

CI Accountancy Ltd

Newsletter

August 2009

boatside business centre, warden
 northumberland ne46 4sh
 tel: 01434 601133
 fax: 01434 609977
 web: www.ciaccountancy.co.uk

As the holiday season continues we have updated you this month on a change to employment law, an article which offers advice on tax relief available for capital purchases in 2009-10, an important announcement if you claim Child Tax Credits and finally two VAT updates from HMRC.

Our next newsletter will be published on Tuesday 8 September 2009.

Client of the Month – August – Robson Print Limited – Re visited	Credit Crunch Busting Tips with Mr. Miser
Top Tips for going green	C I Accountancy News
Vetting and Barring Scheme	Making the most of Capital Allowances 2009-10
Changes to the Childcare Approval Scheme	VAT Upaates from HMRC
Tax Diary August/September 2009	

Client of the Month – August – Robson Print Limited – Re visited

This month we have decided to look back at a client who we featured in the May 2008 issue of the newsletter, Robson Print Limited.

In May last year the three new partners had only recently taken over the business and brought with them over 70 years experience in all sectors of the printing trade. In the twelve months since then the business has gone from strength to strength with an increase in takeover of approximately 46%. This achievement has been made possible through investing over £140,000 in new state of the art printing technology which ensures that they are at the top of their game.

Even in these difficult economic times Robson Print are still expanding and recruiting via the apprenticeship scheme. They took on their first apprentice in the last twelve months and hope to take on a second this winter. It was this dedication to the apprenticeship scheme that saw them invited to the meet the then Government Minister for Employment, Gus MacDonald and Dragon Entrepreneur, Peter Jones and also led to attending the apprentice conference in Gateshead, which was led by Sir Alan Sugar.

Even with all of this success the directors of Robson Print are still looking to the future, hoping to gain FSC Environmental Accreditation by the end of 2009 and have a target of half a million turnover for the year ending August 2010.

It is a great pleasure to work with Neil, Andy and Lee from Robson Print, we wish them the best of luck with their plans and are pleased to be able to support them with their future endeavours.

Contact Robson Print Limited by telephone 01434 602975 or email sales@robsonprint.co.uk

Credit Crunch Busting Tips with Mr. Miser

Improving your personal productivity

Manage your time on e-mails. Yes, they have improved speed of communication, but take time to analyse how it affects your day. It can be hugely disruptive, especially, if like me, most of you tend to open and check e-mails as they are received. Be disciplined.

- If you receive a lot of non-work related traffic, create another e-mail account so one is for work and the other is personal.
- Consider just checking your inbox periodically, as little as two or three times a day, say first thing, lunch time, and before leaving.

A CEO of a p.r. company was studied on a before and after basis, and found that she personally produced between 5 and 10 hours PER WEEK more output by adopting these simple processes. Saving yourself time potentially means making more money with no more resource deployed.

Save on accountancy fees

Yes, you read that right! There are often a lot of things we have to do which you, the clients, could do yourselves just as well, thus cutting our time on engagement, thereby cutting your fees. Some do's and don'ts:

Don't use book keeping software or manual systems unless you are fully competent to do so. Finding your errors and correcting them can mean it takes us longer than if our book keepers did the job from scratch.

Do file your paper invoices, statements, and so on, tidily in date order, and cross reference them to payment documents (i.e cheque numbers or bank instructions), and cross reference your sales invoices to any back up documents they refer to.

Do ask us to provide you with simple spreadsheets for your use.

Do ask us to show you how to do your own bank reconciliations.

Do ask us to help you with any book keeping or management accounts you need done, for example for your bank, and remember we have a support services team who specialise in payroll, VAT returns and general book keeping.

Don't leave everything to the last minute.

Do keep in touch with us, and ask before you decide on any significant transactions for your business. Once you've committed to a transaction, it may be too late for us to unwind it where we could have advised on a cheaper or more tax effective way to do it.

Top Tips for going green

Businesses today often opt for cost cutting over environmental initiatives, believing that the two do not go together. Traditional thinking is that "green" does not mean "lean", but there are a number of ways to implement policy changes that will reduce waste, your carbon footprint and costs at the same time.

