

# iN sight

Business bites and tax tips  
from iC accountancy

# SIGNS OF GREEN SHOOTS THIS SPRING?



So you're  
a Company  
Director?  
PAGE 6



Back  
from the  
brink  
PAGE 8



Love  
to  
let?  
PAGE 12

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



**accountancy**

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# Welcome...

Welcome to the Spring 2013 issue of iNsiht...and of course, Happy New Tax Year! The 6th of April brought an increased personal tax free allowance of £9440 plus the introduction of a number of the measures announced in March's so called "*Budget for our Aspiration Nation*". A handy overview of the budget can be downloaded from the iC website courtesy of Professional Solutions IFA Ltd.

Speaking of the economy, forecasts for growth may have been revised downward to 0.6% from 1.2% for 2013 and austerity measures

continue but with the first warm days of Spring (finally!) comes a slightly renewed optimism in business circles. Many of our clients and colleagues are reporting more buoyant sales, the property market is showing positive movement and there are indications that access to SME finance may be becoming slightly less harrowing – so if now is the time that you are thinking of acquiring a business, or moving into a new venture, read our masterclass on commercial due diligence on page 14 to make sure you know exactly what you are letting yourself in for.

Also in this issue, we review your responsibilities as a Company Director, outline the recent changes to financial advisory services, consider how to safeguard your data from IT disaster, plus, we've tipped the best books, apps and websites in our Business Bites round up. As always, if you would like to get in touch with the iNsiht team, please email [mail@icaccountancy.co.uk](mailto:mail@icaccountancy.co.uk) or tweet @icaccountancy

Happy reading!

## Lisa Entwistle-Evans

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



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# Business Bites

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

## App Happy



### Share and share alike...

If you've ever worked late at the office and decided to give it up and carry on from the comfort of your sofa, then give "Workshare" a try, a free iPhone/iPad app which allows you to access and edit files from a secure server. It's safer than email...and impossible to leave on the train or fall out of your jacket pocket (yes, we've all lost a memory stick or two....!)



### Definitely worth a "mention"!

Mention is a great little app for Windows and iPhones that allows you to monitor any mentions of your company, your brand or your industry anywhere on the web - so wherever you are, if someone likes you on Facebook, tweets about you, or comments on you in a blog, you'll instantly receive an alert which you can respond to in real time. It certainly keeps us on our toes!



### For all doodlebugs...

For technology converts who still miss old fashioned pen and paper, Penultimate is a simple yet intuitive little app which combines the natural handwriting experience of ink with the synch- and searchability of cloud storage. The app links to the hugely flexible Evernote to log all your notes, diagrams and doodles - it's one of the best selling applications in App Store history, so millions of scribblers can't be wrong!

## Webwatch

Says recent graduate Luke Catterson *"Experience is one of the great currencies in business and the recently-launched [www.horsemouth.co.uk](http://www.horsemouth.co.uk) makes for an excellent stock exchange.*

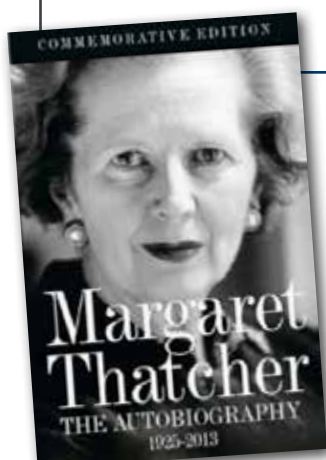
*The site was founded as a form of social networking that would be the antithesis to the likes of Facebook and allow workers to interact over strategy and business (instead of random pictures of crazy cats).*

*Use of Horsemouth is free and extremely well-moderated with all posts being verified. Thousands of people from diverse backgrounds on all rungs of the career ladder have volunteered their mentoring services, which means it is a vault of invaluable advice. Mentors are given feedback and ratings, so if you're further into your career, it could be a useful step into consultancy - as well as a noble bid to help people in the shoes you we wearing all those years ago".*



*"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change." - Charles Darwin*

## Bookshelf



One lady dominated the news and water-cooler debate last month - the death of Margaret Thatcher reopened the divisive debate over her political career and the release of *Margaret Thatcher: The Autobiography 1925-2013* looks set to add fuel to the fire. The single volume, abridged version of 'The Path to Power' and 'The Downing Street Years' was approved by the Iron Lady not long before her death and gives a compelling insight into all the key moments of her career up to an hour-by-hour account of her final, dramatic days in office. From the Falklands to the miners, Thatcher left an indelible mark on Britain and, whether a fan or not, these sharp and honest memoirs are a chance to get into the mind of one of the twentieth century's most renowned figures.



