



Coming soon!  
A New Publication  
from Foxley Kingham

We will soon be launching a new property publication to help anyone with an interest in this field keep ahead of key changes in the relevant taxes and legislation, and advise on any savings or allowances that may apply.

The editor is our tax planning specialist Chris Floyd, so you can be assured of high quality advice to help you improve the return from your business and keep your tax obligations to a minimum.

To make sure you receive your copy, please e-mail: [lisa.taylor@fkca.co.uk](mailto:lisa.taylor@fkca.co.uk).



When the Chips are Down:  
10 Top Tips for surviving a recession

1. However positive you are, have a Plan B
2. Act, don't wait
3. Cash is King: perfect your cash management – it's simple and it's the most important thing in your business
4. Know where you are: your records should be good enough for you to know how your business is doing on a day-by-day basis
5. Have a good relationship with your bank – the more they know about your finances, the better able they will be to offer help when you need it
6. Take a new approach to tax – the right advice can help improve your tax cashflow and ease payments
7. Even if demand is slow, you can always be in control of your costs: know which are variable, can be acted upon and how
8. Rehearse the most difficult conversations you could have with suppliers, clients, customers, employees and financiers
9. Check your employment terms and recognise which members of your team are essential to the business
10. Price properly – don't overreact; understand whether demand is price sensitive and don't give profits away unnecessarily

FAX BACK  
01582 480901

For more information on any of the items featured in this issue, please tick the appropriate box(es) below and fax this page to 01582 480901

- Please contact me to discuss strategic tax planning
- Please send more information on FK's payroll service
- Please send me a copy of the new property newsletter (Issue 1 due on 8th July)
- Please send future issues by e-mail to:  
.....
- Please amend my contact details (make any changes in the address box above)
- Please delete me from your mailing list

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Call Lisa Taylor on 01582 540800 or send by e-mail to [lisa.taylor@fkca.co.uk](mailto:lisa.taylor@fkca.co.uk)

Please note that we cannot be held responsible in any way for any consequence arising from the information provided in this newsletter. Whilst every effort is made to ensure the accuracy of the content of all FK publications, no decisions should be taken on the basis of information given without reference to specialist advice.

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Inside



Data Protection Act scam



Minimum wage increase



New publication coming soon!

... and much more

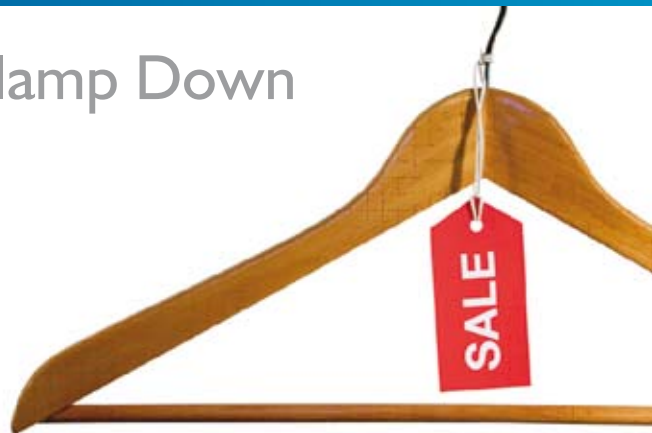
*“...attention to detail, a true understanding of your personal and business needs and foresight in pointing out any pitfalls or opportunities in the future - Foxley Kingham provide all this and more...”*

## New Regulations to Clamp Down on Unfair Trading

On 26th May, new regulations affecting all UK businesses that trade with consumers are set to come into force.

The Consumer Protection from Unfair Trading Regulations will ban 31 types of unfair commercial practices outright. They will also, for the first time, establish a general principle not to trade unfairly, use aggressive selling techniques or mislead consumers, helping to close loopholes previously exploited by ‘rogue traders’.

The regulations, which replace much of the existing legislation relating to consumer protection, including the Trade Descriptions Act, are intended to simplify this area of the law. They will make life a lot tougher for those who don't comply, with severe penalties and possible prosecution.



