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Hillier Hopkins LLP
Chartered Accountants
And Tax Advisers

Audit Findings Document

for The Insulin Dependent
Diabetes Trust

Year ended 31 December 2019



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The Trustees
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Dear Jenny

Audit Findings Document for Insulin Dependant Diabetes Trust for the year ended 31 December 2019

This Audit Findings Document presents the observations and matters which came to our attention during the conduct of our normal audit procedures which are considered to be significant, as required by International Standard on Auditing (UK) 260.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements. We would be grateful if you could provide comments against each point where appropriate within the report and return it to us in due course.

We would like to take this opportunity to thank the finance team and other staff for their assistance provided during the course of our audit.

Yours faithfully

Gary Wong

Responsible Individual
For and on behalf of
Hillier Hopkins LLP

This report has been prepared solely for your benefit and should not be quoted or copied in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report. The content of this report is not a comprehensive record of all the relevant matters, and may be subject to change.



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Audit approach and status

The audit approach, as detailed in our Audit Planning Document, was determined by our assessment of the audit risk, both in terms of the potential misstatement in the financial statements and of the control environment in which the charity operates.

In summary, our approach has been to:

- update our understanding of the organisation and its environment;
- review the design and implementation of key internal financial control systems; and
- plan and perform an audit with professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated.

Opinion

Our work is complete and our audit report opinion (in accordance with ISAs (UK) 700/705/706) will be: **Unmodified**



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Key audit matters

This section provides commentary on the risks identified in our Audit Planning Document along with a summary of the testing performed and any key issues identified:

	Risks identified at planning	Commentary
1	Misstatement of income Under ISA (UK) 240 there is a rebuttable presumed risk that revenue recognition may be materially misstated due to fraud.	To address this risk, we have performed the following key audit procedures: <ul style="list-style-type: none">• Review and testing of revenue recognition policies• Detailed substantive testing of revenue on a sample basis• Analytical review to identify and corroborate unusual movements• Reviewed sales journals at the period end for unusual transactions We have not identified any audit issues in relation to our audit work.
2	Management override and bias Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	To address this risk, we have performed the following key audit procedures: <ul style="list-style-type: none">• Review of accounting estimate, judgments and decisions• Testing of journal entries• Review of unusual significant transactions We have not identified any audit issues in relation to our audit work.

(ISA (UK) 315) "Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty."



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Other audit matters

	Risks identified at planning	Commentary
1	Going concern With COVID-19 having an impact on the operational abilities of all entities, there is the risk that the charity may not be a going concern.	<p>We reviewed the cash flow and budget forecasts of the charity and consider the assumptions and judgements made in relation to going concern to ensure these remain appropriate, ensuring that the charity is operating within its financial limits and it has sufficient resources to continue for at least 12 months following the date of approval of the financial statements.</p> <p>We have not identified any audit issues in relation to our audit work.</p>



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Internal control deficiencies

This section provides commentary on any weaknesses identified during our testing of the design and implementation of the internal control environment appropriate in accordance with ISA 265. An audit is not designed to test all internal controls or identify all areas of control weakness, it is directed towards forming and expressing an opinion on the financial statements. In consequence, our work cannot be relied upon to disclose any or all issues, or to include all possible improvements in internal control that may exist.

- There were no significant internal control deficiencies noted as part of our audit work.



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Other communication requirements:

This section documents a number of other communication requirements, prescribed by the ISAs which are summarised below:

ISA	Matter	Auditor findings
240	Fraud	We have not been made aware of any incidents by yourselves or identified during the course of our audit any instances of fraud.
250	Laws and regulations	We are not aware of any significant incidences of non-compliance.
260	Significant qualitative matters: <ul style="list-style-type: none">• Accounting policies• Estimates• Judgements	We have reviewed the presentation and accounting of all material qualitative matters in the financial statements and have nothing to report beyond any other matter detailed in this report.
260	Significant difficulties encountered during the audit	We are pleased to report that we did not encounter any significant difficulties during the course of our audit.
260	Written representations	Representations will be requested from management with regard to specific matters concerning judgement, estimation and other matters.
550	Related parties	We are not aware of any related party transactions which have not been disclosed in the financial statements.



