

iN sight

Business bites and tax tips
from iC accountancy



NAVIGATING BUSINESS IN 2013



6 steps to
employing
new staff

PAGE 6



Tax
efficient
investing

PAGE 8



Demystifying
business
angels

PAGE 13

iC... blending all the right ingredients to help you start, grow or stabilise your business.



Editor's note...

Welcome to 2013 – and to the latest issue of iN_sight, iC's practice magazine. Now the festivities are over, we're turning our thoughts back to business, and looking forward to the challenges of the year ahead.

Predictions for the economy are mixed, but the majority of analysts seem to be anticipating signs of growth by the middle of this

year with the British Chambers of Commerce (BCC) forecasting growth of 1% for 2013, and 1.8% for 2014. Let's hope that this translates into a more buoyant year for us all.

And speaking of growth, regular readers might have noticed that iN_sight has also expanded – an extra 4 pages of tips, advice and comment on corporate finance, tax, accountancy and investment issues,

as well as our usual Q&A column, community news and a roundup of the latest online gadgets to make business a little bit better.

We hope you enjoy reading this issue of iN_sight – we always welcome feedback so please do not hesitate to get in touch at mail@icaccountancy.co.uk

Warm regards

Lisa Entwistle-Evans

Follow iC's editor Lisa on LinkedIn for regular news & views
Also follow us on Facebook www.facebook.com/icaccountancy
and Twitter @icaccountancy



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Top Picks

Our round up of the latest reads, hottest apps and best sites to help you manage your business...

App-solute genius

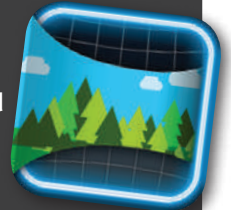


If, like us, you've self imposed a New Year's resolution to blast all those little tasks off your "to do" list, then this handy app might just be the kick start you need. "Remember the milk" (RTM) is a free app that lets you manage all of your home and business tasks from anywhere, allowing you to set reminders via email or SMS and even share tasks with others (for when the burden is simply too great!) You can keep tabs on what you've achieved and share your results via social media (nothing like shouting about how brilliantly organised you've suddenly become) and you can also follow the RTM blog too for tips on how others are using this app to its best.

Available free for iPad, iPhone, Gmail, Blackberry and Android – so you'll never forget the milk...or anything else...again!

And here's another great little app, courtesy of Chris Gardner at web design company Webjects www.webjects.co.uk. 360 Panorama allows you to create realtime panoramas which you can instantly save or share via email, Twitter or Facebook. Says Chris: "It's great if you're looking to add highly visual content to a website or social media marketing campaign – you can view your panoramas as photos or experience them in immersive 360 view – it's pretty impressive. I've used it on my client Dragon Crossfit's site to get some cool shots of the gym facilities (www.dragoncrossfit.com)

Give it a whirl whatever your sector – try perhaps a tour of your store if you're in retail, or the extension you've just completed if you're a builder or the stunning scenery from the balcony if you're in the hotel trade – take a look at www.occipital.com/360 Available on the App Store and for Android.



Webwatch

Anyone who has tried to organise a large meeting with attendees in different locations will be familiar with the inevitable "diary nightmare" that ensues. Skip the travel plans and instead try "AnyMeeting", a feature packed website which lets you organise online meetings by sending invites, creating registration forms or even selling tickets to your webinar. During your event, participants join via your dedicated conference call number, and then you can share files and presentations, allow speakers to video-conference in and even record the whole session and host it online for future use. There's even follow up feedback tools such as surveys and attendance reports. If you don't mind a few adverts thrown into the package, it's completely free for up to 200 participants. Visit www.anymeeting.com.

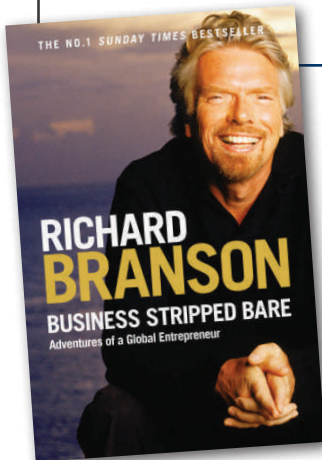


WISE WORDS

"Success is not final, failure is not fatal: it is the courage to continue that counts."

Winston Churchill

Bookshelf



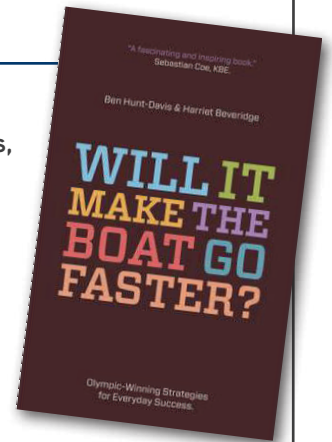
On the iC Kindle this issue is a brilliant read by the nation's favourite entrepreneur, Sir Richard Branson. In *"Business Stripped Bare"*, Sir Richard shares the inside track on his life in business and reveals the incredible truth about his most risky, brilliant and audacious deals. As you'd expect

from the only person in the world to have built eight billion-dollar companies from scratch in eight different sectors, the insights are dynamic, inspirational and truly original, and illustrated with plenty of true – and candid – examples from the Virgin family. A great read, for eminent executives and emerging entrepreneurs alike.

