

Fox Evans

Chartered Accountants

News

Winter 2010

What's New at

Fox Evans
Chartered Accountants

Welcome back Kay Smith from her maternity leave! Kay will be working Monday to Wednesday each week, and will be focussing on what she is best at - computer software related work. So if you, or anyone you know, needs computer training - whether it be writing bespoke reports on Sage or improving on how you use Excel - then please get in contact with us. Training is one to one and bespoke to your needs. Prices start at £200 + VAT for half a days training on our premises.



Can't get enough of Fox Evans? Can't get us out of your mind? No? Well, that's understandable. But never mind - have we got a treat in store for you! Now you can follow us night and day on not only our website - www.foxevans.co.uk but - get this - on Twitter and Facebook too! We've already got some fans and we'd love it if even more of our clients followed us. Come on - don't be shy. You know you want to! You can follow the links from our website.

HMRC to pick on doctors in 2010?

We hope that you had a happy and peaceful Christmas, and we wish you all a prosperous New Year. As always, we didn't send paper Christmas cards this year, instead a donation was made to "Help the Heroes" charity. If we have your email address you will have received our festive e-card, which we hope you liked. If you didn't receive it, then we have not got your email address! Please let us know and we'll add it into our database for future mailings.

Recently we have become members of 'The Best Of Coventry' - a website which is the ultimate guide to the Coventry area. Every business featured on the pages has been checked out by the staff of 'the best of', and is recommended by local people. AND THIS WHERE WE NEED YOUR HELP! We would like clients to sign up to the site at: www.thebestof.co.uk/local/coventry/local-guide and write a short testimonial about us, hopefully singing our praises and telling the online community how great you

think we are! Also, as mentioned in previous newsletters, we offer a £100 incentive to existing clients if you refer new work to us.

So basically, if you are happy with us and the service we provide, please tell the world! If you aren't happy then tell us!

2010 will be a difficult year for businesses, given the budget deficit, and HMRC is warning of strong action ahead. Currently it seems that "medical consultants" GP's and doctors may be in the front line, as we write about on page 2. They have been picked out for "special attention" in 2010, so if you are a doctor or run a medical practice then make sure you have your tax affairs in order. If you are in doubt, or would like a second opinion, then please give us a ring. As for the rest of us - well, the December Pre-Budget spelt out what is in store. Read all about it on page 3. We look forward to servicing your accountancy needs in 2010, and remember we are all just a phone call (or an email, or a tweet) away! All the best for 2010!

taxable income and capital gains, and any documents requested, for the year from 6 April 2008 to 5 April 2009.

Deadlines

- We must receive your Tax Return by either:
- 31 October 2009 - if you are going to send us a paper Return, or
 - 31 January 2010 - if you are going to file online.

Please note the new filing date for paper Returns.

You will be charged a £100 penalty if your Tax Return is

Tax return deadline 31 Jan

Self assessment tax return returns for the year 2008/09 must be filed electronically by 31st January 2010 or a £100 penalty will be automatically applied. Interest will also be payable on any underpaid tax. So if you haven't sent us your information we advise you to do it pretty sharpish!

Put your family's affairs in order

We never know what's around the next corner. But what would you do in the event that the "unforeseen" happened? Well, it's not something we like to think about – but we do recommend that you have your personal details well organised and close to hand, so that family members have easy access to this important information. Just in case.