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Independence and non-audit services

The primary objective of an audit is for us to provide independent assurance to members that the trustees have prepared the financial statements properly. The credibility of this depends on beliefs concerning the integrity, objectivity and independence of the firm or covered persons and the work that they perform. Therefore all our audits are conducted with integrity, objectivity and independence, as these are the overarching ethical principles. The Financial Reporting Council's (FRC) Ethical Standard and ISA (UK) 260 require us to give you timely disclosure of matters relating to our independence. We disclose the following to you:

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

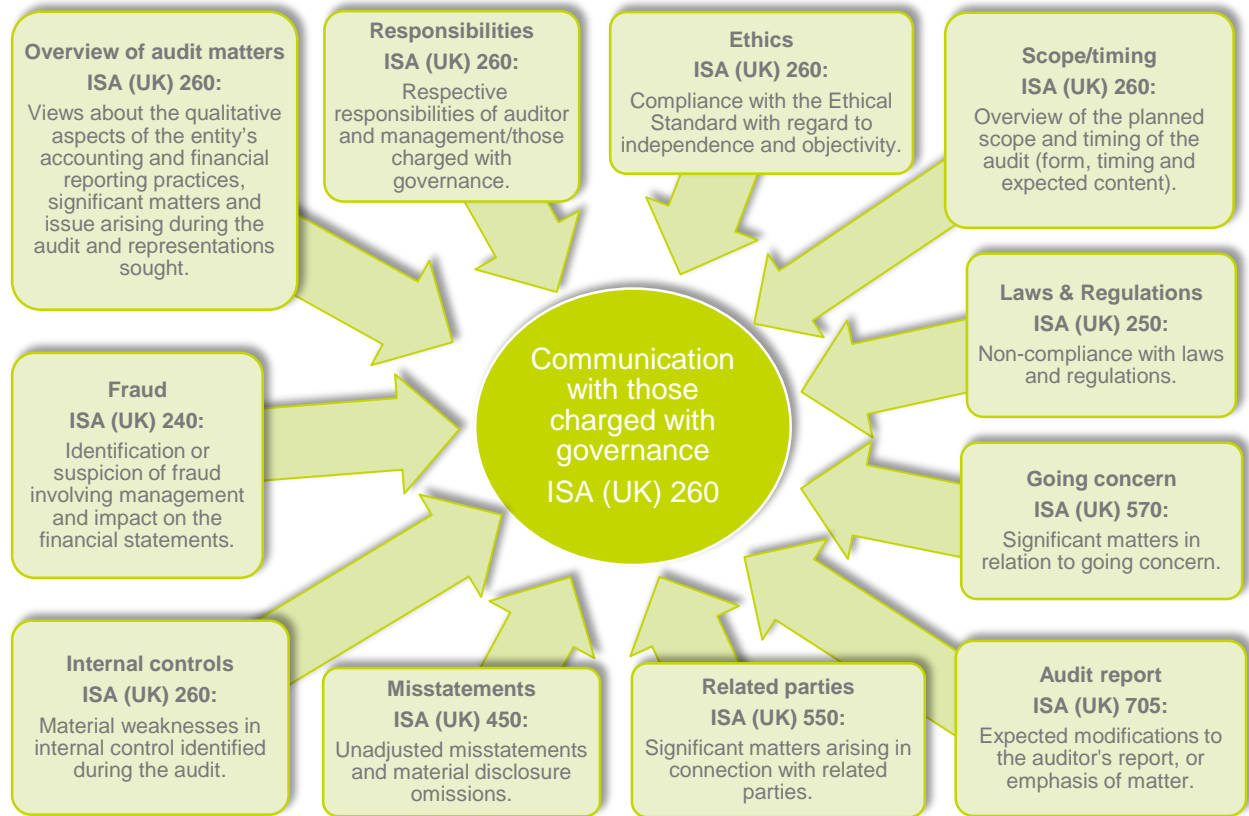
FRC Ethical Standard: Threats to integrity, objectivity and independence