Reduce energy waste

It's the little things that count, leaving a PC on 24 hours a day can cost up to £50 a year, yet the average PC is only in use for just 8 hours a day. In an office of 30 computers, this amounts to 2,044,000 watts of wasted energy, which costs £3,212 a year. There are a number of things you can do to reduce the level of energy waste as well as saving a bit of cash in the process:-

- When buying new equipment consider a low energy, reduced footprint model made from recycled and or recyclable components.
- Turn the heating down and close windows. By turning the heating down by just one degree, and keeping windows closed in air conditioned rooms, you can immediately save up to 8% in electricity bills, which could mean hundreds of pounds.
- Fix all dripping taps. A constantly dripping tap can waste 500,000 litres of water a year, which costs approximately £400.00
- Turn off unneeded lights and fans
- Turn off all office equipment at night
- Replace traditional light bulbs with energy saving ones
- Set power saving options on PC's and office equipment
- Don't overfill the kettle

Swap office equipment for online or outsourced business services

Most business processes are now PC based so there's little need for businesses to maintain consumables or energy-hungry fax machines, colour printers and binding machines.

- Replace fax machines with subscription or pay per use online fax services (SaaS), which send faxes as PDF's from PC to fax or fax to PC
- Save electricity and time by using local business centres to print and bind bulky documents, (look for places that offer a drop-off service to save petrol)
- Most banks offer paperless online banking, and many suppliers offer discounts for web-based accounts. Not only could you get better rates, you'll save paper as well as the cost and time needed to request cheques and administer postage.

Replace mail shots with emailed PDF's and viral marketing campaigns

This will immediately eliminate production, paper, ink, consumables and postage and distribution costs, whilst enabling the delivery of better targeted campaigns with increased response rates.

Conduct meetings online

Where possible, replace face to face meetings with calls and video conferences using Skype, supported by webinar technology to host presentations. This will cut travel and subsistence costs, eliminate carbon footprint and better utilise employee time. Where Skype is used, the meeting will become cost free.

Introduce green incentives to your daily routine

- Introduce car share and walk to work incentives. If possible, offer season ticket loans to encourage use of public transport.
- Centralise purchasing to enable bulk buying of recycled products, such as paper, stationary and toilet rolls.

- Consider shopping at supermarkets. There can often be special offers, reward points and incentives for buying Fair Trade items.
- Forego paper and plastic disposable cups for reusable ceramic mugs.

Becoming more environmentally friendly doesn't have to cost your business or the earth!

CI Accountancy News

We would like to give a warm welcome to George Young who has joined the team at CI Accountancy this month. George joins us bringing with him a wealth of bookkeeping experience.

We wish George success in his future with CI Accountancy.

Vetting and Barring Scheme

Changes to employment law are underway. From the 12 October 2009 new measures are being introduced to vet the suitability of persons working with children or vulnerable adults.

It is called the Vetting and Barring Scheme (VBS) and will be administered by a new public body to be called the Independent Safeguarding Authority (ISA).

From July 2010 all new employees can register with the ISA.

From November 2010 all new employee and volunteers must register before they start work. Until they have registered they cannot be legally employed.

Failure to comply with the new registration demands could possibly result in custodial sentences for the employee and the employer!

A range of useful online tools, posters and leaflets can be downloaded from the ISA website at www.isa.gov.org.uk/toolkit or call 0300 123 1111

Making the most of Capital Allowances 2009-10

If you are thinking of investing in assets that qualify for the Annual Investment Allowance (AIA) during 2009-10 it is worth bearing in mind the additional relief you can claim to take advantage of the 40% First Year Allowance (FYA) that is available for one year to 5 April 2010 (1 April 2010 if you trade as a company.)

For most businesses the only assets that do not qualify for the AIA or the FYA are motor cars. Although don't forget that if you buy a car with CO2 emissions under 110g/km a special 100% allowance can be claimed.

The AIA allows you to write off 100% of qualifying expenditure during 2009-10 up to a total spend of £50,000.

But what happens if you spend more than £50,000? Let's say you invested £80,000 during 2009-10 in assets that qualify for the AIA and FYA. You would be eligible to claim the maximum £50,000 AIA and a 40% FYA on the excess. This would make your potential, combined claim £62,000, or an overall 78% tax write down in one year.

Even if the claims created net tax losses in 2009-10 this may enable your business to recover some of the tax paid in the previous three years.

Please call if you need more information on this topic, particularly, does your intended investment in new equipment qualify for these reliefs?

