

UK BUSINESS PROSPECTS CONTINUE TO IMPROVE!



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Short-term UK business prospects have continued to improve this quarter and reached the highest level since May 2011, according to some of the latest Business Trends reports.

If confidence is up and the economy improving what should you be doing in your business to maximise sales and profits?

1. STRATEGY

The first thing to do is sit down and think about your strategy – what you want your turnover, profit, market share to be and when and set targets.

2. MARKET SHARE

Then think about increasing market share. Smart businesses with competitive products and astute marketing skills are well placed to grow their respective market share at the expense of weaker or ailing competitors.

The big question is: "What can we do to increase our market share?"

3. FLEXIBILITY

If flexibility is the key – consider adding to your product or service offerings – this may give you the scope to move into adjacent markets that are currently underserved, maybe there is some space for newcomers.

4. EXPORT

Consider selling into new foreign markets. Foreign exchange commentators suggest the level of sterling will continue to favour British exports in 2013 and 2014. With this tailwind, UK companies that can hone their products to the specific needs of overseas customers have the opportunity to open up new international markets with competitive prices.

5. THE RIGHT APPROACH

Opportunities in 2013 do exist for those businesses that can demonstrate the right approach and product offerings.

6. THE TOP THREE TACTICS

The top three tactics being adopted by our clients in 2013 are:

- Taking business from competitors
- Lowering costs
- Using technology to improve efficiency.

Take time to think about these and how you can maximise your opportunities! Call us to discuss our firm running a Strategic Planning Day with your business to help you get your tactics ready to grow turnover and improve profit.

SAMSUNG GALAXY S4



Samsung's Galaxy S3 was one of the most popular phones of last year, rivalled only by the iPhone. It played a huge role in establishing Android devices in the business arena – along with the old business favourite, the BlackBerry range.

Samsung recently unveiled the Galaxy S4, a phone boasting specs to make even the most ardent tech nerds draw breath. Its features include a massive 5-inch screen packing Full HD, a powerful quad-core processor, 2GB of RAM, a host of Samsung software extras, a 13-megapixel camera and 4G connectivity for super-fast data speeds.

In smart phone Top Trumps, the S4 challenges the competition on every level. However, this means that it comes with a top-end price. If you want it off contract, you'll be shelling out over £500. It's being offered by all the major networks on a range of plans though and most business users should be able to get a subsidised handset from the provider.

TAX CHARGE ON TAKING A LOAN FROM A CLOSE COMPANY

If you have an overdrawn loan account with your company, there is a tax charge on the company unless the loan is cleared within 9 months of the end of the period to which accounts are prepared. Nasty anti-avoidance measures have been introduced to stop companies avoiding the tax charge. In particular when the loan is at least £15,000 and is repaid just before the 9 month deadline but with the intention of re-borrowing from the company, and that intention is carried out, the amount repaid is ignored. That results in a tax charge arising as if the loan had not been repaid in time.

This is likely to catch common arrangements where all withdrawals from the company are treated as debits to the director's loan account and are then cleared before the 9 month limit by way of voting a dividend or salary.

SHOULD LLPs INCORPORATE?

A consultation document has been published on an HMRC attempt to stop what they believe are artificial profit and loss allocation schemes involving members of LLPs (and indeed other partnerships) where some of the members are chargeable to income tax but others are not.



What they do not like is allocating to a limited company member of the partnership a greater share of the partnership profits than is justified, so as to take advantage of the fact that an individual pays tax at an effective top rate of 47% (45% + Class 4 NICs at 2%) whereas for a limited company it will often be only 20% if the profits are kept in the limited company, or 44.44% if they are paid out as a dividend (20% corporation tax plus income tax on the balance of 80% which is then effectively taxed at 30.55%).

With all limited companies at whatever profit level due to enjoy a 20% rate of corporation tax from April 2015 (and only 1% more than that from April 2014), it really begs the question as to whether there is any tax advantage in operating as a partnership. Incorporation for all partnerships could well be the way ahead, which will not be what the Treasury was looking for!