• Self-interest threat • Self-review threat • Management threat • Advocacy threat • Familiarity (or trust) threat • Intimidation threat



Communication with those charged with governance

International Standard on Auditing (UK) 260 establishes specific reporting obligations on us, as your auditor, to communicate certain matters along with other ISA(UK's) to those charged with governance. Our Audit Planning and Findings Report form part of this communication.





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Appendices



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Adjusted audit differences

In forming our opinion, we note the following adjusted misstatements identified during the course of our audit:

Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)
Net Income (Loss) Before Adjustments						724,766
31/12/2019	Interest received	4670		185,279		
31/12/2019	Gains on investment assets	9010			185,279	
Being the transfer of investment gains/ losses from the interest received ledger						
				185,279	185,279	724,766
31/12/2019	Finished goods	1803		1,397		
31/12/2019	Christmas card costs	7000			629	
31/12/2019	Printing costs	7025			768	
Being the jnl to post for stock movement						
				1,397	1,397	726,163
31/12/2019	Accruals	2104			64	
31/12/2019	Accruals	2104			51	
31/12/2019	Accruals	2104			372	
31/12/2019	Accruals	2104			153	
31/12/2019	Website and IT	7022		64		
31/12/2019	Household exps	7033		372		
31/12/2019	Household exps	7033		153		
31/12/2019	Telephone and Fax	7039		51		
Being the recording of accruals at year end						
				641	641	725,522
31/12/2019	Equipment Depn - in year	1125			1,423	
31/12/2019	Depreciation	8795		1,423		
To post depreciation charge for the year						
				1,423	1,423	724,099

ISA 450, "If management have corrected material misstatements, communicating those corrections of which the auditor is aware to those charged with governance may assist them to fulfil their governance responsibilities, including reviewing the effectiveness of the system of internal control."



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Adjusted audit differences (continued)

In forming our opinion, we note the following adjusted misstatements identified during the course of our audit:

Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)
31/12/2019	Finished goods	1803	G2		1,045	
31/12/2019	Stationery and Printing	7038	G2	1,045		
	Being to write off 2020 diaries from stock as NRV now Nil			1,045	1,045	723,054
31/12/2019	Interest received	4670			8,712	
31/12/2019	Management fees	7013		9,415		
31/12/2019	Gains on investment assets	9010		47,414		
31/12/2019	Gains on investment assets	9010			47,782	
31/12/2019	Gains on investment assets	9010			335	
	Being the analysis of Rathbones investment movement			56,829	56,829	723,054
31/12/2019	Accruals	2104			9,000	
31/12/2019	Auditors' Remuneration	7027		9,000		
	Being the accrual of the audit fee accrual			9,000	9,000	714,054
31/12/2019	Transfer from current assets	1911			1,679,412	
31/12/2019	Fixed asset investments	1912		1,679,412		
	Being the transfer of investments from current assets to fixed assets			1,679,412	1,679,412	714,054
31/12/2019	Prior year adjustment	2923		31,352		
31/12/2019	Gains on investment assets	9010			31,352	
	Being a prior year adjustment for Brewin Dolphin investment which did not agree to the prior year statement as at 31/12/18 by £31,352 (adjustment to 2019 position)			31,352	31,352	745,406
				1,966,378	1,966,378	745,406



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Unadjusted audit differences

In forming our opinion, we note the following unadjusted misstatements (factual, judgemental, projected or arising from a prior period) identified during the course of our audit:

Date	Name	Account No	Reference	Annotation	Debit	Credit
31/12/2019	Trade creditors	2052	J1. 2. 1		5,000	
31/12/2019	Advertising and PR	7003	J1. 2. 1			5,000
Being the reversal of invoice from MA Healthcare Limited which was received post year end and relates to 2020 activity						
					5,000	5,000

ISA 450, "If uncorrected misstatements have been communicated with person(s) with management responsibilities, and those person(s) also have governance responsibilities, they need not be communicated again with those same person(s) in their governance role. The auditor nonetheless has to be satisfied that communication with person(s) with management responsibilities adequately informs all of those with whom the auditor would otherwise communicate in their governance capacity."