Also released this month is the official biography of Thatcher, *Not For Turning* by Charles Moore. The former Sunday Telegraph editor and Liberal Party councillor was granted full access to Thatcher's private papers and the book was only commissioned on the agreement that it would not be released until after her death. Described by many as the definitive work, Moore's first volume of the biography gives unprecedented coverage of The Iron Lady and it's hard not to be intrigued about the details she didn't want released while she was still alive.

## KEY DATES

### May:

- 2nd Last day for car change notifications in the quarter to 5 April (use P46 Car)
- 19th Deadline for Employers' 2012/13 end of year PAYE Returns (P35, P14, P38 & P38A). (Note penalties for non submission!)
- 19th PAYE/NIC, student loan and CIS deductions due for month to 5th May 2013
- 31st Deadline for copies of P60 to be issued to employees for 2012/13

### June:

- 19th PAYE/NIC, student loan and CIS deductions due for month to 5th June 2013

### July:

- 5th Last date for agreeing PAYE Settlement Agreements for 2012-13 (if any).
- 6th Deadline for submitting form 42 or other relevant forms to report share-related benefits provided to employees
- 6th Deadline for filing forms P9D, P11D, P11D(b), or substitutes for the tax year ending 5 April 2013, and giving forms P9D and P11D to relevant employees.
- 19th PAYE/NIC, student loan and CIS deductions due for month to 5th July 2013
- 31st Deadline for second Self Assessment payment on account for tax year ended 5 April 2013

## Wage Rise

*The Government announced in April that the minimum wage will rise to £6.38 for those over 21 and to £5.03 for 18-20 year olds from 1st October 2013.*

# COMPANY DIRECTOR - more than



**So you've incorporated the company and ordered your shiny new business cards bearing the grand designation "Director"... but along with the title comes a raft of responsibility. Damian Evans explains your legal – and moral – obligations.**

"At a basic level, you are legally responsible for ensuring that your company details (such as registered office, shareholders, etc) are up to date on the official register at Companies House and with HM Revenue & Customs, and for filing the company's annual accounts and annual return on time. You can of course seek professional advice in the preparation of these, but it is your legal responsibility as Director to ensure they are actually signed off and filed as a 'true and fair' reflection of the business' finances.

Note that delivering accounts late will not only incur a late filing penalty but may also damage corporate reputation, as filing dates are displayed on the public record for all to see.

As a Company Director, you also automatically have to file a Self Assessment tax return each year, even if you take no income from the business – and if this is your first time as a Director, you may need to register for self assessment with HMRC. If so, make sure that you do so as soon as possible – the latest you should register is by 5th October after the end of the tax year for which you need to complete a tax return (i.e. for the tax year 12/13, which ended on 5th April 2013, you must register by 5th October 2013).



## DEMYSTIFYING...

### PROOF

PROOF stands for PROtected Online Filing and is a Companies House initiative to protect your business from fraudulent filings. Essentially, if you join PROOF, then key actions such as changing a registered office, appointing or terminating a Directorship or filing an annual return can only be undertaken online – paper filings will be rejected. Considering that there are 50 – 100 cases of corporate identity theft each month, the free of charge PROOF scheme is worth considering – in fact, we sign up all clients for whom we act as Company Secretary as a matter of course.

### SAIL ADDRESS

SAIL stands for Single Alternative Inspection Location, and essentially provides Companies House only with the address of where company records and registers are kept if not at the Registered Office address. Many micro businesses operating from home do not wish to disclose their private address on the public register as a registered office, and instead opt to use an accountant's premises for this purpose. However, the law requires directors to disclose the actual address where the company records and registers are kept, and so by informing Companies House of a SAIL, you have fulfilled your obligations without putting your home address in the public domain.