Follow the man himself on Twitter:
@richardbranson

Famous Follower!

Amongst our many Twitter followers, we were pleased to spot gold medal winning Olympic rower Ben Hunt-Davis MBE, who has been part of Team GB at 5 Olympic Games in a career spanning 20yrs. Now a motivational speaker and author, Ben has written an inspiring book *"Will it make the boat go faster?"* which suggests Olympic-winning strategies to achieve more success in business, sport and everyday life. Endorsed by such sporting greats as Roger Black MBE and Lord Sebastian Coe and business leaders such as Lord Digby Jones, Former Director General of the CBI and Minister of State for Trade and Investment, this uplifting yet unpretentious book is packed with practical and sensible tools and techniques for readers from all walks of life.



Follow Ben @OlympianBen or visit:
www.hunt-davis.co.uk/will-it-make-the-boat-go-faster

KEY DEADLINES THIS QUARTER

February:

- 2nd Quarterly submissions of P46(car) (for employees whose car and/or fuel benefit has changed in the quarter to 5 Jan)
- 19th Construction Industry Scheme (CIS) deadline for monthly return (non-electronic payment)
- 19th Monthly PAYE and Class 1 NIC deadline (non-electronic payment)
- 22nd Monthly PAYE and Class 1 NIC deadline (online payment)
- 22nd Construction Industry Scheme (CIS) deadline for monthly return (online payment)

March:

- 19th Construction Industry Scheme (CIS) deadline for monthly return (non-electronic payment)
- 19th Monthly PAYE and Class 1 NIC deadline (non-electronic payment)
- 22nd Monthly PAYE and Class 1 NIC deadline (online payment)
- 22nd Construction Industry Scheme (CIS) deadline for monthly return (online payment)

April:

- 6th First Day of the new tax year
- 19th Construction Industry Scheme (CIS) deadline for monthly return (non-electronic payment)
- 19th Monthly PAYE and Class 1 NIC deadline (non-electronic payment)
- 22nd Monthly PAYE and Class 1 NIC deadline (online payment)
- 22nd Construction Industry Scheme (CIS) deadline for monthly return (online payment)

Private Clients

All change on the advisory front

From 1 January 2013 Independent Financial Advisers (IFAs) are not permitted to charge commission on the services they recommend but instead will charge a fee for the advice they provide. Advice has never been "free". If you received financial advice before without a fixed cost, then you were probably paying commission in the form of a percentage of your investment – typically 1% to 8%, or sometimes more on a lump sum. So for an investment of £10,000, your adviser could have received between £100 and £800 commission.

Instead of receiving commission on new investments your adviser now has to clearly explain how much advice will cost and together you will agree how you will pay for it – either as a set fee paid upfront or you may

be able to agree with your adviser that they can deduct their fee from the sum you invest.

In addition, the new regulations state that advisors who offer independent advice must consider all relevant options – if this is not the case, it must be clearly stated – plus the IFA have raised the minimum qualifications standards for practising IFAs, giving consumers greater peace of mind.

For a referral to one of our partner IFAs, Professional Solutions IFA Ltd and Abacus Assurance Financial Services Ltd, please contact the office.

DEMYSTIFYING...

Inheritance tax nil rate band

The nil band (or Inheritance Tax threshold) is the amount up to which an estate will have no Inheritance Tax to pay. The band is currently £325,000 and in the case of married couples/civil partners, legislation currently allows claiming of the unused IHT nil rate band on the first death where all assets pass to the surviving spouse. This doubles the nil rate band on second death, and for many this will mean no IHT, as the total estate will be below £650,000 (based on the current threshold).



However, if the estate - including any assets held in trust and gifts made within 7 years of death - is more than the threshold, Inheritance Tax will be due at 40% on the amount over the nil rate band, the exception being those who leave 10% or more of their net estate to charity where the tax due may be paid at a reduced rate of 36 per cent.

2013/14 Tax free allowance update

The standard personal allowance (amount of tax-free income) for 2013/14 will be **£9,440** which allows an individual to earn circa £787 per month tax free. Note however that NIC thresholds have not increased as much and so you and your company will pay Class 1 NICS on annual salaries of £7700 and above. Contact the office for advice on what to pay yourself from 6th April 2013.

Surround your nest egg with tax efficient twigs...