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Hillier Hopkins at a glance

Founded in **1933**

Three strategically located offices in

- Central London (Pall Mall)



- Watford (20 mins by train from central London)



- Milton Keynes (35 mins by train from central London)



Approximately 200 staff including Principals

Wide range of sectors including



Import / Export



Manufacturing



TMT



Financial services & asset management



Real estate & construction



Business services



Education



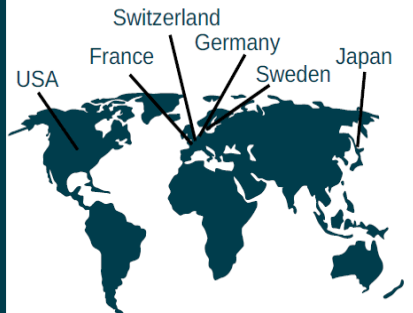
Distribution



- Strong client service ethos and Principal-led culture, reinforced by all team members
- Successful individuals from our own training and development program supplemented by ex-Big 4 and Top-ten personnel
- High pass rate in major professional exams
- High staff retention rate

- Auditor to several mid-tier UK accounting firms
- Experienced service provider to UK subsidiary companies with overseas parents
- Very experienced UK statutory accounts preparation team
- Competitive fees offering real value for money.

Countries of client ownership include





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Our core values and accreditation



Our Core Values

- Do the right thing
- Expertise
- Ownership
- Positive collaboration
- Making time



Chartered Tax Advisers

The firm's tax advisers are also accredited by the Chartered Institute of Taxation, which is the leading professional UK body for advisers dealing with all aspects of taxation.



Investors in People

Hillier Hopkins LLP invests heavily in staff training and has held the "Investor in People" (IIP) accreditation since 1996. We were one of the first accountancy firms in Hertfordshire to be awarded the IIP accreditation.

Quality assurance

Hillier Hopkins LLP undergoes a number of quality assurance measures including the following:

- Chartered Accountants: We are fully subscribed to the training and technical requirements as set down by the Institute of Chartered Accountants in England and Wales (ICAEW) and subject to their periodic QAD quality checks
- Internal file reviews: Performed throughout the year by managers from across the firm
- External audit file reviews: Performed by Mercia (Professional Training and Support Services) and other ICAEW accredited bodies



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Governance and Technical developments



Coronavirus (Covid-19) Support

Wishing our colleagues, clients and friends all the best - keep well and stay safe.

In the current situation we are making sure we keep clients up to date with the latest information as and when it is published. The majority of our team are now working remotely from home and you can continue to contact them in the usual way.

Our Covid-19 Support page can be found here: <https://www.hillierhopkins.co.uk/what-s-new/coronavirus-updates>

Guidance and support includes:

- Job Retention Scheme FAQs
- Accessing Government support
- Finding the hidden cash in your business during the Coronavirus crisis
- Working from home for the first time? You're not alone
- Beware of scam emails related to Covid-19

Future accounting & finance challenges:

In light of the upheaval and on-going uncertainty Covid-19 , all organisations are faced with significant challenges in their operation. With regard to accounting and finance, we list below a number of areas that may be applicable:

- Systems & controls - are they working and effective?
- Revenue recognition - are contracts/services/goods still appropriately recognised if conditions have changed?
- Current assets - are they recoverable?
- Assets held at fair value - can a reliable value be obtained (will expert valuations be disclaimed)?
- Supply chains - disruption in obtaining supply, are alternatives available?
- Bank loan covenants - will they be met and can they be waived by the lender?
- Debt service - will they be serviceable if/when interest rates 'normalise'?
- Dividends - will they be lawful in light of distributable reserves?
- Going concern - is the organisation able to continue (responsibility not to trade if insolvent – IA1986)?

