

NEWSLETTER

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HOLDING ON!

Not all companies are seeing their sales drop during these turbulent times, some are doing really well. There are many examples of successful small and mid size companies so what can we learn from them?

Our research shows that there are a number of areas businesses should focus on or try out, below are 10 of these for you to consider, most importantly hang in there!

1. Keep overheads light and eliminate unnecessary expenditure;
2. Set realistic and achievable budgets and measure how you are doing on a monthly basis;
3. Be aware of the fundamental shift away from the "Offline" to the "On line" economy and access how you can move your business "On line" as quickly as possible;
4. The buying patterns of customers do change, be flexible in your pricing and offerings ;
5. Make sure you have systems in place to keep existing customers "Happy", they should be your biggest fans!;
6. Regularly review whether you are offering "Value for Money", it is the most important factor right now in helping potential customers decide whether to buy from you or one of your competitors;
7. Experiment. Throw out the rule book and every so often try something different. A good example would be "Pay what you think it was worth", done by a number of restaurants recently;
8. Make sure potential customers know you exist. Get some publicity (see also above), sponsored charitable activities generate interest, write to other local business who have a success story to congratulate them. Whatever you do plan for time to make it happen;
9. Do not lose sight of why you started your business, rekindle your ambitions every so often, take time out to think about what you want from your life and remember the purpose of your business is to help you achieve those ambitions;
10. Never give up. Someone famous once said "If at first....."!



New Apple iPhone Launched 24 June

After the hype surrounding the launch of the iPad, Apple's new iPhone launched peacefully recently. The size is smaller than the previous generation: 34% thinner than the iPhone 3GS. Although it is 3 grams heavier.

It has an Apple A4 chip inside, just like the iPad., Apple claims the iPhone 4 can process data more quickly while consuming less battery than before.

The battery is 16% bigger than the current one. Coupled with the A4 processor and new display, it results in a longer battery life: Apple claims 40% more talk time.

The new iPhone has a bigger sensor for the main camera. It's backlit and has bigger lenses too and has 5 megapixels, there's a video conference camera too!

The biggest feature of the new iPhone 4 is probably video calling, thanks to its front camera. Apple calls it FaceTime, and it works iPhone 4 to iPhone 4 over Wi-Fi—at least for 2010. Apple claims that in the future it will be available over 3G.

TECHNOLOGY CORNER

The Apple iPad launched on 28 May with much hype

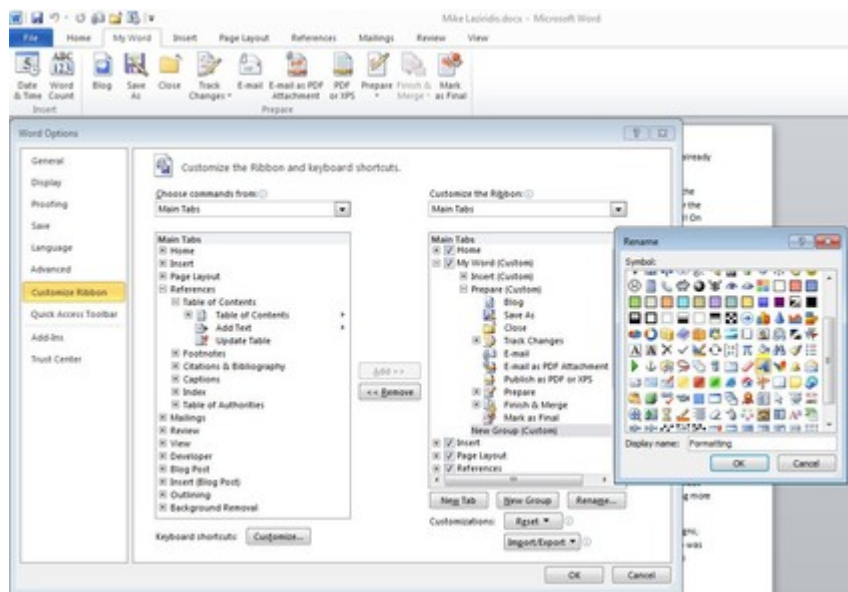
The iPad essentially revolutionises the concept of a tablet computer. Previously, tablet devices addressed a legitimate consumer need but left most people frustrated with a stylus-driven handwriting recognition system and an operating system that was really designed to be used on a desktop PC.



While it's not the perfect implementation of a tablet computer, the iPad is quite simply the best yet. Its clever data-entry scheme - virtual keyboard and multitouch gestures - turns the iPad into an immeasurably more usable device than any Windows-based tablet PC we've seen.

If you are thinking of getting one, be sure to check out the many reviews on the internet and think hard about memory size and whether you go for 3G Sim card connection as well as Wireless: you will then have a truly portable tablet.

Office 2010 – Should You Upgrade?



This was released in May and has some interesting new features. The Home and Student version of Office includes Word, Excel, PowerPoint and OneNote; Home and Business adds Outlook. Professional adds Access and Publisher.

Home & Student £109.99 / Home & Business £199.99 / Professional £429.99

There are two new tools to get to grips with: **RIBBON:** All the Office apps now have the ribbon interface and an updated version of the Office menu (called Backstage, but opened from a tab marked File because that's what people look for). **BACKSTAGE:** The Backstage menu is one place for all the things you might want to do with your document, explained in handy detail.

Our view is we like the new features and the On line Apps and consider this a good progression on Office 2007.