When considering investment opportunities, let's face it, tax efficiency probably isn't at the top of your checklist. Your primary consideration is probably the safety of the investment and the return it's likely to generate. However, in this age of austerity, the Government is not offering many fiscal advantages – which makes it all the more important to secure all the opportunities you can to minimise your tax liabilities and make your money work harder. Whether investing for capital growth or to produce income, careful tax planning is essential to ensure you invest in tax efficient assets that suit your risk profile.

For the risk averse - whether you're saving for a rainy day or perhaps looking to build up a nest egg to cover the kids' university fees - then you can invest up to £30,000 in premium bonds, £15,000 in savings certificates and £3000 in each issue of Children's Bonds for children under 16, with all returns being tax free. However, for the investor who is not afraid of risk, there are several vehicles that you can consider:

Venture Capital Trusts (VCTs)

For those interested in investing in the UK's small companies, there are some extremely tax-efficient options. VCTs allow you to invest in some of the most entrepreneurial, high-growth companies affording the chance to get "in on the ground floor" of fledgling investment opportunities – but with such dynamism comes inherently high risk and these are long-term speculative investments.

Investors can put up to £200,000 a year in a VCT and receive income tax relief on the entire amount, although they cannot receive more in relief than has been paid in income tax. When the holdings are eventually sold, any gains made are free from capital gains tax (CGT) providing they have been held for more than five years in qualifying companies (if the VCT shares are sold within five years the income tax relief will be withdrawn) Tax relief is available up to 30%, meaning a £100,000 investment might have an effective cost of £70,000 after tax relief. Any dividends received are free from income tax.

There are three main types of VCT: limited life, specialist and generalist. Limited life VCTs tend to be lower risk, looking for an exit typically within five years. Specialist VCTs focus on just one sector, often technology and generalist VCTs invest across a variety of businesses. Performance has been variable, with some VCTs providing good returns to investor, and some still

losing money in spite of generous reliefs.

Enterprise Investment Schemes (EIS)

The tax reliefs available on an EIS are even more generous than those on a VCT although EISs similarly invest in small, start-ups and hence also present a high risk.



The tax relief on an initial investment into an EIS is also 30% but investors can put in between £500 and £1 million, potentially clearing their entire year's income tax liability. There is also the potential to defer capital gains (CGT) made on a separate investment by reinvesting them into an EIS, if the reinvestment meets certain criteria i.e. disposal of the original asset has to be less than 12 months before the EIS

investment or less than 36 months after it. In this way, gains can be deferred until a tax year in which you are not using your CGT allowance, or have retired and are paying lower tax rates.

For the EIS investment itself, no CGT is payable if you sell the shares after three years (assuming the EIS initial income tax relief was given and not withdrawn on those shares). Any losses on EIS shares can be offset against your capital gains or income tax liability in the year of disposal. There are however a number of additional specific criteria attached to EIS investments – eligible companies have to be worth less than £7 million, and individual investors can only have up to 30% stake in the business (so not necessarily an option for family businesses).

Seed Enterprise Investment Scheme (SEIS)

The Seed Enterprise Investment Scheme (SEIS) has a limited life - five years to 5 April 2017 – but allows investors to receive 50% income tax relief on the amount invested and up to 28% capital gains tax relief for a limited period. Also if you make a loss on the SEIS shares you can get further income tax relief for that loss – a very attractive proposition, but with some limitations. SEIS can only be used to invest in small companies with an asset value of no more than £200,000 and up to 25 employees), and the investor together with his associates must not own more than 30% of the company. Each company can raise up to £150,000 of investment under SEIS in its lifetime, and each investor can invest up to £100,000 per tax year.

iC is offering a fixed fee taxation strategy review of your current investment portfolio where we will review the tax efficiency of your investments and advise on ways to minimise your fiscal obligations. We will look at your overall position, including residence and domicile, and will recommend structures which can be used to minimise the impact of income tax, capital gains tax and inheritance tax, taking advantage of onshore as well as offshore structures. *Note that iC does not recommend individual products – that is the role of a Financial Advisor, and should you so wish, we can arrange a no obligation meeting with one of our panel advisors.*

Quick 6: SIX STEPS TO EMPLOYING A MEMBER OF STAFF



Employing a member of staff for the first time can be a minefield on many fronts – from recruitment and interviewing to induction and training. To make sure you're legal and compliant on the finance front, here's a quick pick of six tips for a new employer:

1 Money matters - decide on the wage to offer your new joiner, ensuring it is at least at the rate of the National Minimum Wage (NMW) - £6.19 (21 years +), £4.98 (18-20 year olds) and £2.65 (apprentices under 19 years old in their first year).