Support from us

We'd like to help if you need assistance accessing Government support, please contact your client service team, call us on 0330 024 3200 or email hi@hhllp.co.uk



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Charity Governance Code

A series of scandals involving some of our most respected charities has damaged public perceptions and trust in the sector. Developed by charities and backed by the Charity Commission, the Charity Governance Code was launched a year ago to help restore public trust. It focusses attention around 7 principles of good governance and makes some key recommendations. Since its launch, the code has gained wide support from across the sector and early adopters have praised its clarity and accessibility, one charity describing it as a “no-brainer”. So what are the principles and how do you adopt it?



The code recommends taking each of the 7 principles and “apply or explain”. The seven principles are:

- **Organisation purpose**
- **Leadership**
- **Integrity**
- **Decision making, risk and control**
- **Board effectiveness**
- **Diversity**
- **Openness and accountability**

The code also recommends that there should be between 5 and 12 trustees and that they should each not serve on the board longer than 9 years.

The code has its own website <https://www.charitygovernancecode.org/en/front-page> where you will find an explanation of the principles and resources to help you understand and adopt them. There are two versions of the code depending on whether you are a small or a large charity and the website also provides a useful diagnostic tool to help you assess your current position and identify improvements. This is a fantastic starting point and we would recommend all our charity and academy school clients download this tool if they haven't already.

How you adopt the code is entirely up to you, but using a process that works for you and your own organisation is important. Some charities have set up working groups or a cross-sectional task force to implement the code, others have built it into the trustee meeting agenda so that it is addressed and reviewed on a regular basis. We are also encouraging clients to include the code in their annual trustee reports to help your stakeholders understand how you are continuing to make improvements. To find out more or to make a start, download the diagnostic tool from <https://www.charitygovernancecode.org/en/pdf>.



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Governance and Technical developments



Brexit and Indirect tax

The UK's departure from the EU will bring significant changes to UK businesses. With so much uncertainty regarding the exact details of Brexit, it can be very easy for complacency to sink in. The consequences could be significant if you don't get your business ready for the post Brexit / transition period commencing 1 January 2021.

Tax implications:

- If you import or export goods to/from the EU/UK, then it's essential you have an Economic Operator Registration and Identification (EORI) number. If you are continuing to trade within the EU, you will also potentially need an EU EORI number in the EU.
- Intrastat and EC Sales Lists should disappear. However, these will be replaced with Customs Declaration forms (C88) for both imports and exports.
- VAT will be paid via the VAT return for all imports. These should be reported via boxes 2, 3, 7 and 9 of the VAT return. The eagle eyed amongst you will recognise that these are the boxes currently used for EU acquisitions!

Other Brexit matters:

- Review all your contracts to assess whether they need to be changed as a result of Brexit. In particular you will need to check your trading and shipping terms and which legal jurisdiction has precedence.
- Be ready for new passport rules that may apply to British passport holders travelling to the EU.
- Do you currently employ EU nationals in the UK? If so, you will need to check their right to work in the UK and they will need to apply for settled status.
- If you share personal data with organisations in the European Economic Area (EEA), ensure you continue to comply with data protection laws after Brexit.
- While some sectors will be effected more than others, it's important to identify any regulatory changes for your products or service.
- Stress test your business to ensure it can cope with any problems such as currency fluctuations, new tariffs and border delays. Do you have access to sufficient working capital?



Ruth Corkin

Director - VAT and Indirect Tax Advisory

Contact

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Milton Keynes

<https://www.linkedin.com/in/ruth-corkin-4091b3a/>

If you have any questions or concerns about Indirect tax, our expert, Ruth Corkin is here to help.



