Management Summit in Marlow.

The agenda focused on helping leaders develop and take action around purpose within their firms, grow their leadership skills and attract and retain talented people.

During the conference, Lee led a group discussion on the merits of becoming a Certified B Corporation, sharing BKL's own experience of applying for B Corp certification.

Day Two of this summit was shared with Day One of The Alternative Accountancy Strategic IT Conference where our Chief Digital Officer Duncan Hardy was a keynote speaker. His topic was *Developing and Investing in a Data-Driven Culture*. He also led a discussion on *Optimising the digital customer journey from start to finish*.

Duncan says: "Understanding the value of data at different points in its lifecycle has enabled BKL to support clients in making better decisions. BKL has recognised the need to go beyond the small scale and recently started working with a Microsoft Global Partner, Bam Boom Cloud.

Having delivered numerous initiatives across a range of industries, I chaired a roundtable to discuss the tools and techniques borrowed from defence, training and manufacturing I used to document, standardise, optimise and finally digitise processes at BKL.

I'm keen to share my expertise with BKL's clients as we grow our IT consultancy service."



Discovering tax at BKL



For decades, tax expertise has been a cornerstone of BKL's services. In 2022 it's continuing to go from strength to strength – as a team, as a hive of specialist knowledge and through our relationships with clients.

The arrival of new colleagues throughout this year has helped to boost our tax team to more than 30. Leading them are three dedicated tax partners and five directors.

Our team brings together chartered tax advisers, chartered accountants and former officers of HMRC, with expertise that covers every aspect of tax. They work closely with BKL's other teams including audit, business services, corporate finance and wealth management. This includes internal training and workshops that spread tax knowledge across BKL.

Together, we optimise clients' tax positions for their finances, across a variety of industries.

'It speaks volumes that we have been working with BKL for over 20 years. They have grown with us and remained innovative throughout, staying current with the ever evolving taxation landscape.'

Doug Garistina, Sequoia Capital LLP

Who we help

The organisations we advise come in all shapes and sizes, from growing owner-managed businesses to large corporate enterprises and multinational groups, as well as charities and not-for-profits. It's also a source of great pride that many other accountancy firms come to us for guidance with their own clients' complex tax problems.

Some of our strongest client relationships are those that our personal tax advisers have built with the individuals they support. We're here not only to file returns but to offer guidance on tax-efficient planning and structuring, where it's less about deadlines and more about goals.

Because futures and family go together, this year we launched our family wealth service. Avoiding the rigidity and expense of a formal family office, we bring everything together in one overall plan, easily adjusted as situations unfold. At the heart of this is our technical expertise in tax, which we blend with emotional intelligence.

Some of our tax clients are around the corner; others are around the globe. In advising on international tax, cross-border planning and tax residency and domicile matters, we're supported by our fellow members of AGN International, such as those we met up with in America and Germany recently (see [page 12](#)). This is just one way in which our clients help to set our horizons.

We don't limit ourselves to client work. So far this year we've written over 40 tax articles: many of them part of our well-established BrassTax mailings on the latest tax stories such as HMRC announcements, court cases and tribunal decisions; many published or republished in Tax Journal, Taxation magazine and ICAEW TAXline. We also enjoy hosting and collaborating on tax webinars, such as a digital asset tax panel last year that brought together accountants and solicitors from both sides of the Atlantic.

'When we have needed specialist tax advice, BKL's experts have been able to provide it in a way which is easily understood.'

Peter Treganna, Sparrows Capital

We're proud that members of our tax team have achieved recognition on the Citywealth Leaders List, in the Spear's 500 adviser directory and most recently at the Tolley's Taxation Awards (see [page 10](#)).

Sector expertise

While the wide-ranging industry backgrounds of our clients add great variety to our work, we also enjoy

'I have found BKL's tax consultants to be experts in their field and commercially minded.'

Caroline Marston, Marston Properties

having a particular focus on certain sectors. These are property & construction – the largest single industry sector in our client base – financial services and technology (including fintech).

This focus is reflected in our tax team:

- / Andrew Levene, one of our directors, specialises in property tax including capital gains tax and stamp duty land tax
- / Helena Kanczula, our newest tax director (see [page 8](#)), is looking forward to a focus on financial services clients
- / Our VAT consultants, Simon Levine and Malcolm Winter, focus on property and financial services respectively
- / Sam Inkersole is one of our specialists in cryptocurrency tax for individuals and businesses

A spectrum of specialisms

The diagram on these pages shows the range of support we offer. To illustrate this further, here are 10 more examples of our tax specialisms:

- / R&D tax relief
- / Enterprise Investment Scheme and Seed Enterprise Investment Scheme
- / Probate services
- / UK and offshore trusts
- / Inheritance tax
- / Family investment companies
- / HMRC tax disclosure facilities
- / Share schemes
- / PAYE
- / Tax due diligence on business sales and purchases

What does our tax team's combination of breadth and depth mean? It means that whatever stage you find yourself at with your business, family or personal finances, and whatever tax-related challenges or opportunities you need to navigate, there's someone at BKL who would be happy to help you.