2 Legal eagle - ensure that the candidate is entitled to work in the UK prior to them starting employment. The UK Border Agency advises employers to conduct checks on entitlement to work for all new employees in order to prevent illegal working which faces a civil penalty of up to £10,000 per worker. You can check if someone can legally work for you by visiting: www.gov.uk/legal-right-to-work-in-the-uk

3 Be protected - you must have employers' liability insurance covering you for at least £5 million. For a list of authorised insurers visit www.fsa.gov.uk

4 Register and report - you must register as an employer and operate a PAYE system. You will be required to submit payroll reporting information to HMRC regarding all employees before or on every payday, even if they only work for a short period, are earning under the Lower Earnings Limit, are paid just once a year or are deemed to be temporary or casual staff. When you take on a new employee you will need to obtain a record of personal information which must be kept for at least two years, via letter, email or a form - see the Payroll section of the iC website for a new starter record form. The HMRC guide 'Notifying and getting

new employee information right' tells you what you must find out from your employee (there's a copy on the iC website under Payroll)

5 Its pay day! - each payday, you will be required to run payroll making any deductions (i.e. PAYE and National Insurance contributions) and give a pay statement to your employee. To do this, you can use an agent, payroll bureau or do it yourself using either commercial payroll software such as Sage or Quickbooks, or use HMRC's Basic PAYE Tools. Remember to make sure you use the correct tax code from the employee's P45 from their former employer.

To register as an employer, you will be required to provide your:

- business name
- business or home address, including postcode
- business or home telephone number
- contact email address
- contact telephone number
- name and address for correspondence
- the date of your first payday or, if earlier, the first date you made payments of expenses and/or provided benefits to your employees

6

Real Time becomes reality - Real Time Information (RTI) is a new way of submitting payroll data to the Tax Office. Instead of sending updated PAYE information to HMRC at the end of the tax year, employers must submit their payroll data online every time their employees are paid. HMRC say that this will make the PAYE process simpler for employers by removing the need for year end returns (forms P35 and P14), and by reducing tax credit error and fraud, whilst also simplifying the employee joining/leaving processes – but in reality, the remit of the scheme is essentially to give HMRC the opportunity to clamp down on businesses that fail to make PAYE payments on time. All SME employers will be expected to commence RTI to submit payroll data from April 2013, unless they have agreed an alternative start date with HMRC. Otherwise, once you receive an 'invitation' to use RTI, you must join the system from the date directed. If you run a computerised payroll system, your payroll software should be updated to manage this change – but do check with your provider, just to be sure. If your software is not going to be upgraded, or you run a manual payroll, you can either use the free software provided by HMRC, or of course, we can process your payroll from just £25/month for up to 5 employees.

Fill in the blanks...

RTI requires a number of pieces of information not currently required for PAYE – so you may want to consider gathering any missing records in advance to make sure you're ready to go this Spring:

- Hours worked per week for each employee (based on one of four bands);
- Details of those earning less than the lower earnings limit (£107 per week);
- Details of those employees paid irregularly;
- Date of birth, gender, full name and address for each employee;
- Passport numbers for employees who do not have NI numbers.

Make yourself identity theft PROOF

Companies House report that there are between 50 – 100 cases of corporate identity theft every month – you can protect yourself against anyone fraudulently changing your registered office or Director details by joining Companies House PROOF scheme (PROtected Online Filing). Take a look at www.companieshouse.gov.uk/proof

You can also register with Companies House to receive email alerts for key submission dates. eReminders is a free service that reminds you in good time of when your accounts and annual returns have to be filed. We sign up to e-Reminders for all Limited Company clients, but up to 4 email addresses can be included on the reminder, so if you wish us to add you to the list, please contact the office



Corporate Finance

Lyn Stoneham of County Bacon, with Rhiannon Wilkinson and Cenydd Rowlands of Finance Wales and Damian Evans of iC



DEAL NEWS: IC ADVISES COUNTRY BACON ON £25K DEAL

iC client, Country Bacon, a family-run meat wholesaler is expanding with the backing of a £375,000 investment in new plant and equipment at its Bridgend meat processing facility. The debt investment was made from the new Wales SME Investment Fund managed by Finance Wales.

Established over 30 years ago, Country Bacon currently supplies a loyal base of independent retailers with freshly-prepared meat products under the premium label Ffos Farm Foods. It now plans to increase its already diverse product range, including curing its own hams and introducing a new range of homemade sausages, as well as branching out into the catering and education markets.

"The independent retailers we currently supply need to know they're dealing with an established supplier they can trust. They appreciate the quality and freshness of our product range as well as our commitment to customer service. I've been keen to expand our range and move into new markets for some time," explained Managing Director, Lyn Stoneham.

Finance Wales Investment Executives Rhiannon Wilkinson and Cenydd Rowlands structured the Country Bacon investment. Mr Rowlands said: *"Country Bacon is a profitable wholesaler known for its commitment to quality which is reflected in its large and loyal customer base. Finance Wales' investment has come at the right time for the business and will help transform Country Bacon*

into a genuine market force, building on its proven business model and track record."