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Governance and Technical developments



Making Tax Digital (MTD)

Making Tax Digital is a significant change to the way we file our VAT – but what does it mean for your business? For VAT periods beginning on or after 1 April 2019, most businesses that are VAT registered and make taxable supplies over £85,000 will no longer be able to use HMRC's portal and will need to file VAT returns using API enabled software.

The options available to you depend on your existing system:

- If you currently use accounting software you should check what upgrades they are providing as not all software developers are providing a solution for Making Tax Digital. Check also if there are any associated costs.
- If you currently use spreadsheets for your accounts then you will need to use bridging software to digitally file your VAT return with HMRC as you will not be able to use the existing portal.
- There are a few exemptions to MTD but HMRC will assume you are in unless you notify them of your exemption
- Your records will need to be digitally linked by 1 April 2021;
- If you are not filing under MTD and should be, HMRC will catch up with you and can fine you!

Not sure what to do about Making Tax Digital? Complete our MTD checker and we'll help you find the right solution for you. <https://www.hillierhopkins.co.uk/here-for-your-business/making-tax-digital/MTD-Checker>

HMRC has a step by step guide on what to do <https://www.gov.uk/guidance/making-tax-digital-for-vat>

If you have any questions or concerns about MTD, our MTD Guru Ruth Corkin is here to help.



Ruth Corkin

Director - VAT and Indirect Tax Advisory

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Governance and Technical developments



Comment

The determination and potential liability of non-compliance will shift to the end-client, to operate PAYE and pay employer's NIC. We recommend you review the guidance from HMRC and seek expert opinion.

Contractors – status responsibility switching to the client from 2021 (deadline extended)

IR35, sometimes referred to as the off-payroll working rules is designed to identify contractors who would be considered an employee of their end client if it weren't for the existence of an intermediary (eg their limited company). When a contractor is deemed 'caught by IR35', all of their income for that contract becomes subject to employment taxes.

Currently, within the private sector, contractors are responsible for assessing their own IR35 status and paying across the appropriate taxes. Within the public sector, the end client is responsible for determining the IR35 status of the contract, with the entity (end client or agency) paying the personal service company being responsible for calculating the tax liabilities and paying them across to HMRC.

From April 2021, within the private sector, the rules for engaging individuals through Personal Service Companies are changing:

- Where the "end client" is considered a medium or large organisation, as with the Public Sector, the responsibility for determining the IR35 status of the contract will transfer to them, hence taken out of the Personal Service Company's hands.
- To support their decision the end client will need to provide a Status Determination Statement.
- Where the Personal Service Company contracts with a small organisation, the responsibility for determining the IR35 status remains with the Personal Services Company.

Advice from HMRC:

- Look at your current workforce (including those engaged through agencies and other intermediaries) to identify those individuals who are supplying their services through personal service companies.
- Determine if the off-payroll rules apply for any contracts that will extend beyond April 2021. You can use HMRC's Check Employment Status for Tax service to do this.
- Start talking to your contractors about whether the off-payroll rules apply to their role.
- Put processes in place to determine if the off-payroll rules apply to future engagements. These might include who in your organisation should make a determination and how payments will be made to contractors.



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Technical developments



Fraud

Cyber fraud is increasing in volume and scale and unfortunately organisations of all sizes are being targeted. A common fraud occurs when a fraudster contacts a member of staff with responsibility for authorising financial transfers and requests a one off, typically urgent, bank transfer. Contact is by email and from a similar email address to the one a trustee or member of the senior leadership team would use. These small differences are often hard to spot and, if the request is actioned, can result in substantial financial losses for the organisation.

There are things that can be done to protect against cyber fraud:

- Any urgent payment requests from the trustee should be confirmed verbally. Often a fraudster will target when they know the trustee is unavailable, such as on holiday, and where this is the case payment should not be made.
- Emails (and letters) from a supplier requesting a change of bank details should be confirmed verbally with your usual contact using your usual telephone number. Do not use the telephone number on the change of details request.
- Do not open attachments or click on links from unknown sources. For a link, hover your mouse pointer over the link to reveal it's true destination. Beware if this is different from the email text.
- Ensure your anti-virus software is up to date. Malware can be used to remotely access accounts packages and edit existing beneficiaries. The payment file created by the accounts package will then use the fraudster's amended accounts details, rather than the genuine supplier or staff details.
- Ransomware is becoming more common. One way to protect yourself from such an attack is to take regular backups stored remotely from your computer or network.

