



Bulletin

August 2009 Edition

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for practical solutions

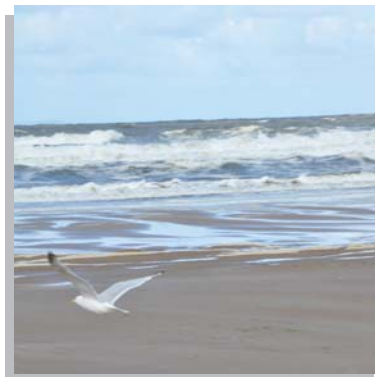


What Happens NOW!!!!

I think we are all spending a lot of time at the moment wondering whether it will ever stop raining; wondering whether we will ever win the Ashes; wondering whether this swine fly will come; and last but not least wondering what on earth the UK economy is up to. Talking to stockbrokers, they appear to be quite optimistic and feel that we are at the start or rather we have already started the next bull run. Other commentators are more cautious and remind us of the huge deficit of the UK government and how taxes will surely rise and government spending will have to fall, resulting in even higher levels of unemployment etc. We all realise that NO decisions will be made on this until after the next election, unless we are forced to by international pressures.

There is a danger that we can almost become mesmerised by all this "wondering" and fail to get on with what we should be doing and with what we have at least some control over and that is running our own businesses.

Now is a very good time to be dusting off those business plans, reviewing your product range, compiling next years budget, and reviewing your marketing strategies so let's not use the global situation as an excuse to do nothing. Let's get to grip with our businesses, outperform our competitors, and worry about those areas where we really can make a difference. Now more than ever we need to concentrate and steer our businesses through these choppy waters.



Don't forget if you are considering making new investments to improve your companies, even in the current situation, there are grants available and we have recently had a good success rate in helping clients to get them.

So let us return from our holidays focused and positive about what we can do for our businesses and let's not get bogged down in too much speculation over issues that we cannot alter.

- Bill Ballard

In this edition

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- Top Money Issues For Businesses
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CAN'T PAY YOUR TAX? READ ON ...

Where you are struggling with cash-flow you can call the Business Payment Support Line to arrange a programme for payment. Key points are:-

- Covers all taxes
- If spreading is allowed, no penalties or surcharges will be imposed, although interest will continue to be payable.
- Don't wait until the tax is overdue – you need to get in touch in advance.
- Quick decisions promised in most cases – usually about 10 minutes.
- When calling, be prepared with your tax reference number, details of the tax owing and basic details of your business income and outgoings.
- No de-minimis rules or limits – all cases will be considered.
- Business Payment Support Line number – 0845 302 1435.

Paying Tax by credit card

You can now make your self-assessment, Employer's PAYE/NIC or Stamp Duty payments by credit or debit card. The on-line system, known as BillPay, is supported by Alliance & Leicester Commercial Bank.

The minimum payment you can make is 1p and the maximum £99,999.99.

If you pay off your credit card every month, this may be a convenient method of payment, but beware as a non refundable transaction fee of 1.25% is added if you pay by credit card and the interest rate charged on many credit cards far exceeds that charged by HM Revenue & Customs on late payments. The Business Payment Support Line will be a better option in most cases.

Top Money Issues for Businesses

The credit crunch is hitting many businesses to a greater or lesser extent but there is much that can be done to make the most of finances:-

Payment Checking Procedures

Implement systems to check the payments as they are received and to flag up slow payers. Would you want to continue supplying a customer right up to the date they go into administration and then struggle to get paid?

Pursue Profitability

Identify those lines that generate the most profit for your business and focus your energies on these.

Contain Costs

Avoid unnecessary costs such as overstocking and review areas where costs could be cut without adversely affecting performance. Take advantage of tax breaks such as the optimum use of losses.

Plan for the Future

Consider six key questions.

- 1) *What do you want to do?*
- 2) *What have you done in the past?*
- 3) *What must you do well to succeed?*
- 4) *What could you do?*
- 5) *What might you do?*
- 6) *What should you do?*

Reduce Lockup

Look to convert debtors and stocks into cash at a faster rate. Why should you pay bank interest while your customers borrow from you?

Gear up for Retirement

Have you a succession plan? Where will your income come from when you retire?





Motoring On

As fuel costs creep up is there anything you can do to counter this?

Well, if you are an employee driving your own car you probably know that your employer can pay you up to 40p tax free for the first 10,000 business miles you do in each tax year and 25p for each additional mile over 10,000. Do you also know that you can make a tax reclaim if your employer pays you less than this? The claim can either be made through your self assessment tax return if you complete one or by a simple letter if you do not. You will need to keep a record of your business journeys. Please note that normal commuting from your home to your main place of work does not count as a business journey.

If you are an employee driving a company car and getting all your fuel paid for by your employer you will pay tax on a company fuel benefit. Did you know that you can avoid this by reimbursing your employer at Revenue approved rates for your private fuel? The cost of the private fuel is frequently less than the tax you pay on the company fuel benefit so this is worth considering. The Revenue approved rates that apply from 1 July 2009 are:-

Engine Size	Petrol	Diesel	LPG
1400cc or less	10p	10p	7p
1401 cc to 2000 cc	12p	10p	8p
Over 2000 cc	18p	13p	12p

The employers among you may wish to remind your employees of the tax claims they can make.

Deadlines Looming

19.08.2009	PAYE payable on July wages.
31.08.2009	Company accounts for the year ended 31 October 2008 need to be filed with Companies House.
01.09.2009	Corporation tax payable for the year ended 30 November 2008.
19.09.2009	PAYE payable on August wages.
30.09.2009	Company accounts for the year ended 30 November 2008 need to be filed with Companies House.
01.10.2009	Corporation tax payable for the year ended 31 December 2008.
19.10.2009	PAYE due on September wages.
31.10.2009	Company accounts for the year ended 31 December 2008 need to be filed with Companies House.
31.10.2009	Deadline for filing paper self assessment returns and for filing of returns online where tax underpayment is to be coded.

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