

Accountancy Recruitment News - 8th April 2021

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Good morning - this is the April edition of Accountancy Recruitment News. It includes our accountancy job market report, salary and freelance rates, IR35 information and suggested interview answers.

Accountancy Job Market Report - March 2021

Summary of the current state of the accountancy job market:

Permanent Recruitment - Quiet

It has continued to be a very quiet year in March on the permanent side. Very low new vacancy numbers, but we are seeing vacancies filled. However it is still hard to entice candidates away from secure roles in the current climate.

Freelance Accountant Recruitment - Quiet

Still quieter than usual on the freelance side. We have good availability amongst freelancers at all levels - bookkeeper through to senior accountants. Hourly rates inclusive of all costs via our www.freelanceaccountants.co.uk platform. Prices for most work set at £21.24 per hour inclusive of all fees and VAT.

Accountant Firms for Sale - Very Quiet

Accountancy firm buyers remain numerous - sellers are extremely rare to find. There is a huge market demand for small accountancy firms looking to sell their client banks, retire or merge. Contact us for a confidential discussion.

REC/KPMG UK Job Market Report

(we are members of the panel contributing to this report)

Key Findings

Permanent placements and temp billings rise sharply amid improved market confidence

Vacancies expand at quickest pace since August 2018

Renewed increases in both starting salaries and temp pay

KPMG Vice Chair Comment:

"The UK job market is starting to rebound off the back of the Government's plan to ease national lockdown measures over the coming months, with the highest rise in permanent placements in six years and a sharp increase in temporary billings. This is good news for businesses, job seekers and

the UK economy, but employers are still identifying a big skills gap across sectors including IT, construction and retail, with demand and supply not matching up.”

Hourly Rates and Salary Levels

Hourly Rates for Freelancers

Currently set at £21.24 per hour for accountants & experienced bookkeepers undertaking standard accounts work (hourly rate includes agency, VAT and service fees). Contact us to use our freelance accountant platform.

Salary Levels April 2021

Assistant Accountant – Outside London. Range £18k – £32k.

Accountant (ACCA/ACA) – Outside London. Range £30k-£45k.

Auditor – Outside London. Range £40k-55k.

Bookkeeper – Outside London. Range £16-23k.

Industry Accountants (CIMA) – Outside London. Range £30-50k.

Assistant Accountant – London. Range £22-32k.

Accountant – London. Range £28k-45k.

Auditor – London. Range £40-60k.

Bookkeeper – London. Range £20-26k.

Industry Accountants (CIMA) – London. Range £45-75k.

Charity Donations 2021 - £24,000 Fund - Suggestions

Welcome

The Ten Percent Foundation bank account currently has over £24,000 sat in it, which means that it is that time in the year again when the trustees of the Ten Percent Foundation meet to discuss our donation of 10% of the annual profits of the Ten Percent Group of websites.

Our donations meeting has been delayed last month due to trustee illness so we can still consider suggestions put forward over the next week or so. All current suggestions will of course be considered - thank you to all the firms and solicitors who have put forward ideas for donations - most appreciated.

We avoid charities with top heavy staffing & admin costs and welcome any suggestions from clients, candidates and general readers of our newsletters. We particularly like small charities with limited funds. Examples of donations made over the past 20 years can be found on our website at www.tenpercentfoundation.org. To suggest a charity please email Jonathan Fagan at cv@ten-percent.co.uk - we consider all requests very carefully.

IR35 - something to worry about?

We have had a number of enquiries now about IR35, which comes into law today for the private sector. Locums seem panicked by it a bit, and firms appear to know that there is something called IR35 but not exactly what it is.

To summarise - most firms are exempt from IR35 and this is why:

Small companies are exempt. A company is classed as a small company if it meets two of the following three conditions:

An annual turnover of less than £10.2 million, a balance sheet total of less than £5.1 million and fewer than 50 employees.

This applies to most firms in most sectors and hence the IR35 rules will not usually apply. In these cases the contractor remains responsible for determining their own tax position.

Please note that this article is not intended as tax or legal advice to be relied on - simply our thoughts.

IR35, for those not in the industry, is a tax rule related to 'off-payroll working' and is all about levelling up tax contributions so that self-employed workers in theory pay the same as employed workers. It is therefore relevant to locums working in law firms and in house legal departments.

A change is coming in from April 2021 - from the 6th April the clients/fee payers will be responsible for managing IR35.

Firms will be required to state whether a role is 'outside of IR35', which will mean that the assignment in their opinion falls into the definition of self-employed work and will be paid gross/in full, or 'inside IR35', which means that it is caught by the legislation and hence net of tax and national insurance.

If a role is 'inside IR35' then it means that the hirer has decided that the worker is not truly self-employed and therefore will have to have NI and PAYE tax deducted from any payments made.

The rule has been applied to the public sector for some time and has caused a few nightmares for contractors, pushed up prices and made it harder to find temporary workers willing to shoulder the extra tax burdens that are passed onto them as a result of the legislation. This is particularly the case where hirers have applied IR35 rules on a blanket basis, mainly to avoid any future issues with HMRC and pass the burden of any unpaid tax onto the introducing agency or the contractor.

However... the main point if anyone talks about IR35 (and we are hearing the term used a lot by some locums!) is that it does not apply to smaller sized companies and hence does not become an issue.