# SHIP

## just a fancy title...

Company Directorship however is about far more than just administration. Intrinsic to Company Law is the moral remit to endeavour to make the company a success, using your skills, experience and judgment, and to follow the company's rules, as outlined in its articles of association. Especially in the case of microbusinesses with a sole Director, it can be difficult to view yourself as a separate entity to the company itself, but in the eyes of the law, this is exactly the case, and so you must make decisions for the benefit of the company, and not yourself, and ensure you advise other stakeholders if you might personally benefit from any transaction or activity that the company may undertake (The UK Bribery Act 2010 defines what is acceptable in this regard).

You can of course be banned ('disqualified') from being a company director if you fail to meet your legal responsibilities or if an insolvency practitioner or a member of the public reports your conduct as being 'unfit'. Examples of 'unfit conduct' would include:

- allowing a company to continue trading when it can't pay its debts
- not keeping proper company accounting records
- not sending accounts and returns to Companies House
- not paying tax owed by the company
- using company money or assets for personal benefit

**DID YOU KNOW? COMPANY LETTERHEAD MUST SHOW EITHER ALL - OR NONE - OF THE DIRECTORS' NAMES.**

### TOP TIP

**YOU CAN SIGN UP TO COMPANIES HOUSE FOR A FREE E-REMINDER SERVICE TO ALERT YOU TO WHEN YOUR ACCOUNTS AND ANNUAL RETURNS ARE DUE TO BE FILED (ALTHOUGH IC CLIENTS AUTOMATICALLY RECEIVE POSTAL AND ELECTRONIC REMINDERS AS SOON AS THE YEAR END HAS PASSED!)**

## Welcome News!

Regular readers and followers of our Twitter feed will know we're fans of the Red Tape Challenge, a Government initiative to reduce the bureaucracy which stifles the small business economy. One of the most recent areas of focus was Company Law, and interim findings show that half of the 115 regulations on the day to day running of a company and the preparing and filing of their accounts are to be scrapped, merged or simplified! Watch this space for updates...

# Business Consulting



# back from the brink

“IT consultancy isn’t a very exciting field - we have a lot of wonderful and fantastic technologies that do amazing things... that no one but IT people want to talk about. Where we get to add a little drama, however, is when we’re talking about IT meltdowns and disaster recovery. So what exactly would your business do if the ceiling fell in, dumping a thousand gallons of pigeon infested rainwater onto your main server?

Some may say, “We back up our server... we’re OK!”, but just backing up your data is not a valid and complete recovery plan. Do you back up to tape? Because the tape drive just got soaked. You back up to removable media such as a USB stick? Great, but how long is the lead time on getting a new server to replace the one that just got destroyed? Can you survive a week (or three) long shutdown in the meantime? You have a spare server in a storage locker? Helpful, but sadly your power supply has also been drenched. Just backing up is not a failsafe....

‘Disaster recovery’ is a bit of a misnomer. Planning for IT failure, in terms of potential loss of data and hardware, should be part of your business continuity plan (BCP) – in other words, not so much a recovery, but a smooth step back into business as usual. Putting together a solid BCP should in fact be as important to your organisation as your HR policy, your H&S guidelines or your marketing plan; more so perhaps, because if your business continuity is disrupted you don’t need analytics to tell you your market share... it’s 0%!

So how do you go about mitigating and avoiding disaster? Producing ICT Business Continuity Plans requires time, effort and expertise not just in IT but in your business too. For a small business, decisions have to be made on which processes need to continue immediately, which can “take a short break” and which can wait until the waters have receded and the fires finally died down. You need to have a plan to replace any vital hardware or service critical components and you need to have a backup method which is off-site, secure and portable to other machines.



Disaster recovery is not something we typically think about...until disaster actually happens! **Joshua Entwistle** of Penarth based IT services experts Burning Flag ICT shares some food for thought on business continuity.



We live in the age of cloud computing, where servers can be launched and fully functional in moments so those who can work from home should be allowed access to a cloud backup image of your server; the addition of a Virtual Private Network (VPN) in the office can bring that cloud server into your network allowing it to work as a temporary stop-gap until a new, physical server can be installed. Try to provision as many of your staff as possible with laptops and have them take them home at night; you can provide docking stations in the office to allow them to work in a safe and DSE compliant manner.

If you lose internet connectivity - a severed cable maybe, or a lightning strike at your local exchange - you need to know that there are backup services available. Make sure your staff have corporate smart phones with internet connectivity - should they be unable to use the office network connection they can still contact cloud and email services by tethering their mobiles to their machines.