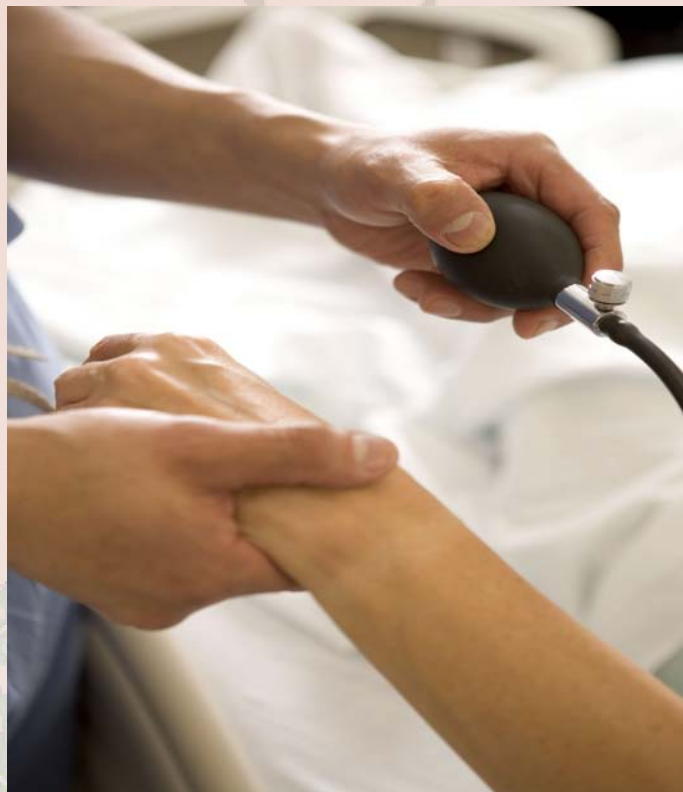
With this in mind, we are pleased to be able to offer you a 'Personal Affairs Checklist' which allows you to record your personal information on one document. The checklist is in three parts:

- Section 1 - information about key advisors, location of your will, and any funeral arrangements;
- Section 2 - information about bank/building society accounts and insurance policies;
- Section 3 - information about your employer, any directorships and details of your local tax office.

Hopefully this will shortly be available to download from the client area of our website. However it is also available on request from us, either through the post or we can email it to you. Please give the office a call if you would like a copy.

Going one step further than that is the concept of a "living will". Currently only 60,000 people in Britain have registered a 'living will' with the authorities, but the Government is recommending that everyone should establish a formal Lasting Power of Attorney (LPA) to set out who should look after their affairs should they become incapacitated.

There are two types of Lasting Power of Attorney (LPA) in England & Wales – a Property & Affairs LPA gives someone the authority to make decisions about your financial affairs, and a Personal Welfare LPA lets someone make decisions about your welfare, although this is a less common option. The person writing the LPA gives authority for someone to act for them. This is usually a spouse, but it is recommended that a second person is also appointed, such as an adult son or daughter. An LPA cannot be granted until the application is registered with the Office of the Public Guardian (OPG), and the fee for doing this is £120. However, most applicants use a solicitor to complete the paperwork, and this would cost in the region of £200 plus VAT.



How would you or your relatives cope if the unexpected happened? Be prepared is our advice.

Where there is no LPA in place, and, say, a person suffers from Alzheimer's Disease or other mental incapacity, then officers from the OPG have to take control of the person's assets. The relatives then have to apply to the courts for permission to take control of the elderly or ill person's affairs.

In some cases, this can amount to the family having to fill in a 50 page form giving huge amounts of personal information about both their finances and their family and personal relationships, so that the court can decide if the family is fit to run the person's affairs.

If the courts decide that the family is not suitable to act, then they may appoint the local authority to act, or possibly a solicitor, but they will charge up to £800 per year for their services of supervising the appointee.

Fox Evans recommends that all clients think about whether this is something they should consider for themselves or any family members.

HMRC pinpoints doctors for "special attention"

It is believed that HMRC will be on the taxation warpath in 2010 for "hospital consultants" - the definition of which has not been finalised and which may or may not include GP's and doctors. Apparently HMRC has "identified upwards of 800 Hospital Consultants that will be investigated in 2010".

It has issued formal notices to BUPA, Sun Life and other institutions who pay commission to Consultants to identify enquiry cases where the commissions appear to have either been understated or omitted from Tax Returns. It has also widened the scope of its activities into the medical profession as a whole and has

launched widespread status enquiries, as well as investigations into NHS Trusts.

Fox Evans' Jon Higgitt has many years experience of working with GP's and medical practices to minimise tax. Any doctor or practice that wants a free half hour discussion should contact us.

How does the Pre-Budget affect you?

