



Contents

Going for Gold?	1
Team Update	2
Tax and Nannies	2
Asset Based Finance	2
Cloud Storage Solutions	2
Reduction in Tax Rate	3
Holiday Time	3
Facebook Advertising	4

GOING FOR GOLD?

So, the Olympics are around the corner and whether you will be there or watching on television, it's sure to be an exciting time.

If you are in business, the key question is "What can Olympic performances teach us about business performance?"

The first trait most successful athletes have is a passion for what they are doing. If you enjoy it, you will go a lot further than if you don't! This applies to everyone in your business.

Owners and employees alike should enjoy coming to work! It's so obvious really but enjoyment and passion breed success.

The second key trait is having clear goals about what you are trying to achieve. There is an old sailing expression: "A sailor without a destination can never get a favourable wind".

Just as important as having goals is the sharing of those goals with everyone associated with helping you to achieve them. Olympic athletes surround themselves with talent to help push them towards their maximum performance level. An Olympic business should do the same! This could be achieved by ensuring everyone is fully up to date on the latest industry ideas, technology, marketing etc. Regular training can ensure your people have the talent necessary to succeed.

So, if you want Olympic business performance:

1. Make your firm a fun place to work.
2. Share your goals with all employees.
3. Surround yourself with talented people.

If you would like to talk to us about setting targets and goals, please contact us and we would be delighted to help.

TEAM UPDATE

AR Accountants has had an exciting few weeks recently!

Firstly we would like to welcome Sara and Charlotte to the team. Sara is our new part-time assistant administrator and Charlotte is joining the accounts production team full time.

26th June saw the Olympic Torch pass by our office and we were all out to celebrate the event with our Union Jack flags!



Charity Update



Thank you very much to all those who kindly sponsored Alan, Amanda and Gillian to complete 3 Miles at the Balby Carr Sports Relief event. We raised a total of £451!



TAX AND NANNIES

Families who pay a nanny in cash are to be targeted by HMRC. Under the crackdown, families now need to contact HMRC every time they pay their nanny, instead of just each quarter as previously applied under the simplified PAYE scheme.

It is estimated that there are more than 30,000 nannies working in England alone - and a survey found that a fifth of them worked without tax or NICs being deducted. In theory, this adds up to a loss in tax totalling approximately £57m a year.

Please contact us for details if you have any concerns in this area.

ASSET BASED FINANCE

Increasing overheads and pricing pressures are impacting SMEs' cashflow in the current recessionary environment, while late payments also remain a key concern. 60 per cent of all respondents experiencing cashflow problems in the latest Lloyds TSB's Business in Britain survey, released in January 2012, cited late payments as a major contributory factor.

Management teams and their advisors are increasingly looking to secure flexible funding which responds to changing market conditions.

Asset based finance (ABF) solutions have come to the fore in recent years, with figures from the Asset Based Finance Association noting that total advances to UK businesses secured against invoices, stock, property and other trading assets grew by seven per cent last year.

Leveraged against companies' sales and tangible assets, these products grow as firms expand, providing sustainable sources of capital. Invoice finance, for example, advances up to 90 per cent of the value of issued invoices, freeing up funds for businesses to re-invest in growth.

Businesses should consider a range of products which work in tandem to answer the questions being asked of them in the challenging trading environment. Invoice Finance is an example, which can complement or act as an alternative to existing banking facilities.

Lloyds TSB Commercial Finance's position as an ABF provider within the wider Lloyds Banking Group has allowed them to develop an integrated funding proposition which can be tailored to suit companies' strategies and capital requirements.

If you would like further information about Asset Based Finance, please contact us.

PLANNING FOR THE REDUCTION IN THE TOP TAX RATE FROM 50% TO 40%

It may seem early to consider this, in view of the reduction not taking effect until the 2013/14 tax year, but that depends on your circumstances.



The scope for deferring income and/or accelerating expenditure can require a long lead-in time. In addition, if profits of a sole trader or partner are based on an accounting period ending near the start of the tax year, the options need to be looked at now.

A year end of 30 April means that the year to 30/4/12 is taxed in 2012/13 with a top rate of 50%, whereas the accounting year starting on 1 May 2012 is taxed in 2013/14 with a top rate of 45%.

Changing your accounting date may create advantages – it all depends on the profit pattern, both actual and likely, and we will be pleased to undertake a fresh exercise for you on this.

HMRC estimate that, based on their assumptions of the income shifted from 2010/11 to 2009/10, to avoid the 50% charge, income of £6.25 billion is likely to be shifted from 2012/13 to 2013/14. Let us see the scope for you!

CLOUD STORAGE SOLUTIONS

According to a leading I.T. consulting firm, the personal cloud will replace the personal computer at the centre of users' digital lives by 2014. So what will the impact be for businesses, and what products and services are likely to be made available in order to service the move to cloud computing?

Well, the impact for businesses will be quite positive – storage can be online rather than on a server, thereby reducing hardware and maintenance costs for business owners and managers.