EXTRA CORPORATION TAX RELIEF FOR THE CREATIVE SECTOR

If you run a business involving the creation of animation programmes, high-end TV programmes, or video games, you can look forward to extra tax relief on the production costs. This results in corporation tax relief on no less than 200% of the actual costs on UK expenditure up to a maximum of 80% of the total core expenditure.

We now have more details of the rules and regulations and can advise you of the scope for getting this new tax relief, which can give you an alternative tax credit where the enhanced tax relief results in a loss arising.

HMRC promise a pro-active approach through their new CREATIVE INDUSTRIES TEAM and in particular have a target to process 98% of tax credit claims within 28 days.



GET MORE OUT OF YOUR MEETINGS



Meetings are a necessary evil. However, they are time consuming, resource intensive and can often prove to be inefficient if attendees are not prepared. Here are some top tips to help you to make the most of your meetings.

Create an Agenda - Agree an agenda for each meeting and circulate the agenda prior to the meeting. This sets the tone for your meeting and avoids situations where people get side tracked.

Punctuality - Timing is important. If people don't show up on time, start without them. They will learn by experience and they will avoid being late for the next meeting. Equally, stick to your timeline – if you say a meeting will be over by 4pm then make sure it is over on time as your colleagues will have other things which they need to attend to during their working day.

Be Prepared - Set a good example by being prepared for meetings. As others observe that you are prepared, they will tend to follow your example as it comes across as professional. Being prepared for meetings will also help you to win the respect of your colleagues as they may view people who turn up to meetings unprepared as “time wasters”.

No Blackberries or Mobile Phones - At the start of each meeting ask colleagues to switch their phones to silent and avoid checking emails during the meeting. If you make a point of saying this, they will most likely avoid being distracted by their phones and will contribute more to the meeting as a result.

Smart choices in wearable technology

Smart spectacles

Google Glass, the high-tech specs are probably the best-known example of the wearable technology genre. They have a tiny screen that hovers in front of your face and you can take pictures and video by voice command. Vuzix has a cheaper option and there are other technologies—such as the Autographer, Memoto and smart watches—that take photos throughout the day. Technophiles call the practice of recording these minutiae ‘life-logging’ or ‘the quantified self’. For details, visit vuzix.com.

Right Trousers

The car-maker Honda has developed an aid for the elderly. Worn around the hips and thighs, the Stride Management Assist helps you walk—and the company's prototype Bodyweight Support Assist is intended to help older people cope with stairs. For details, see corporate.honda.com — then click on ‘Innovations’ and choose ‘Walk Assist’.

Smart Tattoos

Developed by Professor John Rogers of the University of Illinois, this gossamer-thin electronic ‘bio stamp’ measures and stimulates muscle activity and should help athletes in training and people rehabilitation from injury or stroke—and monitor skin hydration too. See news.illinois.edu and put ‘skin electronics’ in the search box.

Blood sweat and bits

Do you have any idea how much physical exercise you do? Now there are a lot of ways to keep track, thanks to products such as the Nike+ FuelBand, Jawbone UP, RunKeeper and Fitbit. Heapsylon of Redmond, Washington, has developed Sensoria Fitness, an ankle/sock that uses Bluetooth to send fitness data (e.g. heart rate, calories burnt and even sleep patterns) to your mobile. For details, visit heapsylon.com

Smarter Watches

Some of today's wristwatches do so much more than tell the time. Those that double as calculators, provide games and a language translator are now old hat—today, they can have full mobile phone capability and run apps along with radio audio, navigation, insulin pump, heart monitor and more besides. The Italian I'm Watch, handles email, texts and calls. Leikr, from Denmark, is a sports watch that allows you to track location, pace, heart rate and so on. Pebble, based in Palo Alto, California. Even better, it lets you know when you have left your mobile phone behind. For details, visit martianwatches.com.

Touch screen T-shirts

Under Armour is developing a shirt that can change its colour and look, and offer touch screen capabilities. It's not yet a reality, but many believe ‘wearable computing’ will soon be with us.



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