Discover more...

- / [Our tax services webpage](#)
- / [Tax team profiles on our website](#)
- / [Subscribe to our tax mailings](#)

Electric company cars: the tax-efficient benefits

Sam Inkersole explains how electric company cars offer a favourable benefit in kind for employers and employees alike.

When I was a child, nothing used to beat the thrill of Dad bringing home his new company car. It was an event that would occur every couple of years and, I later found out, was a tax-efficient benefit designed to encourage mass car uptake and stimulate the UK car industry.

Over time, these benefits dwindled and governments have tightened the benefit rules, resulting in a benefit in kind (BiK) of up to 37% of the list price each year for the highest-emission diesel cars. It is therefore not surprising that the company car BiK fell out of favour with companies and taxpayers.

The age of the electric car has changed this, with favourable BiK charges for employees and tax deductions for the employer. They have been designed to encourage individuals to move towards purchasing electric vehicles, which are better for the environment and will assist the Government in meeting its net-zero target.

While 'company car' is a familiar phrase, and used throughout this article, the more appropriate term may be 'employer-provided car'. The employer does not have to be a company – the same rules apply where the employer is a sole trader, partnership or LLP.

Employee BiK

For the 2022/23 tax year, where the car is 100% electric, the BiK charge is just 2% of the list price of the car. This will remain at 2% for each of the next two tax years. This charge covers all the costs incurred by the company in connection with the car, except for the:

- provision of a chauffeur; or
- payment by the company of fines, penalties, parking charges, etc, for which the employee is personally liable.

In addition to the provision of the car, the company can provide further benefits alongside a company car without giving rise to any additional taxable benefits.

These include:

- / Insurance
- / Maintenance
- / Installation of a charging point at work
- / Installation of a charging point at the employee's home
- / Provision of a charge card to allow access to charge points
- / Recharging at work (or in other circumstances where the company has the primary responsibility for paying the supplier)

If the total expenditure by the company is looked at in comparison with the 2% BiK charge, it is abundantly clear that the benefit to the employee from a tax perspective is nothing short of fantastic. Given the costs to the employer, it may be that they enter into a salary sacrifice arrangement with the employee (see below).

Treatment of costs incurred in the provision of the car for the employer

There are generally two ways an employer can obtain a car that it can then provide to an employee as a benefit: outright purchasing or leasing.

An outright purchase of an electric car will be a capital asset purchase by the company, on which first-year allowances (FYAs) can be applied, although the following example demonstrates that it is not always beneficial to claim FYAs. This relief is separate from the annual investment allowance (AIA) and FYA claims do not eat into the AIA a company can claim.

Leasing used to be a less attractive option due to the risk of employees leaving before the end of the lease, saddling the employer with a large liability to keep on paying. However, there are now leasing options that allow for the employee to cancel the lease without a cost to the employer, although these are more expensive than standard leasing options.

A lease can be that of an operating or finance lease, depending on the characteristics of the lease. While the accounting and tax treatments for each differ, the end result remains the same: an allowable deduction for costs associated with the asset.

If the car is not used exclusively for business purposes, it is not possible to reclaim the VAT on the car purchase. For leased cars, it may be possible to reclaim 50% of the VAT payable on the lease payments: the 50% cap is imposed to account for the private use element, regardless of the actual amount of private use.

Where a company installs electric charging points in its car park (before 31 March 2023), the costs of purchasing and installing them will be eligible for a 100% deduction against taxable profits in the year the expenditure is incurred, under the FYA rules.

HMRC recently clarified its position on VAT reclaims on electricity provided to charge cars. Where an employee charges their car at home, no VAT can be reclaimed as the electricity supply is to the employee not the company. Where the car is charged at the employer's premises, the employee needs to keep a record of business and personal mileage: only the proportion of VAT attributable to the business mileage can be reclaimed.

For owner-managed businesses, there is scope for tax arbitrage in the case where an electric car is provided to an employee (e.g. spouse, civil partner or significant other). The employer would obtain full tax relief on the costs of providing the car, but the employee would be taxable only on the low BiK. If this sort of planning is undertaken, records should be kept to show that the total remuneration received by the employee is in line with what any other employee would receive.