The Wales SME Investment Fund complements the existing £150m European-backed Wales JEREMIE fund and has fewer sector and other restrictions. A wider range of small and medium-sized businesses (SMEs) can now apply for investment including those providing goods and services to consumers, such as in the retail and professional services sectors. Business Minister Edwina Hart said: *"The Wales SME Investment Fund has increased the number of SMEs eligible for investment from Finance Wales. The fund has now made a number of investments and it is very encouraging to see ambitious SMEs, like Country Bacon Supplies, having the confidence to invest in their long-term growth by accessing the fund."*

iC's Damian Evans, who advised Country Bacon on the investment, said:

"Lyn already had a great vision for the future and we've enjoyed working with him to shape his plans into an investment-ready proposition. We're very much looking forward to working alongside him and his team as the business expands."

DEMYSTIFYING...

business angels

Originally coined on Broadway as a term for wealthy individuals who provided cash to support theatre productions, the term “angel” transcended into the field of business in the 1970s. A business angel (also known as an informal or angel investor) is typically an affluent individual who provides capital for a business start-up, usually in exchange for ownership equity or convertible debt (i.e. which the holder can convert into shares in the issuing company or cash of equal value at an agreed price).

Each year private investors account for between £800 million and £1 billion of early stage investment in the UK – the single largest source of early stage capital in the country.



Angel capital fills the gap in start-up financing between friends and family (who often provide low levels of funds to assist a new business get off the ground) and formal venture capital (a venture capitalist manages the pooled money of others in a professionally run fund, as opposed to a business angel who invests his own money).

There is no set amount for professional angel investors, and the risks are typically very high – hence why they usually only seek opportunities which have the potential to return at least 10 times the original investment (now you know why it’s so tough in the Dragon’s Den!).

Many angel investors organise themselves into groups or networks to pool their investment capital, share research and to provide advice to their portfolio companies – if you want to find out more, take a look at the UK Business Angels Association at www.ukbusinessangelsassociation.org.uk.



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CYLLID CYMRU

Backing Welsh businesses

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Cronfa Datblygu Rhanbarthol Ewrop
Europe & Wales: Investing in your future
European Regional Development Fund



Taxation



Butcher, baker, candlestick-maker? People from all walks of life need to file a tax return

It's a common misconception that only the self-employed business owner has to file a tax return. In actual fact, there are numerous other groups who also need to file a self assessment - for example if:

- You're a company director (unless you're a director of a non-profit organisation e.g. a charity, and don't receive any payments or benefits)
- a minister of religion (any faith)
- a name or member of Lloyd's of London
- Your annual income is £100,000 or more
- You have income from savings, investment or property
- You need to claim expenses or reliefs - for example if you're employed and want to claim expenses or professional subscriptions of £2,500 or more, or if you are claiming reliefs such as Enterprise Investment Scheme or Venture Capital Trusts relief which you can only do through a tax return (see our Private Clients section for more about these investment vehicles)
- You or your partner receive Child Benefit and your income is over £50,000
- You're 65 and receive a reduced age-related allowance
- You get income from overseas
- You have income from trusts, settlements and estates
- You have Capital Gains Tax to pay (see our Tax pages for news on HMRC's imminent CGT campaign)
- You've lived or worked abroad or aren't domiciled in the UK
- You're a trustee

As often is the case with HMRC, specific regulations apply to different circumstances, so it's best to take advice before completing your return. If you haven't registered for self-assessment, it is best to do so as soon as your circumstances change the latest date that you need to do so is 5th October following the end of the tax year in question (so for income in the 2012/13 tax year ending 5th April 2013, you will need to register by 5th October 2013 latest) HMRC will then issue a notice to file a self-assessment and also issue you with a 10 digit UTR (Unique Tax Reference) code which you will need to keep safe in order to file your return.

Did you know?

10.6million people in the UK had to file a Self Assessment return for 2011/12. Let's hope they all filed on time before 31st Jan and avoided the automatic penalty.

Over half a million filed on the last day, with submissions between 4pm and 5pm topping 12 online returns a second! That's a lot of frantic last minute filing!

HMRC on the campaign trail

HMRC campaigns provide you with the opportunity to tell HMRC about any undisclosed income - essentially you have a window of opportunity to voluntarily put your tax affairs in order and pay what you owe. But be warned that if you owe tax and don't come forward, it could cost you significantly more if HMRC track you down later. Two specific campaigns are currently running until 28th Feb 2013:

VAT Outstanding Returns: VAT registered businesses who have one or more returns outstanding have until the end of February to file online and remit payment, and if you do so, HMRC will look favourably on any penalties due. However, if you don't file any overdue VAT returns before this date, the account will be automatically flagged to the taxman, and you'll find yourself on the naughty list, where more severe penalties are commonplace.



Did you know that paying your VAT bill online by Direct Debit gives you 10 extra calendar days to pay your bill - much better for cashflow!

Direct Selling: If you are involved in direct selling on a self-employed basis (e.g. door to door or in a customer's home/office, for example make-up or cookware parties, usually earning commission on the sales you create) then HMRC is offering an olive branch for you to get your tax affairs up to date. If you make a voluntary disclosure about income not previously declared - and pay any tax due - then HMRC will offer their most favourable settlement terms.