In terms of services, Dropbox has already become popular with business users. Google is about to launch its own product which will compete in this space, called Google Drive. This will have an estimated 5GB of free storage space, charging only if users need more. Similarly, Dropbox offers 2.5GB of free storage with higher levels of storage available for a monthly fee.

Dropbox is quite user friendly and works by installing a Dropbox “folder” on to the client computer. Users can then simply drag and drop files into the folder in order to store them online. Google Drive will reportedly come with a local client and its interface will resemble Google Docs. At the time of writing, Google Drive is yet to launch. Dropbox has more than 45m users and reportedly even turned down an acquisition offer from Apple. Either service should work well for businesses. Those who require larger amounts of storage can simply sign up to a monthly fee package.

HOLIDAY TIME

Each year, many business owners and managers strive to ensure that their employees use their allocated holiday time. It is commonly the case, however, that these owners and managers fail to use their own holiday allowances.

One reason that some owners and managers struggle to take time off is that they feel “wedded” to the business they simply cannot switch off. However, just like your staff, as a business manager or owner, you should take holidays for the following reasons:

Rejuvenation

Remember the feeling when you first started your business? The possibilities, the wonders, and your new future... want that back again? Go on holiday. Get away from the office. Explore a new city, relax on a beach, etc. Enjoy the fruits of your labour, hard work, and relax. You might just find that you come back to the office with renewed positivity and more drive.

Re-energise

Only by taking time away and checking in every once in a while (most managers probably will check in while on holiday - just don't do it every hour) can you regain your energy. Working day-to-day without a break, no matter how much coffee you drink, will drain your energy. You may find yourself hitting the snooze button a little more often or postponing ideas for tomorrow - all signs you need to get away.

Creativity

Similar to the above, your creativity will decrease and be less consistent.

Getting away for a week and visiting a new place can spark your creative mind. Your best ideas need inspiration; a holiday in a new place may allow you to spot a new business opportunity, idea, product or service that you can introduce to your home market.



DISCLAIMER - PLEASE NOTE: The ideas shared with you in this email are intended to inform rather than advise. Taxpayers' circumstances do vary and if you feel that tax strategies we have outlined may be beneficial it is important that you contact us before implementation. If you do or do not take action as a result of reading this newsletter, before receiving our written endorsement, we will accept no responsibility for any financial loss incurred.

FACEBOOK ADVERTISING

Many of us have a Facebook profile. Most of us are aware that Facebook presents businesses with an opportunity to connect with potential customers. Few of us have worked out how best to utilise Facebook as an effective business development and marketing tool.

One way to use social media to market your business is by advertising through Facebook. There are other social networks of course, like Twitter, LinkedIn and Google+, and each offers users the opportunity to advertise. However, Facebook has the largest number of users.

Below are 3 ideas for a simple Facebook advertising campaign:

1. Ask questions

One of the most effective ways to promote your business on Facebook is to ask users a question. Whether it is a survey or just a bit of fun, users will click through in order to find out if they are right or wrong. If you offer a prize it may be easier to encourage users to enter an email address for future marketing purposes.

2. Choose a good picture which is relevant to your product/service or company



Creative images together with catchy tag-lines can draw attention from potential customers. For example, a recent IKEA Facebook campaign used a photo of a room decorated with IKEA products and invited users to “guess the price” of the products.

3. Know your target audience

A useful feature of Facebook adverts is that you can target your campaign based on various user demographics such as country, age, interests etc. For example, if you are a wedding planner working in London, you can create a Facebook advert that is displayed only to people who are both “engaged” and are located in “London”. Facebook also allows you to choose how you will be charged for your advert. You can either decide to pay a fee each time a user clicks your advert, or pay a fee for every 1000 times the advert is shown to users.

ONLINE AUCTION SITES

If you buy and sell goods online, either as a trade or business, please be aware that HMRC have launched a campaign that aims to tax those within this category if they have not declared this source of income.

Naturally, this is not an issue for the odd transaction. However, if you do trade this way and have concerns please contact us for guidance.

To enable HMRC to obtain details of online transactions, they have recently demanded information from online auction sites.

The information they are looking to acquire includes the name, address and post code of each member registered, the date he or she first registered and the member’s username.

Beware of Phishing Attacks – Never say Never!

If you receive an email claiming to be from HMRC saying that you are due to a tax repayment you should NEVER follow the instruction in the email. This is because the message provides a ‘click through’ to a clone (something that really looks like) the HMRC website. You will then be asked to provide credit or debit card details, which allows the criminals to steal your account. Nearly 24,000 emails were reported to HMRC in August 2011 alone.

The Revenue will ALWAYS contact you in writing if you are due to a refund. If you receive an email asking for your details it should be forwarded to:

phishing@hmrc.gsi.gov.uk

before deleting the email permanently.

DISCLAIMER - PLEASE NOTE: The ideas shared with you in this email are intended to inform rather than advise. Taxpayers' circumstances do vary and if you feel that tax strategies we have outlined may be beneficial it is important that you contact us before implementation. If you do or do not take action as a result of reading this newsletter, before receiving our written endorsement, we will accept no responsibility for any financial loss incurred.