All too often it is assumed that a backup will be sufficient but in my experience, fail to plan at your peril! Otherwise that hugely valuable client contact database you've spent years collating may just be a distant memory after the next freak weather event!"

Adds iC's Damian Evans: "Bear in mind that a business has an obligation to retain its records for 7 years although HMRC can in theory go back indefinitely if they have reason to believe it is necessary. If you choose to keep your records electronically, and then subsequently lose all of your data, then in the event of any inspection, HMRC will deem all monies into your bank account as income (even if it is a birthday gift from Auntie Mabel) unless you can prove otherwise. Likewise, anything taken out of the bank account will be classed by the taxman as drawings, unless you have evidence to the contrary - so failing to safeguard your data might also hurt you fiscally, as well as operationally".

# Private Clients

On 1 January this year, new rules from the Financial Services Authority (FSA) came into effect which have changed the way financial advisory companies operate. Known as the Retail Distribution Review (RDR), the objective was to raise professional standards in the industry, introduce greater clarity between the different services available and make the cost of advice very clear to the consumer.



We spoke to Mark Ryan of Professional Solutions IFA Ltd about what this means in practice to you and your money:

*"The principle change in the financial services marketplace is in the way that advisors charge for services. Under the new rules, pension providers and fund managers are banned from paying commission. Instead, advisers are now required to agree charges for the work they do and take payments under a new system known as adviser charging or customer agreed remuneration. They will still be able to take payment from the pension or fund – for example, a set amount upfront and then an on-going charge – but this must be agreed with you. The actual product provider will have no role or influence in setting the level of the charges for advice. This is to remove any risk of bias in the advisor's recommendations. In terms of charging, the regulator's basic requirements are clear – that advisors*

*set their own charging structure for the advice they give and the level of service they provide; that they disclose their charges up front using a price list or tariff; and, where an ongoing fee is levied, they must provide an ongoing service for this fee. Note however that commission will continue to be paid on certain insurance products, such as critical illness insurance, income protection insurance and life insurance, though your adviser must disclose this commission to you.*

*The second tenet of the RDR is greater transparency of services; in other words, it must be clear how much of the market your advisor can help with – for example, is it all aspects of investments, or a limited area. An independent advisor is able to advise on all types of products that you can invest in, whereas a restricted advisor will either specialise in a particular area, for example, pensions, or will offer limited advice on a smaller range of products.*

*Finally, the third element of the RDR requires advisors to meet a higher standard of qualification than that previously required, as well as maintaining that level of knowledge and keeping it current with Continuous Professional Development (CPD) and signing up to an ethical code which requires them to treat you, the consumer, fairly.*

*All in all, these measures should collectively inspire reassurance in the general public that their advisor is offering qualified and impartial financial advice with a crystal clear pricing policy"*

The FSA has now become two separate regulatory authorities – the body regulating the Financial Services industry is the FCA (Financial Conduct Authority) [www.fac.org.uk](http://www.fac.org.uk)

## Ticking the boxes...

The advisor's professional standards checklist insists that advisors:

- ✓ Subscribe to the FSA code of practice
- ✓ Hold a higher standard qualification for giving financial advice
- ✓ Spend at least 35 hours a year learning as part of continuing professional development
- ✓ Hold a Statement of Professional Standing (SPS0) as evidence that they are meeting the standards, which must be issued by an accredited body

## Quick 6: IN SIGHT'S TOP TIPS TO SELECTING A FINANCIAL ADVISER.



- 1** **Be picky** – whilst you may initially consider appointing the adviser from your local bank or building society they may be tied in to certain products and not be best placed to serve your needs. Shop around for an adviser who offers either “whole of the market” should you require advice on a number of financial services or choose an adviser who is a specialist in a particular area. Question if the adviser is independent, tied or multi-tied.
- 2** **Regulated advisers only please!** – choose only practitioners who are regulated by the FSA. A database of FSA regulated advisers can be found at: [www.fsa.gov.uk/register/](http://www.fsa.gov.uk/register/)
- 3** **Do your homework** - check what qualifications your adviser holds - as a minimum a “Statement of Professional Standing”

- 4** **Pay day** - whilst fees can be charged as either commission based payments (for insurance products) or fee only (chargeable hourly or as a percentage of assets) don't always assume commission payments are cheaper as they can be negated by product charges, impacting upon your investment.
- 5** **Word of mouth** – always request testimonials from a practitioner giving you peace of mind.
- 6** **Get it in black and white!** – ensure you receive any product recommendation in writing and carefully read through the literature before signing on the dotted line.