On Wednesday 9th December, Chancellor Alistair Darling presented his Pre-Budget Report. Lest the Christmas break has blurred the finer details, and implications, we have summarised the main tax measures that will be introduced:

Personal Allowances - there will be no change to the standard personal allowance for 2010/11, which will remain at £6,475. The basic rate limit will also remain the same at £37,400. Therefore the 40% tax band starts at £43,875, as at present;

50% Tax Rate - there will be a new rate of tax of 50% from 2010/11 for taxable income over £150,000. Also, at this time, a new higher rate of tax for dividends of 42.5% will be introduced where dividends are over £150,000;

NI Increase - The rate of National Insurance will increase from April 2011 by 1%. Therefore employee's contributions will be 12%, and employers contributions will be 13.8%. The additional rate for Class 1 and 4 contributions will also increase by 1% to 2%;

Corporation Tax - The proposed increase in corporation tax rate for small companies of 1% has been deferred again until 1st April 2011. The rate of tax therefore remains at 21%.

Business Payment Support Service - The service launched in 2008 will continue to be available for the foreseeable future, allowing businesses to negotiate flexible payment arrangements with HMRC;

Electric Vehicles - 100% first year allowances will be available for capital expenditure of electric vans from 1st April 2010. In addition, where employees are provided with an electric vehicle as their company car, the taxable benefit will be reduced to nil for five years, starting from 1st April 2010;

Fuel Benefit Tax - Employees who receive free private fuel from their employers for company vans or cars will pay more tax. For car drivers, the basis for calculating the benefit will be increased from £16,900 to £18,000. For van drivers the benefit will increase from £500 to £550;

Inheritance Tax - The nil rate band for 2010/11 will remain at the current level of £325,000;

VAT at 17.5% - The temporary reduction in VAT ends on 31st December 2009 and will revert back to 17.5%;

Pensions - There is a delay in starting the new company pensions called 'Personal Accounts' from 2012-2015 to 2012-2017, and employers will have to pay less in to begin with than previously announced;

There is more detail about all of these key areas, and many more points made in the report, on our website at www.foxevans.co.uk.

The screenshot shows the Fox Evans Chartered Accountants website. The header includes the company name and contact information: Text Only | Tel: 024 7625 7317 | Fax: 024 7655 2845 | Email: enq@foxevans.co.uk. The main content area is titled '2009 Pre-Budget Report Summary' and lists key measures such as a 1% increase in NIC rates, freezing personal allowances, a 50% additional rate of tax for high earners, changes to the Special Annual Allowance, a deferral of the small companies corporation tax rate, the return of the standard VAT rate to 17.5% on 1 January 2010, and a temporary bank payroll tax of 50% for certain bonuses.

There's more about The Budget on our website - www.foxevans.co.uk. Look under "Resources", then "The Budget report".

V@T is changing in 2010. To find out more visit www.hmrc.gov.uk/vat

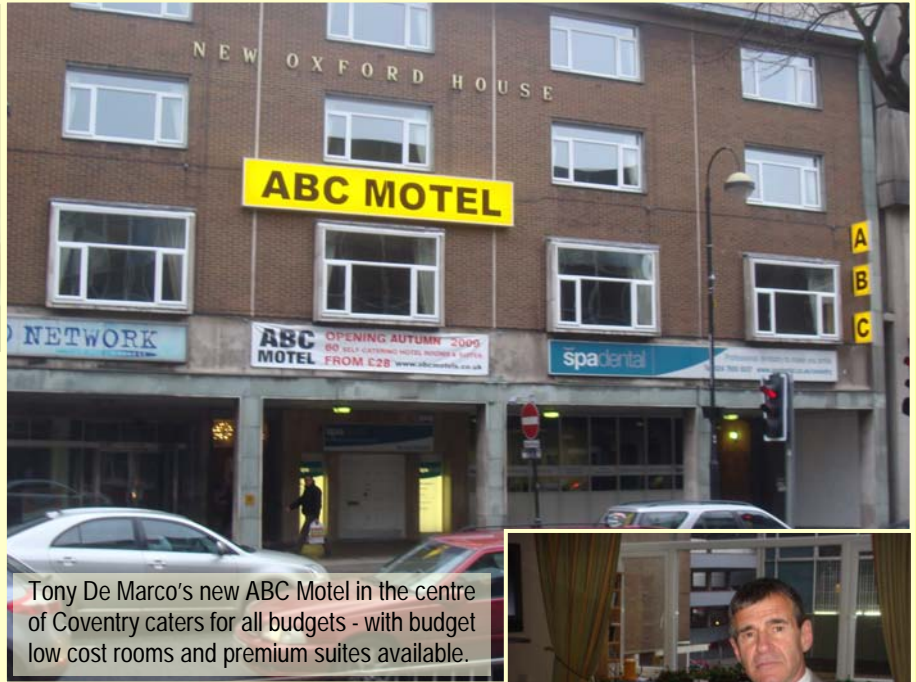
The VAT rate changed back to 17.5% as of 1st January 2010. Please make sure that you invoice out at the new rate. The flat rate VAT scheme has also changed in light of the new rate, with some of the categories changing markedly. The new rates are all posted up at: www.hmrc.gov.uk/pbr2009/pbrn33.pdf There have also been changes made to the cross-border trading rules. The new rules are aimed at simplifying and modernising the VAT system for

