



M J Shapcott & Co. Limited,
Charter House, Wyvern Court,
Stanier Way,
Wyvern Business Park,
Derby DE21 6BF

Tel: 01332 680540

Fax: 01332 662758

admin@shapcotts-accountants.co.uk

www.shapcotts-accountants.co.uk

Contents

Starting a New Business	1
Personal Affairs Checklist	2
Income Tax Diary	2
Tax Return Reminder	2
Snail Mail	3
Planning Tips	3
Technology – the old and the new	4
Humour	4

DO YOU KNOW ANYONE STARTING A NEW BUSINESS? WE CAN HELP!

According to the Federation of Small Businesses, hundreds of thousands of start-ups are expected this year. Apparently in the UK, we're losing 120 small to medium sized enterprises (SMEs) everyday but for each one of those, around 11 are starting up. That's approaching half a million new SMEs in 2009. The majority of them are sole trader businesses, risk averse, taking on little or no debt. As far as the UK's economy goes, they point to long and slow recovery because they will do little to reduce the rising unemployment count. Of the 4.7 million firms in the UK only 6,000 are big businesses, the rest are SMEs which employ nearly 60% of the workforce.

SMEs have been more robust in the current recession than many analysts expected. At the height of the recession in 1991, 1,000 SMEs a week were closing. This time around they seem to be carrying less debt and are better placed to make their repayments and keep their costs down.

Redundancy money

So why are so many would be entrepreneurs choosing now to give it a try? People are looking for something to do with their redundancy money. Savings are attracting such derisory levels of interest that people are more willing to take the risk. Like many new business owners they're able to finance the start-up themselves without borrowing, and they intend to stay small. It's always that bit cheaper to start up in recession. If you have an idea for how to improve on something already on the market you could find that a lot of your competition has already gone to the wall, leaving you the way clear to pick up the customers as the economy recovers.

If you know anyone who is thinking of starting a business, why not give us a call and we will send them our free "New Business Kit – The financial, tax and accounting considerations of starting a new business".

Get your Personal Affairs up to Date

Do you know where all your important papers and documents are kept?

Would it be easy to locate your Will, Insurance Policies, Bank Accounts and Pension Arrangements?

If the answer is “no” to either of these questions, you can download a copy of our “Personal Affairs Checklist” from our website www.shapcotts-accountants.co.uk or telephone Jane for a free copy to be sent in the post.

This is a paper document where you can record all your important details.

You never know what’s around the corner and it is vital to have important personal details close to hand. With this in mind, download this from our website or contact Jane for your free copy of the “Personal Affairs Checklist” which allows you to record your personal information on one document.

The checklist comes in three parts:

1. Section 1 gives information about your key advisers, location of your Will and Funeral arrangements.
2. Section 2 gives information about your Bank/Building Society Accounts and Insurance Policies.
3. Section 3 gives information about your Employer, any Directorships and other details.

INCOME TAX DIARY Changes from April 2010

- The amount of basic personal allowance has not been set, but from 6 April 2010 the allowance will be subject to income limits of £100,000 and £140,000.
- This will mean that where an individual’s income is below the £100,000 income limit, they will continue to be entitled to the full allowance.
- For those who will be affected, their personal allowance will be reduced by £1 for every £2 that their income exceeds £100,000 until the personal allowance is reduced to Nil. (This is instead of the two-stage reduction announced at the Pre-Budget Report)

Tax Saving, Current Year Opportunities

- While annual investment allowance (AIA) is now available to benefit smaller businesses, anyone planning to spend more than £50,000 on capital expenditure before 5 April 2010 can still claim first year allowance (FYA) of 40% of any qualifying expenditure if this is more beneficial.
- If you require any further guidance on this please telephone 01332 680540 and speak to Steve, Ian or Melvin.

Tax Return Reminder

- The deadline for filing your 2009 tax return is now fast approaching.
- The “paper” deadline of 31 October has already passed and all returns up to the final 31 January 2010 deadline must now be filed online to avoid a late filing penalty.
- If you have not yet forwarded your tax return information or made an appointment to conclude it, please now telephone the office to book an appointment before Christmas.

This will ensure your return is filed on time and you will avoid the risk of a late filing penalty.





A New Angle on “Snail Mail” From paper to electronic!

The Swiss postal service now offers an electronic Post Box to customers wanting to receive their physical letters over the internet.

This system was first developed by the Seattle-based company Earth Class Mail, which has its own subscribers around the world.

'Relevant mail'

For 14 Euros (£12) a month, letters are redirected to a secret location in Zurich where the envelopes are scanned and an image is e-mailed out to customers. They can then decide whether letters should be opened and scanned by vetted personnel sworn to secrecy, or simply shredded.