## HMRC'S Spotlight on... Offshore tax evasion



Facilitating the government's commitment to combat tax evasion through a series of campaigns which has seen the spotlight focus on VAT Outstanding Returns and Direct Selling the trail is now firmly set on offshore tax evasion. The Isle of Man and UK Treasury have struck an agreement to exchange information on those who have bank accounts on the island. The campaign, targeted at evaders who attempt to hide their money, offers the opportunity to disclose the tax owed and pay a discounted penalty from April this year to 2016. After this period evaders will face significantly higher penalties and the possibility of a criminal investigation.

# Love to let?

**The once buoyant buy-to-let market is but a distant memory, but if you're still aspiring to a property empire, here's our good tax housekeeping guide...**

**1. Proof of rental income.** Keep records of all rental income – this may be statements from your letting agent(s) and/or rent books/invoices to tenants – although most landlords do not raise an invoice for rent, so you will instead need to supply bank or building society statements, plus paying in books to show any cash received.

**2. Details of capital costs.** Keep details of any assets you purchase for the property such as furniture and equipment. If your rental property is fully furnished, you can claim 10% of the net annual rent for wear and tear of furnishings (the net rent is the rent you receive less any expenses you pay). Alternatively, you can claim a renewals allowance. This covers the cost of replacing furniture or equipment less any money you received for the old one and anything extra you paid for a better one. Note that you can only claim one of these allowances and it must be the same one each year

**3. Details of all 'allowable expenses'.** This is not an exhaustive list but as a general principle, gather records of all property related purchases and expenses – and also record how they were paid. Expenses that you can deduct from letting income (unless it's under the Rent a Room scheme) include:

- letting agent's fees
- legal fees for lets of a year or less, or for renewing a lease for less than 50 years
- accountant's fees
- buildings and contents insurance
- interest on property loans
- maintenance and repairs to the property (but not improvements)
- utility bills (e.g. gas, water, electricity)
- rent, ground rent, service charges
- Council Tax
- services you pay for e.g. cleaning or gardening
- other direct costs of letting the property e.g. phone calls, stationery, advertising, etc

**Good to know...** HMRC's latest clampdown campaign focuses on property tax evasion, examining the sales of both UK and overseas properties (which are not the individual's main home) where capital gains tax is due on any profits made. Properties include buy to let, holiday homes or a property disposed of as a gift. Those making voluntary disclosures will be offered preferential terms with lower penalties up to the 9th August 2013 - however, after this period significantly harsher penalties and in serious cases criminal prosecution will apply to tax avoiders identified by the campaign. For property and CTG advice, contact the iC tax team.



**Numbers Game...**  
**£1.6trillion is**  
**how much VAT**  
**has raised since**  
**it was introduced**  
**in April 1973**

## Question Time?

In March, HMRC announced that it is to close all of its 281 Enquiry Centres which last year gave face-to-face help to 2.5 million people with tax queries – but HMRC estimate that four out of five of those queries could have been solved on the telephone or online. Instead HMRC are seeking to provide a “more modern and accessible service that will target the right support to customers who need it, where and when they want it” – in other words, a more specialised phone service for customers whose affairs can be resolved over the telephone, coupled with a face-to-face help to those

who need it, with the taxman visiting them at a place convenient to them to save the taxpayer both travel and time”.

In a further move to better service levels, HMRC have outlined a target to ensure that 80% of people wait no longer than five minutes to speak to a “real person”... which will be a welcome change from previous experiences of forever “hanging on the telephone!” Call costs are also to be reduced by the end of this summer – and there will be no fond farewell from us to 0845...



## DEMYSTIFYING...

### RENT A ROOM SCHEME

The Rent a Room applies only to owner occupiers and tenants who receive rent from letting furnished accommodation in their only or main home. So if you have a lodger for example you can receive up to £4,250 a year tax-free (£2,125 each if letting jointly). There are however exceptions and we’ve posted guidance notes on the Taxation pages of the iC website. As an aside, although it has no bearing on tax, you may want to check whether your lease allows you to take in lodgers, if you rent your home or your lender has any objections to you taking in lodgers, where you have a mortgage. Do also check with your insurance company to make sure your cover is still adequate.