There's a useful HMRC YouTube video about your responsibilities as a direct seller - we've posted a link on our website on the self-employment pages.

Up Next! The next HMRC campaign starts in March 2013 and targets those who have undeclared Capital Gains Tax to pay - so if you have sold a property other than your main home, in the UK or overseas, now is the time to tell the taxman and minimise penalties.

Business Record Checks under starters orders...again

HMRC restarted their business record checks (BRC) scheme last November, commencing in London and moving across the country over a 14-week period, finishing in South Wales in February this year. The pilot programme which started in April 2011 found that 36 per cent of small and medium-sized businesses had some issues with their record-keeping of which 10 per cent had issues serious enough to warrant a follow up visit. For advice on what you need to do to keep your records accurate and compliant, download the HMRC's guidance report from the iC website at www.icaccountancy.co.uk

If in the meantime you receive a call from the BRC team, refer them to your accountant who can handle the initial call on your behalf, so as to avert a potentially time consuming visit by HMRC to your premises.



6 years...is the minimum time that HMRC recommend you retain your business records.

Top tax tip:

Don't forget that if you are sole trader who uses your home to run your business, then you can claim a percentage of fixed and running costs, including council tax, rent, insurance, cleaning, heating, lighting and power...although note that you cannot claim for water! If this applies to you, contact the office and we'll work out exactly what figure you can claim.



Business Advisory...



Internal communications

the best way to warm up employees this winter

Christmas is a distant memory, the New Year resolutions are probably already out of the window and employees have returned after Christmas; low morale is to be expected. Staff may feel demotivated especially when the next Bank Holiday is months away and the short days, dark nights and plummeting temperatures begin to take their toll. So how do we boost staff morale and inject a little enthusiasm back into the workplace?



Barry Quinn of HR specialists Peninsula Business Services says: *"Firstly, I am sure 2013 will be just as challenging as last year, and businesses – as well as employees – will need to work equally as hard as last year to stay ahead of the game. So how do we start the year on the best motivational footing?"*

Sit down with your team and organise a 'start of year' meeting. Make sure it is positive, start with a summary of what was achieved in 2012, and any lessons that can be learned from the past 12 months. Then communicate your business plans - what do you wish to achieve in 2013? Make sure employees know how they fit into your idea of success and make sure achieving it is understood to be a team effort. Employees appreciate

knowing what is going on in the business and being a part of the team can give workers a boost in motivation and confidence. Do also encourage staff to come up with their own business ideas – often those at the "coal face" have the best suggestions to improve performance and make working life easier for all.

In these times of austerity, not all businesses can afford pay rises, and this can also demotivate staff, especially when the cost of living seems to be ever rising – but instead consider enticing your team with low cost incentives such as early finishes, an extra day holidays, dress down days, organising an in house staff lunch or working towards a collective charity goal.

"People rarely succeed unless they have fun in what they are doing"
- Dale Carnegie

A recent survey by a recruitment company suggested that three quarters of staff interviewed would prefer to work somewhere that fostered a fun atmosphere over one where they received better pay!!

Do make it your New Year's resolution to improve business communications throughout the year as well - update meetings will help drive motivation by communicating performance and addressing issues, and if done regularly, need not last more than 20 minutes - yet the benefits for both employee and the business can be highly rewarding".

Lisa Entwistle-Evans of iC, agrees that internal communications are key to a successful business – although every organisation is different: *"Whether you are communicating good news or bad, it is vital to take into account the target audience (e.g. all staff, managers only or just one team) as well as the organisational culture (e.g. traditional, informal) and choose the most effective communication channels. This ensures that you convey information in a way which minimises the risk of the message being misinterpreted - clear, informative and well-presented communications can often make all the difference".*

Getting the message across:

Consider all of the opportunities available to you to convey your message – the more innovative, the better – but do keep the message consistent if you choose multiple channels:

- ◆ intranet sites
- ◆ email
- ◆ company conferences
- ◆ blogs
- ◆ notice boards
- ◆ posters
- ◆ business briefings
- ◆ instant messaging

And remember that communication is a two way street, so give employees channels to give feedback too!

- ◆ suggestion boxes
- ◆ staff surveys
- ◆ brainstorming sessions



Peninsula is offering all iC clients a free HR healthcheck - contact **Barry Quinn** directly - barry.quinn@peninsula-uk.com - quoting iC or contact the iC office for a referral.



"Something every business owner should know: your staff are your biggest asset.

So when it comes to personnel & staff related issues I use Peninsula, they take care of all my personnel, employment law and health & safety issues - after all, they are the UK's largest specialists".

- I get expert advice on any Employment Law or Health & Safety issue 24 hours a day, 7 days a week.
- All my personnel and safety-at-work documentation is provided.
- They give me tribunal representation and pay the award if they lose.
- Peninsula also provide training for my key managers.