Comment

We recommend that clients carry out a fraud risk assessment to determine their level of fraud exposure. Training should be given to all staff to ensure that they are aware of the risks, which will minimise the opportunity for frauds to be successful. More advice and information can be found at the National Cyber Security Centre's website: <https://www.cyberessentials.ncsc.gov.uk/>



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Tax rates and allowances 2020/2021

INCOME TAX

Rates and bands (other than savings and dividend income)

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
0 - 37,500	20	0 - 37,500	20
37,501 - 150,000	40	37,501 - 150,000	40
Over 150,000	45	Over 150,000	45

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income 2020/21 and 2019/20

Savings allowance basic rate	£1,000
Savings allowance higher rate	£500

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

Dividend income 2020/21 and 2019/20

Dividend allowance	£2,000
Dividend ordinary rate	7.5%
Dividend upper rate	32.5%
Dividend additional rate	38.1%

INCOME TAX RELIEFS

	2020/21	2019/20
Personal allowance	£12,500	£12,500
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,250	£1,250
Married couple's allowance	£9,075	£8,915
- minimum amount	£3,510	£3,450
- income limit	£30,200	£29,600
Blind person's allowance	£2,500	£2,450

INDIVIDUAL SAVINGS ACCOUNTS

	2020/21	2019/20
Overall investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£4,368

DEVOLVED INCOME TAX

Scotland rates and bands

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
0 - 2,085	19	0 - 2,049	19
2,086 - 12,658	20	2,050 - 12,444	20
12,659 - 30,930	21	12,445 - 30,930	21
30,931 - 150,000	41	30,931 - 150,000	41
Over 150,000	46	Over 150,000	46

Wales rates and bands

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
0 - 37,500	20	0 - 37,500	20
37,501 - 150,000	40	37,501 - 150,000	40
Over 150,000	45	Over 150,000	45

CAPITAL GAINS TAX

	2020/21	2019/20
Individuals		
Exemption	£12,300	£12,000
Standard rate	10%	10%
Higher/additional rate	20%	20%
Trusts		
Exemption	£6,150	£6,000
Rate	20%	20%

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

Entrepreneurs' Relief

The first £10m of qualifying gains are charged at 10%. This is reduced to £1m for disposals on or after 11 March 2020 subject to certain transitional rules.

INHERITANCE TAX

Death rate	Lifetime rate	Chargeable transfers 2020/21 and 2019/20
Nil	Nil	0 - £325,000 (nil rate band)
40%	20%	Over £325,000

A further nil rate band of £175,000 (£150,000 for 2019/20) may be available in relation to current or former residences.

CAR, VAN AND FUEL BENEFITS

2020/21	Cars registered pre 6.4.20	Cars registered after 5.4.20
CO ₂ emissions g/km	% of list price taxed	% of list price taxed
0	0	0
1-50		
Electric range - 130 or more	2	0
70 - 129	5	3
40 - 69	8	6
30 - 39	12	10
under 30	14	12
51-54	15	13
For every extra 5	+1	+1
160 and above	37	n/a
170 and above	n/a	37

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO₂ figure does not end in a 5 or 0 round down to the nearest 5 or 0.

	2020/21
Car fuel benefit	£24,500
Van benefit	£3,490
Van fuel benefit	£666

NATIONAL INSURANCE

2020/21 Class 1 (employed) rates

Employee	%	Employer	%
Earnings per week		Earnings per week	
Up to £183	Nil	Up to £169	Nil
£183.01 - £962	12	Over £169	13.8
Over £962	2		

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £183 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £962 per week.