## Take the Break

The March budget brought news of a new Employment Allowance of £2,000 per year for all businesses and charities to offset against the cost of employer’s class 1 NI contributions. This should provide a real reduction in the cost of employing workers for all types of businesses (for employer’s NICs paid after 5 April 2014).

## Paying your dues...

**Acquiring or investing in a business is no snap decision. Lisa Entwistle-Evans outlines some of the key areas to consider before you sign on the dotted line .**

Think of buying into a business as you would investing in property. You wouldn't exchange without having engaged a surveyor to check it's good standing and point out any cracks in the mortar. Likewise, you shouldn't take a business valuation as read without having had an impartial expert check on the firmness of its foundations. So if you want to ensure your investment is as safe as houses, then it's time to sharpen your pencil

"Due diligence" is a term used for a number of concepts involving an investigation of a business or person prior to signing a contract. The term was coined in the 1930s as a result of the United States' Securities Act which

referred to the "Due Diligence" defence. In other words, as long as broker-dealers exercised due care in their investigation into the company whose equity they were selling, and disclosed to potential investors what they found, they would not be held liable for non-disclosure of information. Nowadays, the term is used more loosely as the examination of a potential target for merger, acquisition, privatisation or similar corporate finance transaction (normally by the buyer, although sellers may undertake the same, for example if they have concerns over the buyer's ability to fund the deal or successfully manage the venture post transaction).


Due diligence (DD) typically has two principal facets - financial and commercial; the former looks at the company's financial and taxation position, taking into account past and projected performance, and in essence underpins the valuation of the venture; commercial due diligence however determines how a target's position and performance compares to both its key competitors and to the overall market opportunity, providing a holistic evaluation of assumptions made in the financial projections.





## DEMYSTIFYING...

# BULLS AND BEARS (AND OTHER ANIMALS!)



A bear market refers to a decline in prices, either in a single security or asset, a group of securities or the securities market as a whole, whereas a bull market is when prices are rising. Considering that bears are rather on the sluggish side and bulls a tad more spirited, the analogy makes perfect sense; the origins of the terms are however unclear. Some suggest that the terms “bear” and “bull” are thought to derive from the way in which each animal attacks its opponents. A bull will thrust its horns up into the air, while a bear will swipe down. Hence metaphorically, if the trend is up, it’s considered a bull market; if the trend is down, it’s a bear market. However, a second theory is based on the fact that, historically, middlemen in the sale of bearskins would sell skins they had yet to receive. As such, they would speculate on the future purchase price of these skins from the trappers, hoping they would drop, in which case, the trappers would profit from a spread (the

difference between the cost price and the selling price). These middlemen became known as “bears”, short for bearskin jobbers, and the term stuck for describing a downturn in the market. In a nod to the age old blood sport of bull-and-bear baiting, the bull then became the natural opposite of the bear market.

But the corporate finance wildlife park does not end there...down on the farm, “chickens” are afraid to lose anything. Their fear overrides their need to make profits and so they step swiftly out of the market entirely (though no risk, no return...) “Pigs” however are high-risk investors looking for the one big win in the smallest window. Pigs buy on hot tips and invest without due diligence – a little impatient, emotional and perhaps greedy, they are drawn to high-risk securities without putting in the homework... which makes them a traders dream as it’s often from their losses that the bulls and bears reap profits.

Commercial and financial due diligence cannot be undertaken independently of one other; imagine a target company claims that sales have grown 20%; financial due diligence subsequently reveals that figure is actually more like 15%, which is still strong performance, you may think; however, commercial due diligence indicates that the overall market is expanding at a rate of 30% and in fact, the main competitor is actually growing 35% year on year. Well, that puts an entirely different perspective on things. Commercial DD is much broader in scope than financial DD, analysing not just at the company itself but the wider macro environment. The size of the task is usually commensurate with the transaction value, but areas of focus should typically include:

- **internal analysis**, including products and services, reliability of supplier base, customers & strategic relationships, marketing strategy, salesforce effectiveness, distribution channels plus organisational issues including management strength and retention of key personnel;
- **external analysis**, spanning the overall market opportunity, market positioning/share and the overall competitive landscape plus careful identification and interpretation of any social, legal, economic, political and technological and environmental issues influencing the sector;

Not an inconsequential list, by any means, but then investing your cash and your future is no trivial decision either. And no two organisations are the same, which means there is no magic checklist to help you tick the boxes and whip out your cheque book (or run for the hills, as results may indicate).

