

SIXTY SECOND UPDATE NOVEMBER 2008

Thanks for the great feedback from our first Sixty Second Update and here is issue 2.

Tax Investigations

For those of you who have taken up our Business Tax Investigation Insurance, may I remind you that a free phone employment law contact number is included in your package. Please contact us if you have misplaced it.

We are aware of some fairly pushy tactics from HM Revenue & Customs insisting that they come to inspect you at short notice and there have been cases where the visiting officer has claimed to have found underpaid tax and requested payment on the spot. If you receive a call or letter requesting a tax inspection visit, please get in contact with us immediately so that we can advise you of your best course of action, and never pay over anything until you've had a payment request in writing and it's been checked.

On-Line Training

On many occasions we have been asked for help and advice on topics other than accountancy and taxation. Keeping up to date with general commercial knowledge and technology is time consuming and training can be fairly expensive.

We now have access to a multitude of on-line training modules which we can pass on to you. Anneka has been reviewing some of the modules and is impressed with the depth of knowledge available. Excel and Word training courses are relevant to everyone and could help improve your customer facing image, and there are other courses to boost your business. We are only charging £45 plus VAT for a 30 day access password. This will give you access to all the modules, which may be used by anyone in your business and all modules may be run as many times as you wish. If you would like to take up the opportunity to access these resources please speak to Anneka for details.

Audit Threshold

The audit threshold has gone up again, from £5.6m to £6.5m for accounting periods starting after 6th April 2008, meaning that more of you will escape the need to incur this additional cost.

Illegal Dividends

Limited companies can only pay dividends if profits are available, otherwise the dividend is illegal, so it is necessary to be able to determine whether you have available profits each time you pay a dividend. It's difficult to guess how much profit you have midway through the year just by looking at your bank balance, as some of the money sitting there is already earmarked for your next PAYE or VAT bill or for your suppliers.

We can calculate your mid year profit for you, or show you how to estimate this yourself, so please speak to John or Claire. Correcting an illegal dividend may have some quite hefty tax implications so it's not a good idea to leave this until year end.

Tax Free Childcare

Giving childcare vouchers, as part of your staff's pay, is very tax efficient; that is, no tax, and no National Insurance for the employee or the employer, so upto a 53% saving! Would this benefit any of your staff? Up to £55 per week can be given tax free, and the vouchers are accepted by most childcare providers, including some after school care clubs. Please contact us for assistance in setting up the scheme.

Minimum Wage Increases

Please check your pay rates for your staff as the minimum wage rose from 1st October 2008 to £3.53 p.h, £4.77 p.h and £5.73 p.h for individuals aged 16 & 17, 18 – 21, and over 21 respectively.