



Spring 2007

What's New at



Fox Evans has had a very busy first quarter in 2007: so thanks to all of our clients. Fortunately we are welcoming two new members of staff to help. On our front desk is our new receptionist Lucy Bowerman, while Daniel Wheatley joins us as an accounts trainee.



April will see the arrival of a new member of the audit team. But we also need a recruit for our bookkeeping team, and to help with payroll! If anyone knows of anyone suitable please ask them to send in their CV, or ask them to call Donna Kiely for an informal chat.

Companies House

Online filing

You may be aware you can file your Limited Company annual return online via the Companies House website.

If your company was incorporated within the last year you will not receive a paper copy of the return at all, just an authorisation code. Please forward this to us when you get one.

All change, it's April again! What's in store for you?

So what did you make of Gordon Brown's budget, and the "excitement" of cutting the basic rate of income tax?

Not many commentators and none of the press were taken in by it, as at the same time the 10% starting rate band will be dropped, which means that any positive effect will be minimal and some tax payers will be worse off.

Aside from the politics of the budget, the technicalities reveal that this year's budget was really for next year! The tax cut is just one of the many measures that actually don't come into effect until April 2008.

Inside this newsletter is a fact sheet which outlines the main points of the budget, and our website - www.foxevans.co.uk - has far more detailed information than this newsletter, or an insert, allows.

But there are other changes, aside from Budget ones. If you or your



employees drive vans then take note of our article inside. The changes are pretty far reaching when it comes to using business vans for personal use. They WILL affect you!

Our featured client on the backpage is Skibbly TV - an award winning TV and corporate video production company.

As we say in the article - the company is a good example of how the many services offered by Fox Evans can help a small business free up time to make money, rather than to account for it! If you think you are spending too much unprofitable time on doing things we could do for you, then let us know!

We look forward to being of service.

Get your P35's in on time!



If you don't want the taxman to come bearing fines then make sure you submit your employee P35 forms by 19th May!

We can do the work if you like, but we need the information before 20th April to meet the deadline. Statutory penalties apply if the deadline is missed.

If you have not used our services in the past, but would like to do so, then please contact Donna Kiely as soon as possible to discuss your requirements. Our normal charge for a straightforward return is £100 plus VAT. This can be offset against the online filing credit, which is £150 this year.

What's new now . . . what's for later

The Budget is here and now . . . but there are only a few really significant changes which come into force from April 2007. These include:

- an increase in the rate of Corporation tax for small companies from 19% to 20%;
- VAT fuel scale charges will now be based on CO2 emissions - a move designed to penalise the most environmentally destructive vehicles;
- the 50% first year allowance on asset additions for small companies, due to finish in April this year, will remain for a further year.

The remainder of the new developments will come into force from April 2008:

- Corporation tax for large companies to decrease from 30% to 28%;
- Corporation tax for small companies to increase by a further 1% from 20% to 21%; This will increase by a further 1% from April 2009, giving a final figure of 22%
- Capital allowances will be radically revised from 2008/9, with the writing down allowance for business assets reducing from 25% to 20%, meaning that most



What's up in the budget, and what's down. Moreover, when will the changes take effect?

businesses will see an increase in taxable profit. But allowances for long life assets will be increased from 6% to 10%. There will also be consultation on a new investment allowance of £50,000 for plant and machinery.

- Income tax is down 2%, but the initial 10% band has also disappeared. There will also be significant increases to the upper limit for National Insurance Contributions, to bring it in line with the upper limit of the income tax basic rate band. This will mean substantial increases in the

National Insurance bill for individuals earning over around £30,000;

- The total ISA investment limit will increase to £7,200 per year, with the maximum in cash being £3,600.
- A new Planning Gain Supplement is to be levied where planning permission is granted on land after 31 March 2009. The tax will be levied at a flat rate on the difference in the value of land without permission compared to the value with permission.

Shop around for commercial loans

Are you thinking of investing substantial amounts in your business in the near future? If so, don't just go to your bank for finance - shop around!

Fox Evans Financial Services can help you raise money for the purchase or improvement of a property, for an imminent merger or management buyout, or for equipment purchase.

The difference between locking into finance at a poor rate compared to a good one can be significant. We work with specialist brokers in the field of corporate finance to get our clients the best deal. We can access loans with interest rates from 1% above base rate; with interest only periods; with a loan value of up to 75% of traded related valuations and for up to 25 years. Commercial loans can be a tricky area where terms, conditions and details can vary wildly between potential lenders. The small print can be very small indeed!

Because of this we involve experienced professionals at every stage of the process, so that you can have the confidence of knowing that the best avenues for your borrowing have been explored. We can help save you time by shopping around for you, by organising and

managing the loan application, by conducting all of the necessary liaison to ensure you have the best chance of getting what you want for the best rate.

For more information contact us at Fox Evans.



Investing in your business? Don't trust to chance on your corporate finance. The difference between getting it right and wrong can be significant. Ask Fox Evans for advice.

The taxman pursues the van man

Do you or your employees drive a van for business? Well there are new rules coming into force on 6 April 2007, meaning that owners and employees face an increase in tax if company vans are used privately. Currently HMRC assess a charge of £500 a year on the private use of vans. This is going up to £3,000 per van per year, with an additional charge of £500 if private fuel is also provided. An employee of a business who is paying 22% basic rate tax, and who uses their company van privately, will thus pay an additional £660 in tax. If private fuel is provided a further £110 tax is payable.