**For bespoke Corporate Finance transaction services, contact Lisa at [CF@icaccountancy.co.uk](mailto:CF@icaccountancy.co.uk)**

## Tax our business brain...

# Q&A

**Q: We have a client who owes us in the region of £6000, and the debt is seriously overdue, which is causing us significant cashflow problems. However, we cannot afford to engage legal assistance. Do we have other options?**

The simplest and cheapest option is MoneyClaim Online. The Small Claims Court claim limit rose to £10,000 (from £5000) on April 1st 2013 and is very helpful in avoiding legal fees if you have a small scale debt to chase. The process is simple to use and cost effective, requires no formal legal background, and is accessible at [www.moneyclaim.gov.uk](http://www.moneyclaim.gov.uk)

**Q: I'm thinking of sponsoring a hole at the local golf course – it permits 24 free rounds a year which is about as much as I can fit around the business, but is the sponsorship tax deductible?**

A: The good news is, yes, business sponsorship is tax deductible, as are most other marketing expenses, the exception being client entertaining which is not eligible for tax relief.

Send in your business questions to the iC team at [mail@icaccountancy.co.uk](mailto: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.

**Q: We have recently taken out an overdraft and our bank is requesting that we obtain "key man insurance" – what is this, and do I need it?**

Key man insurance is a form of life insurance—should the main protagonist of a company be indisposed for any reason, the business can flounder, be it through lack of experience, expertise or contacts. Key man insurance is a policy taken out by a business to compensate that business for the financial losses that would arise from the death or extended incapacity of an important member of the business. It's understandable that any lender would be nervous at the reliance on any one individual, and so key man insurance is a means to mitigate risk for all parties.

**Q: I've heard about a new scheme for families which offers support with childcare costs? How do I know if we are eligible?**

A: The scheme to which you refer was announced in the March budget and offers 20% towards childcare costs of up to £6000 per year for families where all parents are in work, are not receiving support through tax credits or universal credit, and where neither parent earns over £150,000 per annum. Initially the scheme is available to children under 5, although this will gradually be increased to age 12 over time – however the bad news is that the scheme is not being introduced until Autumn 2015.



# Client Corner



**FIRST AID TRAINING**

**FIRE SAFETY TRAINING**

**FOOD HYGIENE TRAINING**

**HEALTH & SAFETY TRAINING**

## Rebecca Morris, First Rate Training

This issue we speak to Rebecca Morris, Business Development Manager of First Rate Training based in Llandarcy, a Health and Safety Executive (HSE) approved training centre offering courses throughout the UK.

### What types of training does First Rate Training provide?

We offer an extensive course portfolio spanning four key areas of expertise - First Aid, Health & Safety, Fire Safety and Food Hygiene. Within each sector, we offer a diverse range of courses at all levels, and can also create bespoke training packages adapted to suit a business's exact requirements. A typical day sees us working with clients of all sizes and from all sectors, and no two ever have the same learning requirements – but that's what makes developing the programmes so interesting!

### First Rate Training has been established for over a decade and has some extremely impressive client testimonials – what is your unique selling point (USP) that has aided the business' success?

I think it's the fact that our team comprises specialist Emergency Services personnel who bring years of first-hand experience to the training room. This provides our clients with a uniquely informed training experience which draws on life experience, rather than just textbook cases.

### What does a typical training session involve?

Our main aim is to offer training courses that delegates really enjoy, and so we strive to make them both fun and informative. Our sessions offer a lively mix of practical, relevant and realistic scenarios, using the latest multi-media tools to enhance the training experience. I think that because the instructors have the ability to impart front-line experience and knowledge and draw on real life incidents that they have actually attended in their emergency services careers it makes courses both unique and memorable.

### With a notable client base already established including Admiral, Amazon, DVLA, John Lewis, Ikea and Mc Donalds – what's next for the business?

We have recently expanded our training offering significantly – new additions include a 'Train the Trainer 3 Day Course', PTLLS ("Preparing to teach in lifelong learning sector"), Health and Safety Level 1 and Level 2' plus a suite of computer based courses such as Microsoft Office Basic, Intermediate and Advanced. These augment our existing course programme enabling us to provide organisations with full spectrum training.