Should a company utilise FYA?

Companies may be forgiven for thinking that taking the 100% FYA deduction in the first year is the best method to minimise the company tax liability. However, given the increase in corporation tax to rates of up to 25% from 1 April 2023, there may be circumstances (when a sale of the company car is planned to happen in the future) where taking a normal writing down allowance (WDA) at 18% leads to a better tax result over the period the car is owned by the company.

In the following example, Company A purchased an electric car in the year ended 31 March 2022 for £50,000 and then sells the car for £20,000 in the year ended 31 March 2025.

If FYA is claimed, there is tax relief of £9,500 [$£50,000 \times 19\%$] in Year 1, followed by a balancing charge of £5,000 [$£20,000 \times 25\%$] in Year 4 – giving net tax relief of £4,500.

If no FYA is claimed and WDA is claimed only when the corporation tax rate increases to 25%, in Year 3 there are WDAs of £9,000 [$£50,000 \times 18\%$], giving tax relief of £2,250 [$£9,000 \times 25\%$]. There is then tax relief on a balancing allowance of £5,250 [$(£41,000 - £20,000) \times 25\%$] in Year 4 – giving total tax relief of £7,500.

It is therefore worthwhile for a company purchasing a company car to look at the future plans and expected cashflows attributable to the car, to take advantage of and maximise the tax relief obtained by purchasing the car.

Salary sacrifice arrangements

The sweeping changes to the BiK rules, introduced in the Finance Act 2017, largely did away with arrangements in which employees gave up an amount of their earnings in return for a benefit. However, certain benefits remained excluded from these changes, including arrangements that allowed for the provision of a car with CO₂ emissions of 75g/km or less.

In addition, there is no prohibited benefit arising where other benefits in connection to the car are provided in exchange for a sacrifice of salary (i.e. car insurance/charging point provision) except for fuel or a chauffeur.

Salary sacrifice arrangements are generally popular. As the employee makes payments towards the benefit out of their gross salary, the employer does not have to pay national insurance contributions at 15.05% on the salary sacrificed (which gives a real cash saving) and the employer obtains a contribution towards the expenses that they are incurring in providing the car. It can really be described as a win-win situation for both employee and employer, with generous tax savings for both parties.

Chargeable benefits

The tax benefits for all involved are therefore clear. As an employer, the provision of a company car may be something that draws new employees to your company or encourages current employees to stay. As an employee, the potential tax savings by using a salary sacrifice scheme may encourage you to ask the company you work for to look into such a scheme.

One thing we can be sure of is that there will be many children with smiles on their faces when their parents bring home a new and 'cool' electric company car.

This article was originally published by ICAEW TAXline and is also available on the [ICAEW website](#).

Companies House reforms

On 15 March, the Economic Crime (Transparency and Enforcement) Bill received royal assent and became an Act. This signals changes ahead for Companies House and for organisations and agents who use its services.

Register of Overseas Entities

Overseas entities that own UK land will be required to declare their beneficial owners or managing officers. Entities who don't register with Companies House in this way will be unable to buy, sell, transfer or lease land, or create a charge against the land in the UK. They may also face criminal and civil sanctions, including financial penalties.

When the Register of Overseas Entities is launched, overseas entities who already own land in the UK will be given six months to register. Any new purchasers will need to register from the day the register comes into effect.

Companies House will issue an overseas entity ID once the overseas entity has registered and provided all necessary information. Whenever the overseas entity buys, sells, transfers, leases or charges land in the UK, this ID will be provided to the relevant UK land registry. The overseas entity will need to update its information yearly.

The names and beneficial owners of entities on the register will be available publicly via the Companies House website.

In late April, Companies House said that it would 'soon be writing to all overseas entities captured by the Act who own land in England, Wales and Scotland to make sure they know about their new responsibilities. The launch date for the new register will be confirmed once the secondary legislation is laid.' Detailed guidance is due to be published by the Government after that.

Wider corporate transparency measures

In February, in advance of the Economic Crime Bill, a Government white paper set out 58 corporate transparency reforms across nine categories:

1. Registrar's powers
2. Company names
3. Identity verification
4. Corporate directors
5. Third party agents
6. Data sharing
7. Privacy
8. Transparency of ownership
9. Financial information

Under these reforms:

- / Anyone setting up, running, owning or controlling a company in the UK – including all directors and people with significant control (PSCs) – will have to verify their identity with Companies House
- / Companies House will have the power to challenge suspicious information
- / The quality of information provided to Companies House will be improved
- / Company directors will be better able to protect personal information published by Companies House

There will be changes to filing processes, including:

- / Limiting the number of times a company can shorten its accounting reference period
- / Requiring micro-entities to file their profit & loss account
- / Requiring small companies to file their profit & loss account and directors' report; the option to file abridged ('filleted') accounts will be removed
- / Requiring dormant companies to file an eligibility statement

As with the Register of Overseas Entities, we await secondary legislation and the announcement of a start date for these measures. If they might affect your company, our business services specialists would be happy to discuss the changes with you.