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Blanket Assessments

We have come across local authorities and larger companies who will simply state that all their assignments are going to be inside IR35, regardless of actual status of the contractors in question. This has caused issues. The REC (the recruitment industry trade body) has produced the following list of reasons why this is a very bad idea. I am not sure some of them are particularly good arguments, but here it is..

The regulations require you to assess contractors on a case-by-case basis. So, if you're assessing everyone the same without looking at people as individuals and how they provide their service,

that's not right.

Contractor relations affected. Contractors are rightly concerned about their tax liabilities if you're just making a blanket decision without considering what they actually do, or have done in the past. For example, contractors who have worked without supervision and have autonomy being classified as same as those who have worked under the direct supervision of the client. It would be understandable for contractors to feel undervalued and at risk.

Future litigation. Contractors will be able to take clients and agencies to court to claim back costs of wrongly working inside IR35. So not looking at contractors individually could have a big financial consequence later on.

Complex supply chain. If you're forcing your contractors to go PAYE, they may go through different routes to achieve that – direct employment or using a so-called umbrella company or even a sole trader. That will make your supply chain more complex and compliance more difficult to establish.

Additional benefits. There are regulatory changes that come with moving people to PAYE as they will have more legal entitlements. For example, you'll need to think through the Agency Workers Regulations and treating staff equally with your own employees on pay, hours and holidays.

The CEO of the REC finished his article with the following quote:

"There's a moral to this story. Just because the government hasn't thought through IR35 properly doesn't mean you should follow their example."

Here's hoping that the legislation never applies to smaller businesses!

Links:

<https://www.gov.uk/guidance/private-sector-off-payroll-working-for-clients>

<https://www.rec.uk.com/recruiters/legal/ir35>

<https://www.paystream.co.uk/helphub/ir35/articles/ir35-mythbuster-3-the-small-company-exemption/>

Interview Question 45 – Do you need other people around to stimulate you or are you self-motivated?

Advice

A loaded question, as so many are! You need to make sure you are self-motivated to a considerable extent, so that you do not imply that the only way you ever do any meaningful work is if there are people around you telling you what to do. It is one thing to be a team player but another thing completely to be someone who needs other people to motivate you in order to get you to do things. It is possible that anyone who does well in a career or progresses rapidly within a company is able to motivate themselves to perform to the best of their abilities and does not need other people around them to do this. Obviously people need other people around them often to make sure they remain motivated and focused, but a lot of motivation and perseverance comes from within. Make sure you get this across and distinguish between the inference in this question that you may not be able to motivate yourself and thus succeed from the question as to whether you are a team player or a loner or someone who prefers to work on their own.

Examples of Answers

"I am a self-motivated person who works well in a team or individual environments. You can see from my CV that I have had jobs in the past where I have been a member of a team as well as jobs where I have worked on my own. I enjoy being around others and working as part of a team but I am happy to motivate myself to succeed without needing others to encourage me to do so."

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Freelance Accountant Directory - our online platform for accountants and bookkeepers in commerce and practice. One set hourly rate.

To invite bids from freelancers for specific jobs or projects, please visit <https://www.freelanceaccountants.co.uk>

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Add your Fees to our **Fixed Fee Accountant Directory** - no charge

Ten Percent Financial maintains a directory of advertised accountancy fees and we can add your business to the list at no cost. Whilst we appreciate that an accountant should, like any professional, be never selected solely on cost as the quality is an important factor, we are maintaining a directory of accountancy services and fees where they are advertised on the internet on a monthly or yearly subscription basis. We also send out customer enquiries to all firms listed in the directory at no cost.

To add your details simply click the button below.

Our directory can be viewed here: [The Ten Percent Accountancy Service Fees Directory](#)

Join our Accountant Fixed Fee Directory

Thinking of selling your firm or looking for investment?

Blocks of fees - if you are looking to sell fee blocks drop us a note. There is interest across the UK for Accountant Fee Blocks. Average rate for sale at the moment appears to be the 12 month value of the fees with the preference of the seller for a 100% upfront rate and the buyer a 30/30/40 split. Please visit our Buying and Selling Client Lists and Accountant Firms here: <https://www.jonathanfagan.co.uk/>

Why use us?

Candidates benefit from our lighter touch - no sales talk or pressure - together with our commitment to donate 10% of our profits to charity (20 years and counting!). Please visit our website at

www.tenpercentfinancial.co.uk for further information.

Employers benefit from our assistance recruiting Seniors, Semi-Seniors, Assistant Accountants, Audit Semi and Seniors, Bookkeepers, Trainee Accountants, Accounting Technicians and other staff. We are also part of the Ten Percent Group, specialists in the recruitment of solicitors and legal staff since 2000.

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Kind regards,

Jonathan Fagan
Director

Ten Percent Financial Recruitment - www.tenpercentfinancial.co.uk

Ten Percent Unlimited - www.tenpercentunlimited.co.uk

E: jbfagan@tenpercentgroup.com

T: 0800 246 5016

Contact:

TP Recruitment Limited
27 Old Gloucester Street
London
WC1N 3AX

Head Office

TP Recruitment Limited
Ty Brith
Llandegla Road
Mold
CH7 4QX

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