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £3.05 small profits threshold £6,475 per annum
Class 3 (voluntary)	flat rate per week £15.30
Class 4 (self-employed)	9% on profits between £9,500 and £50,000 plus 2% on profits over £50,000

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Tax rates and allowances 2020/2021

SELECTED RATES			
	2020/21	2019/20	
Weekly benefit	£	£	
Basic State Pension	134.25	129.20	
New State Pension	175.20	168.60	
Statutory pay standard rates			
- average weekly earnings £120 (£118) or over			
Sick Pay	95.85	94.25	
Maternity/Adoption Pay	151.20	148.68	
Shared Parental Pay	151.20	148.68	
Paternity Pay	151.20	148.68	
National Living Wage and National Minimum Wage			
Age	NLW 21-24	18-20	16-17 Apprentices
From 1 April 2020	£8.72	£8.20	£6.45 £4.55 £4.15

Applies to apprentices under 19, or 19 and over in the first year of apprenticeship. NLW applies to those aged 25 and over.

TAX RELIEFS FOR INDIVIDUALS	
2020/21 and 2019/20	
Enterprise Investment Scheme (EIS)	Relief on Investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):
• Income tax relief at 30%	• Capital gains exemption on disposal
Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.	
Seed Enterprise Investment Scheme (SEIS)	Relief on Investments in certain unquoted trading companies up to £100,000 per annum:
• Income tax relief at 50%	• Capital gains exemption on disposal
Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.	
Venture Capital Trusts (VCTs)	Relief on Investments in certain quoted companies up to £200,000 per annum:
• Income tax relief at 30%	• Capital gains exemption on disposal
Dividends received from VCTs may be exempt from Income tax.	
All reliefs subject to detailed conditions being met.	

CORPORATION TAX			
	Rate %		Rate %
Year to 31.3.21	19	Year to 31.3.20	19

Different rates apply for ring-fenced (broadly oil industry) profit.

CAPITAL ALLOWANCES	
First Year Allowance (FYA) on certain plant, machinery and cars up to 50g/km	100%
Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2021)	
Excludes cars and expenditure already qualifying for FYA	

Writing Down Allowance	
Expenditure not qualifying for AIA or FYA:	
Long-life assets, integral features of buildings, cars over 110g/km	6%
Other plant and machinery	18%
Structures and Buildings Allowance	3%
From April 2020	

PENSIONS		
	2020/21	2019/20
Lifetime Allowance limit	£1,073,100	£1,055,000
Annual Allowance limit	£40,000	£40,000
Money Purchase Annual Allowance	£4,000	£4,000

VALUE ADDED TAX		
	From 1.4.20	From 1.4.19
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£85,000	£85,000
Annual Deregistration Limit	£83,000	£83,000

PROPERTY TAXES			
Across the whole of the UK, residential rates may be increased by 3% (4% in Scotland) where further residential properties are acquired.			
Stamp Duty Land Tax			
Land and buildings in England and N. Ireland			
Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 125,000	0	0 - 150,000	0
125,001 - 250,000	2	150,001 - 250,000	2
250,001 - 925,000	5	Over 250,000	5
925,001 - 1,500,000	10		
Over 1,500,000	12		

First-Time Buyer relief may apply to residential purchases up to £500,000.

Land and Buildings Transaction Tax			
Land and buildings in Scotland			
Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 145,000	0	0 - 150,000	0
145,001 - 250,000	2	150,001 - 250,000	1
250,001 - 325,000	5	Over 250,000	5
325,001 - 750,000	10		
Over 750,000	12		

First-Time Buyer relief may apply on the first £175,000 of residential purchases.

Land Transaction Tax			
Land and buildings in Wales			
Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 180,000	0	0 - 150,000	0
180,001 - 250,000	3.5	150,001 - 250,000	1
250,001 - 400,000	5	250,001 - 1,000,000	5
400,001 - 750,000	7.5	Over 1,000,000	6
750,001 - 1,500,000	10		
Over 1,500,000	12		

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