Part of my role is to keep up to date with the latest legislation to make sure that all courses are always compliant, as well as identifying new training needs which may arise as part of new regulations, and helping organisations to embed new practices and procedures within their operations. For example, there is now a requirement for a business owner to determine himself what level of first aid provision is needed at their premises, and this has to be defined by a formal first aid needs assessment – just having a first aid box and an accident book in the stationery cupboard no longer suffices!

For more information on First Rate Training:

**Call: 08456 525249**

**Email: [Rebecca@firstratetraining.co.uk](mailto:Rebecca@firstratetraining.co.uk)**

**Visit: [www.firstratetraining.co.uk](http://www.firstratetraining.co.uk)**



# iC Pinboard

Coach Rich, iC's Damian with son Morgan



iC sponsoring Cogan Coronation Under 8s again next season!

## Out & About

Local businesses might want to keep the first Friday free each month for Social Friday, a vibrant new free networking initiative organised by Penarth based IT Pie. Meeting in various locales around town each month, it's a great way to meet other local businesses - you can keep up to date with news via the group's LinkedIn site.  
[www.linkedin.com/company/it-pie](http://www.linkedin.com/company/it-pie)

## Time Out

**We ask local entrepreneurs how they take "time out" to recharge their business batteries... this issue we chat to Andy and Sian Jordan of Cardiff Sportsgear in Cardiff.**

Andy: "Well, you'd expect a sports shop owner to practice what they preach and keep fit... but having worked in the family store for nearly 20 years, I've never had the time to commit to team sports (working weekends and evenings is part of the job!) However, I loved cycling as a teen, and so I shake off the stresses of the day by doing a 20mile ride in an evening with a few friends...with a few pub stops on the way of course! And I'm doing the Taff Trail in April, Merthyr to Cardiff which is a great way to catch up with friends".

Sian: "With 3 kids and a desk based job in bookkeeping and marketing for the business. I need something to de-stress!! Early Saturday bootcamp at Cosmeston does the job, involving skipping, lifting weights, sprinting etc, and leaves me the rest of the day free to spend with family. I'm always being told off for talking too much but it's a great way to socialise! I've also started cardio tennis at Penarth Lawn Tennis Club - I'd never played tennis before, but it's a great aerobic workout to some good tunes in such a lovely setting overlooking the sea, and the new courts and refurbished clubhouse are looking fantastic!".



The premier business exhibition in Wales comes to Cardiff City Stadium on the 30th of May. This free to attend show offers the opportunity to browse an extensive exhibition, attend networking events and seminars with speakers including Lois Jones from Menter a Business and Adam Harris from the Institute of Small Business & Entrepreneurship. Just remember to bring your business cards!

CARDIFF   
**SPORTSGEAR**  
 Getting You Geared Up For Sport

## On the bright side of (iC) life!

The iC office has been given a little makeover this quarter with a touch of vibrant orange. Apparently the hue of creativity, the colour psychologists suggest that orange brings "spontaneity, a positive outlook on life and is a great colour to use during tough economic times, keeping us motivated and helping us to look on the bright side of life" (We just chose it because we liked it!!)



## Meets & Eats...

This month, the iC laptop has been seen in the award winning Fig Tree on the Esplanade – a versatile venue with restaurant, veranda and roof terrace all with stunning views over the Bristol Channel to Somerset, Flat Holm and Steep Holm (It's also a perfect spot to spy on the ongoing Pier renovations, due to be completed this Autumn).

Renowned for serving high quality local sourced fayre, the Fig Tree was awarded the True Taste Best Restaurant People's Choice Award last year – so we're in good company with our recommendation! Says owner Mike Caplan "Our fresh fish in homemade Stella batter with hand cut chip, minted peas and homemade tartar sauce is said to be the best fish & chips people have ever eaten." Visit [www.thefigtreepenarth.co.uk](http://www.thefigtreepenarth.co.uk)



"In the business world, everyone is paid in two coins: cash and experience. Take the experience first; the cash will come later." - Harold Geneen



Clarity.

Whereas some accountants only look backwards at your last financial year, you'll find that CIMA Chartered Management Accountants are rather more forward focussed. It's our job to look to the future helping you to plan your strategy and forecast your finances. We may not be able to predict your fortunes or choose the winning lottery numbers, but we do bring clarity and vision to your business.

iC: we see the bigger picture.



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