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www.peninsula-uk.com

Contact Barry Quinn on 07772 320 508
barry.quinn@peninsula-uk.com
or contact Karen Ogden on 0161 827 9918 ext 6932
karen.ogden@peninsula-uk.com

News & views from Villa House...

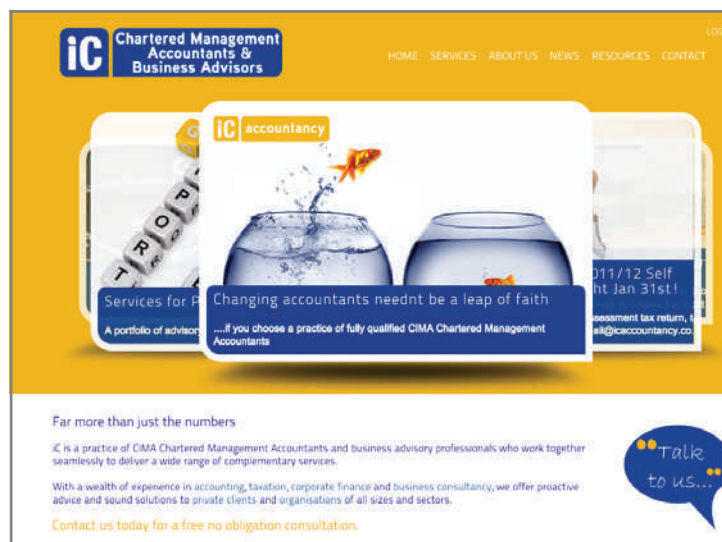


iC sponsors Cogan Coronation Under 8s!

Fans of football that we are, we're pleased to be sponsoring Cogan Coronation AFC's Under 8s team this season – if you're keen to keep up to date with club news, follow us on Twitter @ iCaccountancy and Facebook www.facebook.com/icaccountancy where we'll be posting all the post match details (hopefully a string of successive wins!)

“My iC” online

A reminder that the client area of the iC website is now live – so if you're happy to undertake your own book-keeping, you can log in, download templates and securely upload your files. We then receive an email alert that your records have arrived, and we take it from there. To register for My iC, contact the office and we'll set up your account.



Our name in lights... well almost!

Recent visitors to the office may have spotted our new plaque...just to give clients peace of mind that iC is a fully qualified chartered practice!



"As long as you're going to be thinking anyway, think big!" - Donald Trump

On the run again...

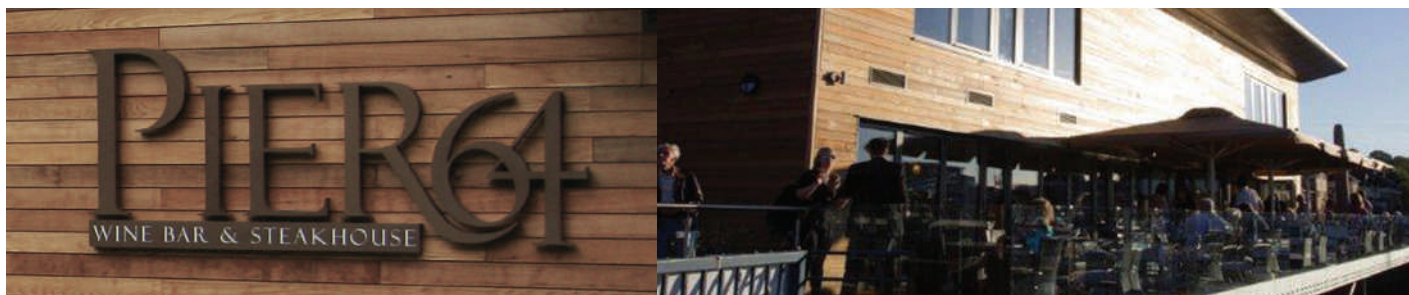
iC partners are hitting the road again in the name of charity – Lisa has challenged Damian to a swift 10k, this time it's the St Davids Day run on 3rd March through Bute Park which the team are running on behalf of Cancer Research Wales. If you'd like to help us support this very worthy cause, please see the iC Just Giving page which you can access from the website and our Facebook page.



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Wales rate relief schemes open for business

The Business Minister Edwina Hart announced new rate relief schemes in Wales open for applications until 11th February 2013. One scheme is specifically for renewable energy producers in all parts of Wales and the other for businesses in Enterprise Zones, namely parts of Anglesey, central Cardiff, Deeside, Ebbw Vale, Milford Haven, Snowdonia, and St Athan. Collectively the schemes are worth £21.5m in total, with the maximum grant available to each applicant £55,000. The Enterprise Zone scheme specifically will be competitive, with priority given to new start-ups or SMEs that are expanding and increasing the size of their permanent workforce. iC offers grant support under its Business Advisory portfolio, so do get in touch if you are eligible to apply.



Meets & Eats...

