

EIC0817

Written evidence submitted by Oliver Gant

Economic impact of coronavirus Covid-19 on a company director.

About me

I am a LTD Company Director. OMG Props LTD. I am the only employee of this company.

I work in the Film & Television industry, in the prop department. We are responsible for the continuity, handling, requisition and safe use of all 'props' (properties, requisitions made by the production company for the use of filming). I'm sure whoever is reading this will have a fair idea of what a prop is, but for anyone else it's basically everything you see on screen that isn't an actor or their clothes or wig.

My specific job on set would be to ensure the actor is confident in using whichever prop they are interacting with, be it a mobile phone, a cigarette, a bowling ball and so on. Also to make sure we are ready and reset when we shoot the scene again from another angle or simply another 'take'. Drinks topped up to the right level, moved furniture back in the correct place for continuity, clothes back unfolded as they were at the start of the scene etc.

During my initial years I was paid a mixture of PAYE and Schedule D. However as my career began to stabilise and work would come in regularly I was encouraged by colleagues, production accountants, my own accountant and HMRC themselves to set up as a LTD company. I obviously have no financial qualifications, so took the advice of professionals and the governing body to whom taxation is their business. This allows me to claim my expenses such as tools and insurance, travel etc. I'm sure I don't need to explain expenses to an MP.

For 5 years now I have traded under the company. Paying my corporation tax and self assessment income tax regularly, every year. I also concede that the system is stupid and too convoluted, allowing many people to bend/break the rules. However, this is not a good enough excuse to exclude people from genuine support. We need help now. Not adjustment.

When the pandemic broke and lockdown was announced, the film industry was shut down within a week. Any work I or friends/colleagues had, dried up. Nothing starting up in the future and no idea of how and when it would re-start. I was encouraged by the chancellor's words of "not leaving anybody behind".

My accountant told me not to worry, the Government had to do something after all. Surely enough a few weeks later the Chancellor announced more packages of support. This time for my freelance friends and also company directors.

I would later discover I was not eligible for this either, as my accountants process my PAYE income annually and we had missed the Governments cut off date.

I did not ask them to process this annually. I did not ask them to process a monthly payroll?!?! They do it for tax efficiency. I had no idea this was even a thing or an issue. In my circumstances why should I? The way the company is structured I pay myself the tax free allowance with the rest paid in dividends. And while I know this sounds like tax avoidance, and that is what the government hope the general public will think, it certainly is not.

EIC0817

My corporation tax and my taxed dividends (decided rate set by HMRC and the government) are where I pay my share of tax. Which I might add is where big companies such as Amazon and Virgin manage to not.

The tax free allowance, divided by 12, is my monthly earnings before dividends. I am not explicitly asking for dividends to be included in any benefit calculations. Although for many this is an issue. Rather, just some support rather than a blanket no.

I have a friend who does the same job, the same pay, similar incorporation. However his accountant does a payslip every month for him. He is eligible for 80% of the income he declares. I am not. This is a savage wrong.

I appreciate it is difficult to differentiate between genuine claimants and businesses looking to make a quick quid from the situation.

If something is difficult for me do I stop? Do I expect my elected officials to just not bother if it's too convoluted? What is wrong with difficult? What is wrong with acknowledging we are thousands, millions excluded from any support? and working to ensure the genuine claimants are being helped?

What about a tax adjustment next year? What about my mortgage?! At the current rate I will have exhausted my funds by the end of the year. These funds were set aside to pay HMRC my corporation tax bill due this year, which has been pushed to next January. Kicking the can of debt further down the road. I do also have the option to apply for a loan. A loan so amazing and generous that paying it back after a year of dubious income will be a pleasure. I shall not be entering into a loan agreement with this government. In addition to this, I foresee a raising of taxes to pay for all the unprecedented assistance, assistance I have gone without. Am I really expected to contribute? I have paid my taxes all my life and the government have not contributed to me?

Accountants and financial institutions across the land are banging their collective heads against a ridiculous brick wall, behind which is the Tory money tree so oft referred to with regard to it's existence.

June 2020