

Looking forward... to 2010!

'A sailor without a destination cannot hope for a favourable wind'

Let's be honest, 2009 wasn't the greatest year for the economy but all the indicators say that things will pick up in 2010. So what should you be doing now to get your business ready for 2010? The most profitable businesses we act for, all have one thing in common – they plan ahead. They have a target which they regularly monitor to see how they are doing and they are flexible enough to change direction if needs be. Writing and implementing a clear plan to drive the growth of your business is essential and probably the single most important thing you can do in January. The three main benefits are:

1. Planning helps you by providing guidelines and goals for future decisions.
2. It helps you exercise more control in a situation, establish goals 'proactively' and consider contingencies.
3. It can help insure a set of actions are implemented that are consistent with your values and priorities.

So how do you start this process? Firstly, take some time out in early January to write down your personal objectives such as income, time away from work, health etc., and then look at what your business should be doing over the next year. Consider:

- Turnover
- Products/Services
- Market Position
- Costs
- Profit
- Customer Services
- Quality and others

In essence, have a good think about what your business should look like in 12 months time and then write down some targets. Measure these monthly, know your key performance indicators and be prepared to change direction now and again!

If you are thinking of writing your 2010 business plan, please talk to us. We have some tools and templates that may be of use and we would be delighted to sit with you and help to formulate your plan.

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Team Update

Tax Planning Clinics

A new source of FREE help!

At the first Elwyn Turner, partner, David Walker, Director of Tax, Brian Benson, Crown Wealth Management Ltd and Andy Lee from Isle of Man based, Fortress Management Services gave suggestions and advice on financial planning and provided ideas to high earners and business owners to help reduce the amount of taxation they currently pay.

The next two clinics are on 11th and 25th February 2010 - spaces are limited so if you would like to attend please call Lisa Cope on 01743 273999 to reserve a place.

Charity Quiz – success

£1,012.50 was raised for Wales Air Ambulance at our charity quiz on 18.11.09 at The Royal Oak, Welshpool.

A raffle was held with many prizes, donations were gratefully received from businesses in and around the Welshpool area.

The winners were Westwood Worriers, locals at The Westwood in Welshpool who each received a bottle of wine.

We were delighted with the enormous support which so many gave to the event for which we are most grateful.



Arrival of baby boys!

Alfie to **Debbie and Grant Thomas**
on 9 August 2009

Elliot to **Claire and Elwyn Turner**
on 22 November 2009

Congratulations!

Pre-Budget Report 2009

Alistair Darling presented a cautious Pre-Budget Report in which he claims to have focussed on laying the foundations for a return to growth rather than reducing the fiscal deficit. It is our view that the anticipated tax increases and spending cuts will be saved until after next year's election. The key taxation measures are:

- freezing the personal allowances and tax bands at the 2009/10 amounts for most taxpayers
- a 1% increase in the NIC rates payable by employers, employees and the self-employed from April 2011
- the introduction of a 50% additional rate of tax for those with the highest income levels
- the deferral for a further year of the planned increase in the small companies corporation tax rate, which remains at 21%
- the standard rate of VAT will return to its former rate of 17.5% on 1 January 2010
- a temporary bank payroll tax of 50% is to apply to certain bonuses
- 50p a month levy on landlines to fund expansion of high-speed broadband
- "scrappage" scheme for inefficient boilers
- inheritance tax threshold to remain at £325,000

These are just a summary of some of the key changes. Please call us if you need any further information.

2010's ENDANGERED TECHNOLOGY

2009 has seen IT take huge leaps forward and even greater developments are expected in 2010. Things that have been making life easier for a generation are about to be replaced. It's a shame to see an old classic like the DVD face the threat of extinction as people replace it with Blu Ray - it will be gone, but not forgotten!

Here are three of our IT business predictions for the future:

1. Though it has teetered on the brink of extinction for an age, the fax machine is still making its dogged last stand in offices around the world. Not for much longer. The smartphone boom, coupled with the spread of touchscreen technology that allows signatures to be scribbled straight onto screens will eventually replace the quaint old fax machine;
2. Dashboard sat-nav faces a challenge from smartphones loaded with turn-by-turn navigation apps. The TomTom Car Kit and CoPilot Live application, for instance, mean that iPhone owners could make do without a dedicated in-car GPS device. Garmin is thinking along these same lines with their new Nüvifone hybrid devices: sat-navs with smartphones built in, rather than the other way around;
3. The 3G Internet dongle hasn't been with us all that long - but it might not stick around, either. Netbooks and other devices with integrated mobile broadband (such as the Nokia Booklet 3G) could make awkward USB dongles a short-lived solution for internet on the move;

So watch out for some really innovative changes to the way we use IT in 2010!

Using Social Networking Sites to generate new business

We have got used to hearing about Facebook, My Space and Twitter but how do you use social networking sites to help your business? Here are some of the ways that you can use these sites to market your company:

Research your market. Read the forums and listen. Through participation in these communities, companies can learn about consumer interests and reactions.