We have recently become a Xero Certified Partner

Xero is an online accounting system designed for small businesses and their advisors. It's simple, smart and secure.

Dashboard

A real-time view of your business at a glance with a snapshot of all your transactions

Banking

With Xero, it's quick and easy to do daily bank reconciliations to keep your accounts accurate and up-to-date. Your bank statements can be easily imported daily by Xero and then matched to transactions you have entered

Contacts

Manage the individuals and organisations you do business with and have them easily appear in invoices and transactions

Web-based

Access your accounts and run your business from anywhere in the world on a PC, Mac or popular mobile devices

Invoicing

Get a single view of where your money is coming from and when. Create, send, receive and report on invoices all from one place

Payables

View and manage how much money you owe, what's overdue and what's waiting payment

Expense Claims

Easily enter and manage personal expenditure

Reporting

Generate and view interactive reports in real-time, anytime. Your financial advisors can also create and publish reports for you



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NEW GOVERNMENT NEW PLANS?

So we changed Government recently what plans have they got in store for business owners in the UK?

The new coalition government has unveiled a summary of its "programme for government", which contains many plans which could benefit the UK's small businesses.

Here are some of their business aspirations:

- Reforms to the banking system, ensuring that SMEs have access to credit via a new loan guarantee programme;
- Plans to slash red tape via a new 'one-in, one-out' rule which will ensure that no new regulation can be introduced without another being cut by a larger amount;
- The controversial IR35 rules will be reviewed as part of an overall review of small business taxation;
- The government will find a practical way to ensure that small business rate relief is automatic;
- Reduction in the number of forms required to register a new business, and a move towards a 'one-click' registration model;
- The public will be given the opportunity to challenge the worst regulations;
- An aspiration for one quarter of all government contracts to be awarded to SMEs;

An aspiration to become the leading hi-tech exporter in Europe;

As for how and when this happens we will have to wait and see. Some announcements were made in the recent "Emergency Budget" (see also our article on this budget).

What is clear is that changes are coming. Watch this space!

EMERGENCY BUDGET UPDATE

Here is a brief summary of how the UK Emergency Budget will affect your business.

Capital Gains Tax Regime from 23 June 2010 - Entrepreneurs' relief increased so that there is a new lifetime limit of £5 million taxed at 10%. Otherwise, you will now pay CGT at 18% if the gains added to your taxable income do not exceed the basic rate band and 28% on any excess.

Corporation Tax Rates and the impact of a reduction in the Small Companies Rate - The smaller company rate of corporation tax is to be cut from 21p to 20p in the pound. Any reduction in the small companies rate is welcome, but yet again there is no move to increase the profit level of £300,000 to which the lower rate applies - that last went up in 1994! Larger companies are being treated more generously, with the current 28p rate to be reduced to 24p over the next four years. A fresh look needs to be taken when considering how to distribute profits of a limited company, given the increases in the rate of income tax and NICs and the small reduction in the corporation tax rate for small companies.

Capital Allowances changes from April 2012 - Annual investment allowance (AIA) is fast becoming a political football. It was £50,000 on its introduction from 1 April 2008 and doubled to £100,000 from 1 April 2010. From 1 April 2012 it will reduce to £25,000.

Pension Scheme Changes - Higher rate tax relief

Consideration is being given to abolishing the rules in Finance Act 2010 whereby from 6 April 2011 those with income of at least £150,000 in the tax year concerned suffer a loss of some or all of the higher rate tax relief otherwise available. The aim is to raise at least the same amount of revenue (£3.5 billion annually) however, and this may be achieved by drastically reducing your annual allowance to in the region of £30,000 to £45,000. The lifetime allowance of £1.8 million may also be reduced.

VAT Increase from 4 January 2011 - The new 20% standard rate applies to goods or services to be delivered or performed on or after 4 January 2011. Anti-forestalling rules will apply to artificial arrangements involving a VAT invoice being issued, or payment being made in advance, where the goods or services are not due to be delivered or performed until on or after 4 January 2011.

Flat rate scheme - The percentages are recalculated to reflect the VAT increase to 20%. The new rates need careful scrutiny. This scheme is available to a VAT-registered business with annual turnover up to £150,000.

Income tax allowances and rates

1. Personal allowance for the under 65's increasing by £1,000 to £7,475 for 2011/12, but with the basic rate band reduced so that higher rate taxpayers do not benefit (they of course gradually lose their personal allowance if annual taxable income exceeds £100,000).
2. Higher rate band level frozen to 2013/14.

ISAs - From 6 April 2011 the annual Individual Savings Account limit (currently £10,200, of which a half can be in cash) will increase in line with the RPI, and rounded to a convenient multiple of 120 for the ease of monthly savers.

Non-domiciled individuals - The tax treatment is to be reviewed. This will consider whether changes can be made to the current rules "to ensure that non-domiciled individuals make a fair contribution to reducing the deficit in return for greater certainty and stability for those bringing skills and investment to the UK".

Deduction of tax at source by individuals and non-corporate entities

Currently the requirement is to deliver an account to HMRC for income tax deducted at source from interest and royalty payments they make, and HMRC can then assess the amount of tax due to them. There is no set form for submitting an account and the new Finance Bill will allow HMRC to issue regulations specifying how and when an individual or other non-corporate should account for, and pay, income tax deducted at source.

PAYE System - This is being reviewed, to see how the system could be improved so as to reduce costs and make it easier to administer for both employers and HMRC. Initially there will be consultation with employers and payroll providers on mechanisms which could support more frequent or real time PAYE data.