

NO FS : NO COMMENT

Fuller Spurling

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Fuller Spurling
CHARTERED ACCOUNTANTS

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

TIMES CONTINUE TO BE HARD AND WE ALL NEED TO PLAN OUR WAY THROUGH THE COMING MONTHS AND YEARS

TIME FOR TAX : HMRC UPDATE

VAT CHANGES FROM 4TH JANUARY 2011

Don't forget that the standard rate of VAT rises from 17.5% to 20% on 4th January 2011. For businesses that raise invoices for services provided, they may be able to raise an invoice after this date and split out the work done before 4th January and charge the old rate on this amount, and only charge the new rate on the work done on or after 4th January. Naturally HM Revenue & Customs will be looking at sales invoices on any later VAT visit to ensure everything is in good order!

For those businesses that provide services to EU VAT registered businesses or receive invoices for services from EU VAT Registered businesses, there are some further modifications to the "business to business sales" rules.

For those businesses eligible to use the VAT Flat Rate Scheme (basically where annual sales are below £150,000) the flat rates also change on 4th January. You should also check which rate fits your business activity as these may have changed as well! **If you would like advice on such matters, you know who to call!**

REMEMBER SOME OLD BUDGET CHANGES THAT COME INTO FORCE IN APRIL 2011

The good news: The Corporation tax rate for small companies with profits up to £300,000 will reduce from 21% to 20%. The rate for profits above this level will also reduce by 1%. Businesses will still be able to claim 100% Annual Investment Allowances on expenditure on plant and equipment up to £100,000. Personal allowances will rise by £1000.

The bad news: The main rates of National Insurance for employees will rise from 11% to 12% and for the self-employed from 8% to 9%. The rate for employers will rise from 12.8% to 13.8%.

The basic rate band threshold for tax will be reduced so that higher rate tax payers do not benefit from the increase in

personal allowances noted in the "good news" section.

Don't forget that we already have a tax regime with the highest rate of tax at 50% on income above £150,000 and that your personal allowance is progressively reduced by £2 for everyone £1 of income where your income exceeds £100,000.

And from April 2012: Businesses will only be able to claim Annual Investment Allowances on expenditure on plant and equipment up to £25,000. Annual writing down allowances which are currently 20% will reduce to 18%. Timing of expenditure will thus be very important.

We will be happy to help.

MORE TIME FOR TAX ON REVERSE



Mark Harvey



Susan Keane



Patrick Hope

Through these difficult times and beyond, we aim to work proactively with our clients to assist in the achievement of their goals by supporting them and providing the best possible advice and service,

We are a three partner practice originally established in 1972. All partners have a wide range of commercial and professional experience involving corporate and personal clients.

We handle all types of small and medium sized businesses as well as specialised areas including charities, pension funds, HM Revenue & Customs investigations and the affairs of high net worth individuals.



TIME FOR TAX : HMRC UPDATE

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. Please give serious consideration to protecting yourself from the cost of us dealing with the enquiries by HMRC upon your behalf by joining our Tax Wise tax enquiry fee protection service. With an annual cost including VAT from as little as £41 for an individual to £153 for a company and its directors, you can be confident that we can defend you in the event of any enquiry from HM Revenue & Customs, with no worries about the costs. Our service is backed by an insurance policy that we take out so that we recover our fees. We think this represents excellent value for money. We will be issuing some statistics next year which indicate the average costs of enquiries. **Please call us now if you would like to take up this service.**

CLAMPDOWN ON USE OF EFRBS & EBTS

HMRC have announced that steps are being taken to prevent avoidance of tax through the use by companies of EFRBS & EBTS. It is thought likely that draft legislation will be announced that will be incorporated in the Finance Bill 2011 but will become effective from the date of the announcement. Immediate action will need to be taken if you want to take advantage of the significant benefits that can derive from the use of these products. **If you need guidance please let us know.**



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 further, please call us.**

TESTIMONIALS AND REFERRALS

We are updating our website and other directory sites where we advertise. We recognise that we should be including testimonials from clients to help demonstrate our "clients' satisfaction" with the quality of work and help and guidance that we provide. To which end, we wonder if you would be able to provide a brief testimonial that we could include. It need be no more than a couple of lines. We can include your personal and/or company details and location, or simply your first name and initial of your surname if you prefer to be "anonymous". **Your help would be greatly appreciated.**

Can we go one stage further? If you are able to provide us with a testimonial, perhaps you can recommend us directly to your friends or business contacts. We would be delighted to talk to anyone or any business that could benefit from our services. Remember our initial consultation with a prospective client is free, so they have nothing to lose and everything to gain from any advice we can offer. By way of a thank you we will be creating a formula to give you a discount off your next invoice. **Please contact one of our partners.**

WE OFFER THE FOLLOWING SERVICES

- : Corporate and Personal Taxation
- : HM Revenue & Customs Investigation
- : VAT
- : Management Information
- : Business Start Ups, Mergers, Acquisitions and Sales
- : Accounting and Bookkeeping Services
- : Payroll
- : Company Secretarial
- : Business Advisors/ Non-Executive Directors
- : Year end Accounts
- : Tax Returns
- : Capital Gains Tax
- : Inheritance Tax and planning
- : Tax planning
- : Tax mitigation
- : IR35 Contractors
- : CIS Construction Industry Scheme
- : Charity Accounts Audits & Independent Examinations
- : Statutory Audits
- : Budgets & Cashflow Forecasts
- : Company Formations

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INFORMATION SHEETS ON OUR WEBSITE

Please take a look at our website at www.fuller-spurling.co.uk as you never know what will have changed. If you click on Publications, you will see some Articles which may be of interest. These include:

- : UK Tax for non-domiciliaries
- : Small businesses – should you incorporate?

If you would like advice on any matters please make sure you get in touch with us.