Internet power

The Swiss Post Box service is currently only available in Switzerland and Germany, with plans to expand to locations in France, Italy and Austria this year. The service is tapping into the power of the internet which is replacing snail mail business with e-mails, documents in PDF files and downloads.

We wonder if this will work in Britain?

We can think that Expats would benefit and those working away from home, but maybe there will always be the need for the Postman as we do still love putting pen to paper!

HIGHER RATE BUSINESS AND INCOME TAX PAYERS – SOME PLANNING TIPS

From April 2010, the top rate of income tax will be 50 per cent for individuals with an income over £150,000. Restrictions will also apply to personal allowances where income exceeds £100,000. The point at which the personal allowance is fully reduced will depend on the level of the personal allowance for 2010/11 but is around £112,950 at current levels.

So what advice and options are available for higher rate tax payers?

1. Profit extraction by way of dividends:

- Accelerating the payment of dividends by 5 April 2010 can achieve a significant tax saving subject to the company's distributable reserves.
- Extracting profits early by dividends is something that shareholders of UK companies should consider now to avoid the new higher rates of income.

2. Incorporating your business:

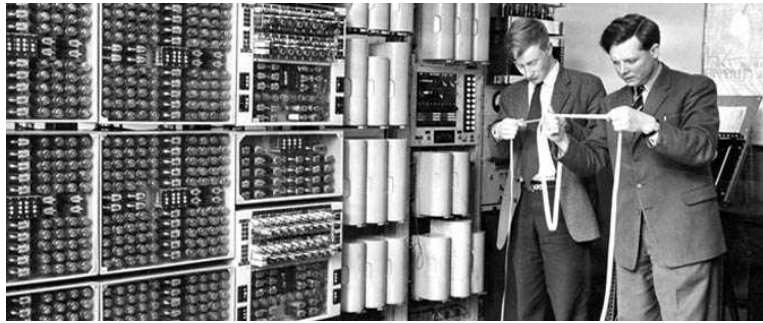
- If you are making substantial profits and are thinking about retiring or selling soon from being a sole trader or in a partnership, then you could save tax by incorporating your business into a company. Tax savings can be achieved by incorporating the business and benefiting from lower rates of tax under the corporation tax and capital gains tax (CGT) regimes. There is always the risk though that tax rates may change.
- One other advantage of incorporating is you personally gain limited liability protection in the run up to retirement provided your company remains solvent.

3. Salary sacrifice schemes:

- Tax savings can be achieved by employees receiving a non-cash benefit in exchange for part of their salary, typically an employer pension contribution. This results in lower tax and National Insurance Contributions (NIC) for the employee and lower NIC for the employer as there is no income tax or NIC to pay on the sacrificed amount.
- Remember tax rates and timings may change.

Don't delay any tax planning. Please talk to us soon if you think you may be affected by some of these changes.

TECHNOLOGY – THE OLD AND THE NEW!



The Oldest! Britain's oldest working computer, rebooted

The oldest original working computer in the UK, which has been in storage for nearly 30 years, is getting restored to its former glory.

The Harwell computer, also known as WITCH, is getting a second lease on life at the National Museum of Computing at Bletchley Park. The machine is the oldest surviving computer whose programs, as well as data, are stored electronically, according to the museum.

It was a feat for its time. Harwell was operational until 1957 and was then used in computer education until 1973. After that it was disassembled and put in storage – only to be revived now.

The Harwell will be housed alongside the rebuild of the earlier, code-breaking Colossus Mark II, the world's first electronic computer.

Humour

An accountant is walking down the street and he sees an old bottle. He picks it up, pulls out the cork and out pops a genie. The genie says, “Thank you for freeing me from the bottle. In return I will grant you three wishes.”

The accountant says “Great! I always dreamed of this and I know exactly what I want. First, I want one billion pounds in a Swiss bank account.” Poof! There is a flash of light and a piece of paper with an account number appears in his hand.

He continues, “Next, I want a brand new red Ferrari right here.” Poof! There is a flash of light and a bright red brand new Ferrari appears right next to him.

He continues, “Finally, I want to be irresistible to women.” Poof! There is a flash of light and he turns into a box of chocolates!

shapcotts
chartered accountants
+ business advisors

M J Shapcott & Co. Limited,
Charter House, Wyvern Court,
Stanier Way,
Wyvern Business Park,
Derby
DE21 6BF

Tel: 01332 680540
Fax: 01332 662758

admin@shapcotts-accountants.co.uk

www.shapcotts-accountants.co.uk