

Follow your Dreams!

The business climate has been pretty turbulent recently, with the banking crisis followed by a downturn in the economy.

What does this mean?

Firstly, you've got to hang on to your dreams, they still exist whatever else is going on around you. Don't lose sight of what you are trying to achieve, stay focused.

Secondly, in a changing economic climate, be prepared to be flexible and ready to adapt to whatever life throws at you. Now is the time to be strong.

To help you address what's important, we've put together a "tough times" checklist to focus on the actions necessary to shape up.

If you need to discuss what's important to you right now, please remember we are here to help and willing to listen.

Tax Credits – Are you earning less? Can you claim higher tax credits?

Payments of Child or Working Tax Credits are normally based on your income earned in the previous tax year. If you believe that your income for the 2008/2009 tax year is less than in previous years you may be entitled to claim increased tax credits. It may therefore be worthwhile to ensure that HMRC are advised of your revised income details as early as possible.

If you have previously been over the limits for receiving credits you may now be eligible to claim. Additionally, if you have not previously applied, with incomes falling, it may now be prudent to make an application. This should be reviewed as soon as possible to ensure that the maximum claim can be made. Tax credits can only be backdated 3 months.

Are you making less profit - Can we reduce your tax payment for July 2009

If you trade as a sole trader or partnership you may have made a payment on account of your 2009 tax liability in January and therefore be due to make a further payment on account by the end of July.

These liabilities are usually estimates, based on the tax due on profits made on your accounts ending in the 2007/2008 tax year.

If you believe that profits for the accounting period ending between 6 April 2008 and 5 April 2009 will be less than in the previous year, these payments on account may be reduced or eliminated altogether. To discuss this further, please contact Ian or Steve.

Are you making a loss in the current year?

A business (i.e. sole trader, partnership or limited company) that makes a trading loss can under certain circumstances carry those losses back and obtain a refund of tax paid in an earlier year.

Some new businesses can carry losses back up to three years. Early completion of your accounts will enable loss relief to be claimed at the earliest possible time.

Are we working as efficiently as we can be?

5 Top Time Management Tips

1. Delegate – Divide your work into what you must do and what others can do for you.
2. Organise your work space – Categorise all documents on your "To Do" list. Consider using less paper in the office and try using an electronic filing system where everyone knows how to retrieve it.
3. Incoming calls break concentration – Use voice mail for 2 hours per day. Stack up calls and deal with them in a batch at a convenient time to you.
4. Manage outgoing calls – Group calls and set aside a block of time to make them.
5. Junk Email – If you get lots of irrelevant emails take the time to remove yourself from the distribution list or send to your junk mail folder.

Can you claim a CIS Tax refund?

Subcontractors in the construction industry who have in recent years had to pay additional tax liabilities, even after having tax deducted at source, may find that with reduced profits, increased personal allowances and a reduced basic rate of tax they may now be due a refund for the 2008/2009 tax year. If you have any questions about this please contact Ian.

Is your turnover less than £65,000, consider VAT de-registration

Many traders who have been forced to register for VAT as their turnover exceeded the compulsory registration limit believe that it harms their business, in particular if dealing directly with the public, rather than with other VAT registered traders.

If your annual turnover has dropped below the relevant limit, currently £65,000, you can apply to de-register from VAT immediately.

De-registration from VAT can have various other implications and needs to be considered carefully before proceeding, but may improve your profitability.

Please contact Sharon or Janet if you wish to de-register.

Personal Tax Filing Deadlines are Changing!

From this year onwards, the filing deadline for paper returns is three months earlier, 31 October rather than 31 January - although the date for paying any tax due remains unchanged. Online filers, which include any tax client of ours, still have until 31 January to file.

However, there is good reason for all taxpayers to get their affairs in order promptly and file earlier than the final deadline. This isn't just to avoid a last minute rush, but also because the period in which the taxman can raise an enquiry into a return has also been changed. In the past the enquiry period ran for a year from 31 January, even if a return was filed in the previous April. The enquiry period now runs 12 months from the date of filing.

Payment of 2008/2009 tax liabilities: How can you defer paying your tax bill

If you find that you have a tax liability of less than £2,000 after completing your 2009 Tax Return, and you are also a company director, employee or in receipt of a private or "works" pension, you can arrange for the tax due to be collected weekly or monthly from your PAYE income in the year to 5 April 2010, rather than making a lump sum payment in January 2010.

To do this your 2009 Tax Return should be filed before 31 October 2009.

PROMPT ACTION REQUIRED

If you believe that any of the above circumstances are relevant it would be an advantage to you to prepare your accounts and your 2009 Tax Return early. This will enable any reduction in the tax due or refund that may repayable to be obtained as soon as possible.

One for your Bank Manager!

Dear Sirs – In view of what seems to be happening internationally with banks at the moment, I was wondering if you could advise me correctly. If one of my cheques is returned marked "insufficient funds", how do I know whether that refers to me, or to you?

Are Tough Times Ahead?

All the economic indicators tell us that we are looking at some tough trading times ahead.

In response to this, we have prepared a "Tough Times Business Checklist" which we hope you will find useful as you look at ways to keep your business successful in this environment.

Please review the ideas we have presented and talk to us about how we can help you with implementation. We have helped a number of clients recently to control their costs and maintain their revenue base. What is really important is that you take steps now to make sure your business is fit for the challenge ahead.