cross-border trading, and to counter fraud in the EU. They are applicable to businesses which supply or receive services or goods to or from overseas businesses, or who want to reclaim VAT incurred in another EC country. They will need to make fundamental changes to their current VAT accounting and reporting processes, says HMRC. The new measures include:

- Changes to the basic place of supply service rules;

- Changes to the time of supply rules;
- European Sales List (ESL) reporting for supplies of cross-border services;
- A new electronic refund procedure for VAT incurred in other EU member states.

More detailed guidance on these changes can be found on the HMRC website at www.hmrc.gov.uk/vat/cross-border-changes-2010.htm If you need any help in applying these changes to your business, please contact us at Fox Evans.



Open for Business!

Coventry city centre is well placed to recover from the recession because of the significant investment that has been made there in the last few years. So says Fox Evans' client Tony De Marco.

But these are not just warm, cosy words - Mr De Marco has invested a six figure sum of his own money in the city centre by opening-up a new hotel near the Belgrade Plaza area to capitalise on the opportunities the investment will bring.

His ABC Motel on Chapel Street, in the building that was formerly The Young Womens Christian Association, has been extensively refurbished over the last 18 months, and opened for business for the first time on 4th January 2010.

It has 45 rooms catering for every budget and every requirement -- from budget rooms for one to four people, or a family, to rooms with a bedroom and lounge area, to a full suite of rooms if necessary. Size wise the

rooms are comparable to those in a Travelodge or Premier Inn, he says. All of the rooms not only have full ensuite facilities but also a small kitchenette, with a fridge freezer, microwave and kettle. That's because the Motel doesn't have a restaurant, and will only serve breakfasts, says Mr de Marco.

"There is no point in us serving food in the evenings. Coventry city centre has some fantastic restaurants -- with Cosmo just opposite booming and others nearby also doing well. We would not be able to compete with them so we will stick to what we are good at, which is running a hotel." Wifi is also available throughout the hotel.

Rooms are available on a daily, weekly, monthly and six monthly basis -- whatever people want he says.

Generally rates will start at around £40 a night for the budget rooms to £120 for the suite, with rates dropping for longer term bookings. In

some cases, though, special offers may result in room charges being as low as £18 a night.

"Coventry has a mixed bag of hotels, with some very good, others a bit average, but all somewhat pricey. Some can also be quite a long way from the city centre. Our offering is a quality hotel with comfortable, warm rooms for reasonable prices which is right in the middle of the city. That makes us unique."

Although the ABC Motel is a new venture for Mr De Marco, he's no stranger to the hotel, leisure and property development industries, having spent the best part of the last 30 years involved in them. Throughout this time he has engaged Fox Evans for his accountancy needs, first with David Evans and latterly with Rob Anderson. "They've been excellent," he says. "I've never felt the need to move away at all."

The ABC Motel can be contacted on 024 76229393 and at www.abcmotels.co.uk.

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"More than your average accountant!"

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