In addition to the employee's own tax liability, a business will also have to pay Class 1A National Insurance on the van charge, meaning an additional cost of £384 per van per year.

The HMRC's definition of private use does not include trips to and from the place of work, and they also make an allowance for insignificant usage, defined as *"taking an old mattress or other rubbish to the tip once or twice a year"*.

We've been told that "the HMRC has eyes" and will be watching out! If your vans are sign-written they will be very obvious and easily traceable if it looks like one is in the wrong place at the wrong time - for example parked outside a cinema on a Saturday night.

It is your responsibility to know how your employees are using your vans. If you state that there is no private use,

make sure that you have some controls in place to confirm this. HMRC may well look for evidence that private use is discouraged, such as

- making the conditions on the use of company vehicles clear in employment contracts;
- keeping vehicle mileage records; and
- asking employees to sign a company policy on the use of vans.

The rules for company cars are unchanged.



Use vans for your business? The taxman is after you if you use them for private purposes. Make sure you check out the new rules.



VAT

The threshold for the Cash Accounting Scheme will be more than doubled from £660,000 to £1,350,000 from 1 April 2007.

The Cash Accounting Scheme allows eligible businesses to defer paying their VAT until they have received payment from their customers, instead of accounting for and paying VAT when they issue and receive invoices. This means that there will be a one-off benefit in the quarter where the change takes place

Be careful though – there are many factors to take into account when changing from standard to cash accounting for VAT. It is not as straightforward as ticking a box in Sage Line 50! We would strongly advise anybody who is thinking of changing their system to contact us before doing so.

New tenants law in force

Are you a landlord? If so be aware of the new Tenancy Deposit laws, which come into force in April.

The aim of this legislation is to ensure that a landlord who takes a deposit from a tenant will always be in a position to pay it back. The law applies to all new tenancies after this date in England and Wales.

Basically a landlord has to protect the deposit in a Government authorised tenancy deposit scheme.

The penalty for not doing this is three times the value of the deposit.

For more information please visit www.direct.gov.uk/en/tenancydeposit



SMP rules

April sees new Statutory Maternity Pay rules come in force. Women who are expecting a baby on or after 1st April 2007 have an SMP entitlement of 39 weeks, up from 26 weeks.

They can return to work for up to 10 days during maternity leave without losing any SMP entitlement. There are also some other small changes designed to make the system work better, so give us a call if you would like to know more.

Other proposals are being considered by the Government which could also bring more paternity rights to fathers.

Dull website? Liven it up with a Skibbly video for your business!

They've filmed the Coventry City football team and the UEFA Cup final . . . alas, not at the same time. Well not yet, anyway.

They've also shot the rider of a Harley Davidson (photographically, of course) riding across America and filmed the ultimate guides to kit cars, the Beetle, and – get this for street cred – campervans and pole fishing. That's, er, fishing with a non-bendy rod, as opposed to being an erotic angling dance. Welcome to the somewhat wacky world of video production that is Fox Evans client Skibbly.TV!

Set-up by Chris Jones, Simon Phillips and Andy Cummins in 2000, the firm was quickly discovered by the Discovery Channel. Its first series - Scratchin' - about men and motorcycles, put the company firmly on the video production map, not least because it won the prestigious Broadcasting Press Council TV Award for it. It was a major achievement, especially considering the firm at the time was working out of bedrooms and backrooms, and still beat the likes of BBC News, and CNN and others who weren't. The competitors also had far, far higher budgets. Ever since then the firm has been working for Discovery.

But it will be its work for UEFA that will make every follower of the beautiful game green with envy: Skibbly films almost everything to do with the competition, including the final. Picture the broadcaster's seat allocation: BBC; ITV Sky Sports; Skibbly. Nice work if you can get it! And all pretty irrelevant to other Fox Evans clients, you may say. But not so, though. Because Skibbly is interested in talking to small



L to R Andy Cummins, Simon Phillips, and Chris Jones of Skibbly.TV. Skibbly is a good example of a small business where all of the staff's time is devoted to the business, and where there is none left for financial management. Fox Evans supports Skibbly by doing its payroll, its progress payment reports in support of its invoicing, its budgets, bank reports, and almost all of its financial management. The time this frees up for Skibbly is significant.

businesses too. That's because most small businesses are pretty dull. OK, well they aren't, but their websites are. (Oh, er, except the Fox Evans one of course!) Skibbly is ideally placed to jazz up dull sites by producing short video clips for uploading to a site, or for distribution via DVD.

Given that a picture paints a thousand words, and there's 24 pictures in every second of a video, a two-minute video equates to the equivalent of er, well a lot of words.

"A good video can literally transform a website, and really inform a potential customer of what a company or product can do," says Chris Jones. "A lot of companies don't know where to turn to, or think it will be too expensive." But making a corporate video need not cost the

earth. Certainly they cost less than many companies imagine, says Chris, with their videos coming in at anything from £2000 to £4000 depending on the number of days shooting, locations and the like. Recently the firm has done one for a hotel, and another for a company making access and security cards. Excerpts can shortly be seen at www.skibbly.tv. Unfortunately none of its work for Discovery or UEFA can be shown as Skibbly does not own the copyright.

"We will tailor a package according to a budget and to a client's wishes. We are extremely flexible, professional and creative, and are confident we will be able to add value to a company's marketing," he adds. Skibbly.TV can be contacted on 07973 321852.

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