Changes to the Childcare Approval Scheme

In order to qualify for Child Tax Credits (CTC's) the person responsible for taking care of your children (child) needs to be registered with the Childcare Approval Scheme.

From 18 July 2009 the Childcare Approval Scheme will no longer exist and all childcare providers approved under this scheme (for example a nanny or foster carer working as a childminder) must either become registered with Ofsted or they will become unregistered providers.

Tax payers who are affected by this change are advised to check with their childcare provider to see what they plan to do from 18 July 2009.

It is no longer possible to claim tax credits unless the childcare provider is registered with Ofsted from 18 July 2009.

If a childcare provider does not intend to register with Ofsted, an alternative registered provider would need to be used in order to be able to claim or continue claiming the childcare element of tax credits.

VAT Updates from HMRC

VAT number verification

The European Commission have enhanced their on-line service which allows taxpayers to check if a quoted VAT number is valid.

The on-line service has been updated to allow taxpayers to obtain a certificate to prove that they checked that a VAT registration number was valid at a given time and date. This system has been designed primarily to protect taxpayers who become innocently involved in a chain of fraudulent transactions such as carousel fraud.

The certificate will provide valuable evidence for a taxpayer to prove that they acted in good faith should HMRC challenge input tax recovery or seek payment of lost VAT.

The new on-line system will also be useful to businesses who zero-rate sales to businesses in other EU countries. Specifically in meeting one of the conditions for zero-rating which states that your customer must be VAT registered.

The on-line service is available at the following address:

http://ec.europa.eu/taxation_customs/vies/vieshome.do?selectedLanguage=EN

Making VAT payments

HMRC's bank account details for VAT payments have changed with effect from 8 July 2009. This is part of an ongoing exercise by HMRC which involves moving its banking arrangements from the Bank of England to commercial banks.

HMRC is now using Citi Bank for electronic payments by BACS Direct, Internet/telephone banking and CHAPS.

HMRC's new bank details are as follows:

Account Name: HMRC VAT

Account Number: 11963155

Sort code: 08-32-00

When making VAT payments it is important that taxpayers use their VAT registration number as the reference number to ensure payments are correctly credited to their VAT account. The VAT number should be used with no gaps to save unnecessary delays in processing the payment.

Whilst HMRC is working closely with banks to implement the new account details some banks may be unable to make the payment using the new account details.

HMRC will continue to process payments made using the old details for the time being. Taxpayers using the new banking details should ensure that all templates and instructions for online banking payments are updated for the change.

Bank Giro payments will also be changing and for the time being transactions will be handled by NatWest Bank. New Bank Giro books will be printed in due course. In the meantime, payments should be made as normal.

Tax Diary July/August 2009

1 August 2009 – Due date for corporation tax due for the year ended 31 October 2008.

19 August 2009 – PAYE and NIC deductions due for month ended 5 August 2009. (If you pay your tax electronically the due date is 22 August 2009)

19 August 2009 – Filing deadline for the CIS300 monthly return for the month ended 5 August 2009.

19 August 2009 – CIS tax deducted for the month ended 5 August 2009 is payable by today.

1 September 2009 – Due date for corporation tax due for the year ended 30 November 2008.

19 September 2009 – PAYE and NIC deductions due for month ended 5 September 2009. (If you pay your tax electronically the due date is 22 September 2009)

19 September 2009 – Filing deadline for the CIS300 monthly return for the month ended 5 September 2009.

19 September 2009 – CIS tax deducted for the month ended 5 September 2009 is payable by today.

DISCLAIMER - PLEASE NOTE: The ideas shared with you in this newsletter are intended to inform rather than advise. Taxpayers circumstances do vary and if you feel that tax strategies we have outlined may be beneficial it is important that you contact us before implementation. If you do or do not take action as a result of reading this newsletter, before receiving our written endorsement, we will accept no responsibility for any financial loss incurred.

CI Accountancy Ltd
Boatside Business Centre
Warden
Northumberland
NE46 4SH

Tel: 01434 601133
Fax: 01434 609977
Web: www.ciaccountancy.co.uk

C.I. Accountancy is a Limited Company registered in England and Wales under no. 04589897 and registered for VAT under reference 842780317.

Directors of the Company are members of the Association of International Accountants (AIA). This body has its headquarters in the UK and its rules of professional conduct can be obtained from its website.