Each issue, we thought we'd share our latest favourite local eaterie and **Pier 64** on Penarth Marina is a fabulous spot for a laidback business lunch – you can't beat the stunning views, relaxed ambience and attentive staff, all of which melt away the stresses of the working day! Our top menu tip? We love the Croque Monsieur, a classic hearty dish from owner Francis Dupuy's native France. www.pier64.co.uk



Tax our business brain...

Q&A

I'm just about to buy a new vehicle for the business, and am wondering whether I can claim the VAT back?

It actually depends on whether the vehicle is deemed by HMRC to be a van or a car. It's not usually tricky to tell one from the other, but there are a few vehicles on the market which seem to blur the line – and the difference is actually important as your company cannot reclaim VAT on a company car but it can do so on a van or other commercial vehicle. HMRC have recently updated their list of vehicles they will accept as vans and there's a copy on the VAT page of the iC website for reference.

Whilst we're on the subject of driving, it's worth checking whether you are paying too much VAT on fuel. HMRC ruled last year that, where employees pay you back for private mileage on company vehicles, you can pay back VAT on the reimbursed amount. Previously, you could only claim back according to the taxman's Road Fuel Scale Charge (RFSC) but now you can opt for whichever is the most cost effective for you. Better still, the ruling is applied retrospectively meaning that you can reclaim overpayments from previous years. For advice, contact the office on 02920 713 800.

Send in your business questions to the iC team at mail@icaccountancy.co.uk – if we publish your question, we will draft a personal response and also donate £50 to the charity of your choice.

I've had an element of my VAT claim rejected this quarter as the supplier's VAT number is invalid. This is a new supplier to us - how am I supposed to know this?

When you set up a new supplier account, its good practice to verify the VAT number as fraudulent use is prevalent in some business sectors. You can either ring the VAT helpline on 0845 010 9000 to check that the VAT number you have been given belongs to the trader quoting it, or you can check any EU VAT number online on the European Commission website (although do be aware this information is only updated monthly) There's a link on the iC VAT page for reference. www.icaccountancy.co.uk/vat/

I've been asked to take card payments by several customers - which would assist both my cashflow and theirs - but my bank insists on a monthly charge for a PDQ machine in addition to the percentage merchant fee? Are there other options?

Well, there's great news for any company who wants to offer card payment facilities without the hassle of tied in contracts – describing themselves as a social payments company, iZettle is a small card-reader that plugs into iPhones, iPads and a number of Android smartphones or tablets and is designed for use by any small trader who can't afford the infrastructure needed to take credit card payments. Launched in Sweden a year ago, iZettle lets anyone take secure card payments anytime, anywhere for a straightforward 2.75% commission fee. You can apply at www.izettle.com. (note you can claim back VAT on a car if it is wholly for business use i.e. no private mileage at all, or if it is a taxi or driving school vehicle)

Client Corner

Richard Brooks of Kinase Ltd

This issue we speak to Richard Brooks, Director of London based search engine marketing company Kinase Ltd.

Search engine marketing is a mystery to most of us – what does it actually mean, and how does it help a business?

Essentially, we manage activity on search engines such as Google on behalf of our clients. It's all about connecting users to products and services that they want. Based on what keywords a user is searching for – anything from power tools to Pembrokeshire camp sites - we ensure that we display compelling advertisements for our clients selling those items. We also determine how valuable each keyword is, as this is what determines how high up the ad appears on the listing. The higher the ad on the page, the likelier the user is to click through.

Most people now use search engines for researching offline purchases as well as buying online so it's a huge and ever growing sales channel, and due to the wealth of data available, a very cost effective one because you can target your audience so accurately. If done well, search engine marketing is an incredibly powerful promotional tool.

Kinase is an unusual name – where did it come from?

Ah, that came from my biochemistry days! Kinases are a class of enzyme that regulate complex cellular processes which is also how we approach our client accounts.

You set the business up in 2010 and are now in your 3rd year of trading – what tips or lessons have you learnt along the way?

I think the main message I would pass on is that if you do a great job, word will spread – that's certainly worked well for us to date.

What are your plans for the future of the business?

We hope to expand the client portfolio, increase the team and become even more sophisticated at what we do – it's an ever changing art as new search tools are developed and user behaviour evolves. So we need to ensure we are at the forefront of new technologies and capitalising on fresh opportunities for our clients to give them an advantage over their competitors.

You have some rather impressive clients in your portfolio, from Harvey Nichols to Agent Provocateur. Who is the most fun to work with?

We love all our clients ;-) What makes our role so interesting is that we work across a wide range of sectors, from fashion to construction, but it's amazing how much is transferable between diverse businesses – we're always learning!

And finally, when you are not marketing top UK brands, what do you do to unwind?

I'd have to say holidays and fine wine would be top of my list – although we've just bought two guinea pigs so now we suddenly have little "dependants" who may hamper future last minute travel plans!

To find out more about the business, visit www.kinase.co.uk



Kinase

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