Build and reinforce your brand. Every signature on the Web, and every profile online, is an opportunity to show others you exist and to strengthen your brand.

Microtarget. If you have identified a specific group of customers to target, the odds are good that you can identify a virtual community where they are already gathered. Get involved and watch business grow.

Take control of your network presence. Make sure that when people look for you online...which they will...your image is both accurate and flattering.

Take a leadership role. Write a blog to cover your domain, and perhaps create a virtual community around your unique interests. Share information with others as much as practicable.

Share resources with others. Let others have access to documents and templates that will help them and make their business life easier. Do this and they will return and may recommend you.

Business relationships should be developed on the Web. Online business networking, connecting and creating opportunities on the Web, is a logical step for businesses who want to let others know they exist and to attract new customers. Try it!

Useful IT Tools for 2010

- www.printeranywhere.com - Share your printer in less than a minute and let others (connected to internet) print to it. Print next door or on a printer 10,000 miles away
- www.crossloop.com - Share a screen and let someone else take control – support, training etc, Transfer files between PCs, Simply enter a login code generated on PC into the other PC –and connect!
- www.zhornsoftware.co.uk/stickies - Electronic “post it” notes, No more paper notes stuck all around the screen!
- www.smart-survey.co.uk - Customer Satisfaction surveys, staff feedback, requests for information ...unlimited uses...
- www.msgtag.com - Know that an email has been received and opened without the recipient having to do anything.



VAT is returning to 17.5%!

The standard rate of VAT will return to 17.5% on 1 January 2010. So what should you be doing?

The correct rate of VAT is applicable on the day the customer receives the goods or services. This means that invoices raised before 31.12.09 should charge VAT at 15%; invoices raised on or after 1.1.10, 17.5%. However, if you raise an invoice in January 2010 for goods delivered in December 2009, you can charge 15%.

If you take a deposit on goods or a service before 31 December but deliver after the 1 January then the deposit is subject to 15% and the balance at 17.5%. If you raise the full invoice before 31 December then the VAT rate is 15%.

If you provide work on a continuous basis, once you pass 31 December 2009, you can either charge VAT at 17.5% on the entire bill, including the work done when the rate was 15%, or so long as you can prove that this is fair and reasonable, you can charge 15% on the work done before 31st December 2009 and 17.5% on the rest.

You could also raise a bill before 31 December on the whole job and, even though the job is finished after 1 January 2010, it can all be charged at 15% provided your bill has been paid for by the 31 December 2009.

If you raise a credit note after 31 December against a 2009 invoice you should use the same VAT rate on the credit note as for the original invoice.

If you want to talk any of these changes through, please call us and we will be delighted to assist.



So you want to go green?

From turning out the lights to going carbon neutral, we offer a few simple tips on how businesses can reduce their environmental impact.

- 1. Get everybody in your business on board.** For a successful office greening, employees need to be engaged in a creative way and must feel empowered. Spell out the strategy and the facts to employees, and then help them work out what is appropriate. They know best what will work in their business and this way they have ownership of the answers. If everybody is on board then your strategy has more chance of success.
- 2. Use an outside specialist to help.** Companies such as the Carbon Neutral Company www.carbonneutral.co.uk will carry out an environmental audit to identify carbon hotspots across the firm, or in one area of operation. They help businesses to reduce carbon footprints both through in-house efficiencies and carbon offsetting, which involves investing in external carbon emissions reduction schemes, such as wind farms or methane capture projects.
- 3. Paper waste.** Find out how much paper you use and see how much you can save. Make sure staff think twice before they print. Ensure everyone knows how to do double-sided printing and has access to appropriate printers. Use reduced font sizes to get more onto each page and re-use the sheets wasted at the printer. Is the paper you are buying from sustainable sources?
- 4. Waste bins and recycling.** A growing number of businesses have done away with individual wastepaper bins and now have a single central bin beside the recycling bins, so people cannot just chuck their rubbish away without thinking about it. Clearly label recycling bins so that contamination is not a problem.
- 5. Computers and lights.** Shut down computers at night and turn off unnecessary lights. Preferably switch to energy efficient light bulbs. Make it a policy that the last one out is responsible for turning off computers and the lights!



Humour

Reaching the end of a job interview, the Human Resources Person asked a young accountant who was fresh out of a large accounting practice, "What starting salary were you thinking about?"

The Accountant said "In the neighbourhood of £50,000 a year, depending on the benefits package."

The interviewer said "Well, what would you say to a package of 5 weeks holiday, full medical and dental, Company Retirement Fund of 50% of salary, Executive Share Option Scheme, Profit Related Pay and a company car leased every 2 years – say a 5 series BMW?"

The Accountant sat up straight and said "Wow! Are you kidding?" The interviewer replied, "Yeah, but you started it."

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