Trust Registration Service

The Trust Registration Service (TRS) is a register of the beneficial ownership of trusts. The TRS was introduced in 2017 as part of an EU anti-money laundering directive. Initially the registration requirements were limited to trusts with UK tax liabilities e.g. income tax, capital gains tax, inheritance tax, stamp duty land tax or stamp duty reserve tax.

In 2020, The TRS was extended to include non-taxable UK trusts and taxable offshore trusts. The exclusions from registration, which are very limited, can be found on this webpage:

[Trust Registration extension: an overview - GOV.UK](#)

Registration deadlines are approaching:

- / Trusts created prior to 6 April 2021 are required to register by 1 September 2022
- / Trusts created after 6 April 2021 are required to register within 90 days of becoming liable to UK tax or, if later, 1 September 2022

The information broadly required for registration is:

- / Title and date of the trust
- / Residence status of the trustees (offshore trusts need to supply the residence status of the settlor)
- / Identity information in respect of each of the beneficial owners of the trust together with details of the nature and extent of their beneficial ownership
- / Details of the assets settled (non-taxable trusts do not need to supply this information)
- / Details about any UK land or property acquired by the trust since 6 October 2020

The above list is not exhaustive; the information required varies depending on the residence and tax status of the trust.

Our trust & estates team can help you navigate the TRS and can assist you with your reporting obligations. If you would like to know more then please get in touch with us.

We are also happy to give guidance to professional trustees and independent financial advisers (IFAs).

Making Tax Digital

We're now into the fourth year of the Government's Making Tax Digital initiative. MTD's goal has been 'to make it easier for individuals and businesses to get their tax right and keep on top of their affairs' while supporting HM Revenue & Customs' ambition 'to become one of the most digitally advanced tax administrations in the world'.

Since April 2019, businesses above the VAT threshold of £85,000 have been required by law to use MTD to meet their VAT obligations: setting up a digital tax account and filing quarterly returns online, using an accounting system or app that is integrated with HMRC's digital gateway. From April 2022, this was expanded to all VAT registered businesses with turnover below £85,000.

The next stage of MTD is due in two years' time and will affect sole traders and landlords.

MTD for Income Tax Self Assessment

From 6 April 2024, MTD for Income Tax will apply to individuals whose total gross income from self-employment and property exceeds £10,000 in a tax year.

'Total gross income' means that figures are combined where a taxpayer has more than one trade or property business. As an example, an individual who has £8,000 of rental income and £8,000 of sales from a sole trader business would be £16,000 over the threshold, putting them in scope for MTD for Income Tax.

From 6 April 2025, MTD for Income Tax will apply to general partnerships with income over £10,000. HMRC hasn't announced when this will be extended to more complex partnerships (e.g. limited liability partnerships and those with corporate partners).

The following stage, MTD for Corporation Tax, also has no introduction date yet, but HMRC has said that it 'will not [be mandated] before 2026'.

How it works

From 6 April 2024, businesses and landlords covered by MTD for Income Tax will need to send HMRC a quarterly summary of their business income and expenses using MTD-compatible software.

- These filings will be due on or before:
- / 5 August (for the period 6 April to 5 July)
 - / 5 November (for the period 6 July to 5 October)
 - / 5 February (for the period 6 October to 5 January)
 - / 5 May (for the period 6 January to 5 April)
- Based on the information provided, HMRC will send an estimated tax calculation to help with budgeting for tax.

Following the four quarterly summaries, HMRC will also require two annual filings:

- / An End Of Period Statement to finalise the income source of each business
- / A 'final declaration' including other taxable income (e.g. savings and investment income) to finalise the tax liability

For now the 31 January income tax payment deadline will stay in place. We expect that when taxpayers and agents are used to the new systems and processes, HMRC will look to move payment deadlines to a quarterly payment regime i.e. 30 days after the quarterly submission is made.

Late submission fines will be based on a new points-based penalty regime, applying to MTD for VAT and MTD for Income Tax.

HMRC has said that it is working on "a time-bound communication plan" for MTD for Income Tax, so we look forward to passing on further details as we receive them.

How BKL can help sole traders

If you're a sole trader with income of over £10,000, we want to provide cost-efficient support that suits you. In most cases this will mean helping you to get set up with MTD-ready cloud accounting software such as Xero, our recommended provider.

