

NO FS : NO COMMENT Fuller Spurling

A round up of current issues and pointers as we think about all of our clients

TIMES ARE HARD!

The Government's business tax payment service has assisted a number of our clients with paying tax liabilities over an extended period. Clients have received sympathetic treatment and understanding from the service. **Please let us know if you would like details.**

We appreciate that we all need to keep a tight rein upon our outgoings at this time so please speak with us to see if we can ease the impact of our (very reasonable) fees by spreading payment perhaps by way of monthly standing order.



IS YOUR BUSINESS OPERATING IN A TAX EFFICIENT MANNER?

Are you a sole trader or partnership? You could benefit from operating as a Limited company and save tax and national insurance. It could also provide commercial benefits such as making your business appear to be larger than it is, being visible on public record and thus more credible to customers.

Are you already a Limited company? You could benefit from a review of your shareholding structure to enable you to pay more dividends to save tax and national insurance paid by the directors and/or shareholders. **If you would like to discuss such possibilities, then please call us.**

WHY NOT PURCHASE A COMPANY CAR FOR USE BY YOUR CHILDREN?

If you provide a low emission car (110g/km) to members of your family you will benefit from 100% allowance for the cost of the car in the year of purchase and only suffer annual tax on the benefit-in-kind of 10% (13% for most diesels) of the vehicle price. So you will gain the gratitude of your children in a tax-efficient way and also have the comfort of knowing that they are not driving around in a vehicle that is possibly not as safety-minded as modern cars.

DO YOU HAVE AN ANNUAL INCOME OF MORE THAN £150,000?

If your income exceeds £150,000 and you receive profits from an unincorporated business the current accounting period of which ends after 5th April 2010 you will already be liable to 50% tax upon its profits. To save tax of at least 10.5% of your profits it would be sensible to consider changing the accounting date of the business or, perhaps, incorporating the business.

You also need to be aware that from 22nd April 2009 you will only be entitled to basic rate tax relief where your pension contributions are greater than either £20,000 per annum or your "normal pattern of contributions". **If you need guidance please let us know.**

HOW GOOD IS YOUR RECORD KEEPING?



Do you struggle with your business records or your VAT Returns? Whether you maintain your records manually, on spreadsheets or on software such as Sage or Quickbooks we can advise you how to record them in the right way to help you keep on track, save you time with VAT Returns and save costs preparing your year end Accounts. Do you use Sage or Quickbooks but are not sure how to complete the Bank reconciliation or reconcile your VAT Returns? Or would you like some top up training in other areas? Then talk to us for some one to one training with your Software and your records on your premises so its relevant to what you do. **So for any help and advice concerning your business records please call us.**

ALL IS NOT LOST!

It is not just certain Members of Parliament that can avoid tax. Please regularly discuss with us the circumstances of you and your business to see if we can suggest any steps to mitigate your fiscal burden. **We will be happy to help.**

For more details tel: 01932 564098/01252 877477 mail@fuller-spurling.co.uk



TIME FOR TAX : HMRC UPDATE

HMRC POWERS

HMRC have new powers from 1st April 2009 in carrying out compliance checks (also known as visits and inspections). HMRC officers can make inspections unannounced, demand all primary records without the need to issue a formal notice and ask third parties to verify the accuracy of information provided by the taxpayer. **However, we can help you so please do not give up hope!**

TAX ENQUIRIES

Whilst we do all we can to shelter our clients from the likelihood of a costly HMRC enquiry and try to ease the enquiry process there is no doubt that being the subject of an enquiry is not a pleasant situation to find yourself in. It may well now be time to give serious consideration to protecting yourself from the cost of us dealing with the enquiries by HMRC upon your behalf by taking out insurance to cover the cost of such enquiries. **We can arrange cover for you at competitive cost so please contact us.**

DELAYED TAX REFUNDS

It is understood that HMRC has set up a new unit in Bristol to investigate tax refund claims and this can add at least a month to the refund process. HMRC check 10% of claims for fraud but if a claim does not pass the initial test it can be sent to the unit in Bristol without notifying the taxpayer; the unit only accepts written communication so there is no way to find out why a refund has not been made. Clients have received recently statements from HMRC indicating that tax has been repaid whereas it is still being subjected to HMRC internal checks.

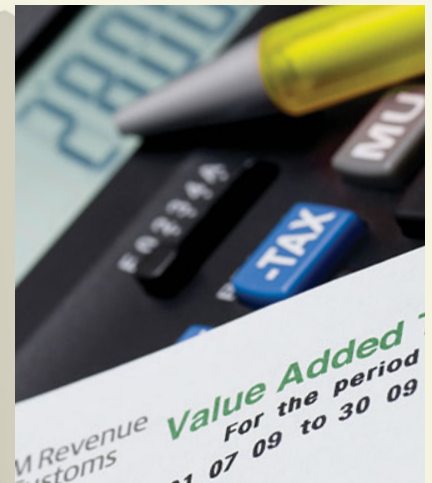
OH FOR SOME CERTAINTY ON TAX RESIDENCE AND DOMICILE!

HMRC have replaced from 6th April 2009 the previous guidance (IR20) which had formed the basis of much tax advice for over a decade as to the practice adopted to establish tax residence by booklet HMRC6.

HMRC will no longer accept claims by a taxpayer to be non-UK domiciled on form DOM1 and will leave it up to the individual to decide upon his domicile using flowcharts that have been published. This will mean that many taxpayers will not have any official assurance of their status until they have submitted a Tax Return and the domicile claim on the Return has been subjected to HMRC enquiry.

Unfortunately, it still only represents HMRC's view of the law and does not have any legal force. It is to be hoped that a legislative definition of tax residence will be available in the not too distant future (although this is unlikely this year!).

Please contact us if you wish to discuss your tax resident status and domicile.

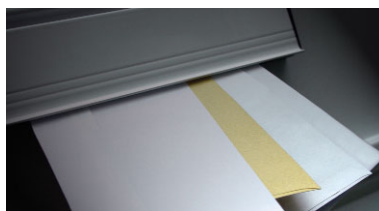


DO YOU NEED THE SERVICES OF ANOTHER BUSINESS BUT DON'T KNOW WHO TO ASK OR RELY ON?

Maybe you are looking for Independent financial advice on pensions, life insurances and protection policies, mortgages etc. Or maybe you need the services of a landscape contractor, plumber, or other trades people. We have many contacts through our clients and business networks and could put you in touch with any number of people and businesses.

A "word of mouth" referral is much better than taking a guess through an internet search etc. So if you are looking for other services maybe you could benefit from calling us. **If we can help, we will.**

WE LISTEN TO YOUR COMMENTS AND FEEDBACK



In response to a number of comments regarding our Chertsey office, we now have a letterbox on the front of the premises for those of you who wish to drop off post out of hours. It's a lovely chrome affair, so please take a look next time you are passing (but don't try the door itself as it is false!!).

Fuller Spurling offer the following services

- : Corporate and Personal Taxation
- : HM Revenue & Customs Investigation
- : VAT
- : Accounts and Auditing
- : Management Information
- : Business Start Ups, Mergers, Acquisitions and Sales
- : Accounting and Bookkeeping Services
- : Payroll
- : Company Secretarial and Formation
- : Business Advisors/Non-Executive Directors

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