We are keen for our clients to embrace the digital experience to help you manage your business's finances. A real-time cashflow position will mean you are better informed when it comes to making financial decisions.

We can also show you how to use reports and dashboards for insights into your business, such as why it seems to do well at a certain time of the year or how particular customers provide most of the income.

We appreciate that cloud accounting software isn't for everyone, which is why we will also offer the ability to provide information via our client portal. This can be as straightforward as typing in information or uploading photos of receipts from your phone.

How BKL can help landlords

To assist you with the transition to MTD for Income Tax, we are pleased to have partnered with **Hammock**, whose property finance platform enables us to collect the required information directly from bank feeds.

Hammock has been designed for landlords as a hub for managing an entire property portfolio in one place.

Look out for more information from us about Hammock, or feel free to contact us to find out more.



Wendy Harpur
People (HR) Director

Diversity and inclusion

Being BKL means being diverse and inclusive. When our team grows, so does our business – which means our clients benefit as well.

Our future as an organisation depends on our people; our people flourish in an environment where everyone is supported in turning aspiration into action.

With the firm having grown so significantly in 2022, putting inclusion into practice is more important than ever. Earlier this year, Lee Brook and I sat down in front of a camera (and BKL’s famous fish!) to discuss how we’ve been achieving this and why. You can watch our chat on the new [Being BKL webpage](#).

Also featured on that page are Mosaic: our group of volunteers from across BKL who work together to inform and engage us on inclusion, wellbeing and sustainability. Bhavik, Lekhrani and Roze give their takes on how Mosaic makes a difference.

We want every person to be free to use their voice, so that initiative comes not just from senior leaders but from anywhere.

As well as learning from each other at BKL, other organisations are with us on our inclusion journey. Social mobility charity LTSB (Leadership Through Sport & Business) have been with us the longest.

At the same time as studying for AAT accountancy qualifications, candidates take 18-month paid apprenticeships with employers in the financial services industry. Many of those employers offer them permanent positions and careers. We’re proud to have been among those employers.

‘BKL’s passion for creating a diverse and inclusive team is inspirational. We have seen some incredible outcomes from our partnership. This has included fully qualified accountants along with apprenticeship roles for many young people who would have otherwise fallen victim to underemployment and lack of opportunities. The positive impact this has had on their families and communities is huge.

LTSB is in its 10th anniversary year and we are very excited about our future. With the ongoing support of BKL, our young people’s careers and futures are looking bright and we would like to thank everyone at BKL who has ensured this success.’

Paul Evans, CEO of LTSB





The BKL Foundation Trustees:
(Left-right) Roze Remak,
Ian Saunderson, Sarah
Gillham, Simon Eaton,
Lekhrani Gya-Roopun

Our charitable foundation

Being a good business means not just looking after our people and our clients, but also caring about the organisations and people beyond our walls.

As a significant step, in 2019 we set up The BKL Foundation. Each year, this charitable foundation donates a percentage of BKL's profits to charities. Our trustees are volunteers from across BKL.

We also match funds up to £500 raised by BKL employees for charity through sponsorships or events.

The Foundation primarily supports local good causes (Barnet, North London). It also supports some national charities and is open to donating to UK charities involved in providing overseas aid.

Some clients have kindly made donations to The Foundation; others have suggested charities it could support. If you'd like to do either, you can contact the trustees at BKLFoundation@bkl.co.uk.

In 2021/22, The BKL Foundation awarded grants to more than 10 charities, including:

- Mind in Enfield and Barnet
- Chipping Barnet Foodbank
- Rephael House counselling centre
- Homeless Action in Barnet
- Together in Barnet night shelter
- World Land Trust
- Disasters Emergency Committee: Ukraine Humanitarian Appeal



We're especially pleased to learn about specific projects that the Foundation's grants have been used for.

'The funds will cover Second Chance delivering a course of IT training skills for our clients with learning disabilities and potentially buying devices to give to clients. The funding is so helpful.'

Barnet Mencap

'Your donations have enabled us to support three care leavers on our Driving Ahead scheme, a package of free driving lessons and test fees; and to launch Imagination Unlimited, a fund helping care-experienced young people to unlock their potential.'

Live Unlimited Barnet

'Thank you so much for your generosity. With your donation, we will be able to fund our free workshop programme for LGBTQ+ refugees in 2022.'

Say It Loud Club

'We are delighted that the BKL Foundation is supporting us with this very generous grant which will be designated towards our Later Life Planning service. This supports over 1,000 older people in Barnet every year.'

Age UK Barnet



Discover@bkl.co.uk
www.bkl.co.uk