Meanwhile, for the majority of businesses that do trade fairly, the new regulations will create a level, competitive playing field where honest business can thrive and prosper in the global marketplace.

Find out more at the Office of Fair Trading website at [www.offt.gov.uk/advice\\_and\\_resources/small\\_businesses](http://www.offt.gov.uk/advice_and_resources/small_businesses) or visit [www.businesslink.gov.uk/unfairtrading](http://www.businesslink.gov.uk/unfairtrading).

## One in Ten?

There has been a lot of fuss in the press recently over the withdrawal of the 10% starting rate for income tax. Most of this has been political sparring, but it's worth taking a look at whether the recent change makes any difference.

Those with income between £5,436 and £6,035 will now not pay any income tax (although they may pay some National Insurance). And those with income up to £6,635 will still be paying less tax than they would if the 10% band had remained.

But those whose income is between £6,636 and £12,800 will still be paying more. Some people will be compensated through the Tax Credits system, but there will still be a sizeable chunk who are unable to claim these.

On the other hand, those who benefited most from the removal of the 10% band will again benefit from the latest changes. Someone earning £36,000 in the current year will now be £450 better off.



And if you thought this just affected the lower paid, you would be wrong. Someone earning £45,000 mainly through dividends will pay an extra £75.

This recent change also takes the government away from its aim of aligning the tax and NI bands.

And this isn't the end of the story. The recent measures are only for this year. The Chancellor will have to come up with something good in his autumn pre-budget report to try and sort this kerfuffle out once and for all.

## HMRC New Powers to Bug You (with Technology)

The Serious Crime Act has given HM Revenue & Customs the power to intercept e-mails and letters as well as bug residential premises and private vehicles. The reason given is that cases of tax fraud are quite often combined with other forms of criminality.

Amazingly, HMRC will not need to seek any external approval of its surveillance activities – the only checks take place after the event.



# Plan Your Tax Strategically

Working out your tax and filing your returns on time is essential to minimise your tax liability and avoid late-payment penalties, but effective planning can significantly reduce the amount of tax you have to pay.

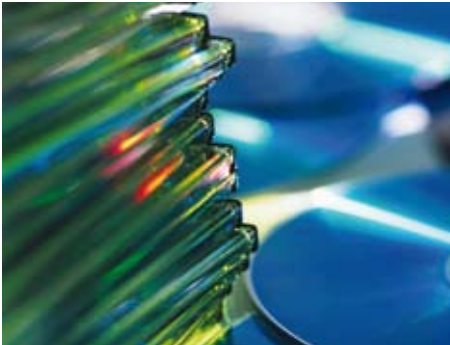
By undertaking a thorough review of your finances, investments and future plans, our experts can draw on their knowledge of the various schemes and incentives available, to help devise a strategy that minimises your tax liability whilst supporting your business goals.

What's more, the savings can considerably outweigh the fee, particularly if you haven't reviewed your finances in this way for some time.

*To find out how you could benefit from a strategic tax review please speak to your usual advisor on 01582 540800.*

## Data Protection Act Scam

It has come to our attention that businesses are being targeted by fake data protection 'agencies' posing as official government bodies. Their letters, which request sums of up to £135 to notify under the Data Protection Act, often use threatening language and are on official-looking headed notepaper.



**Please note: there is no connection between the Information Commissioner's Office and any of these self-styled 'agencies'.**

The statutory fee for notification is just £35 a year and businesses should contact the ICO direct. If you receive a letter, out of the blue, demanding more than £35 to notify under the DPA this will be a scam. Our simple message to businesses is to throw the letter in the bin and not pay the fee.

Local Trading Standards, the Office of Fair Trading and various police forces are aware of these activities and action has been taken against agencies posing as Data Protection Act regulators.

## Payroll Pay Off

If you're still running your own payroll it might interest you to learn that letting us do it for you can spare you not only the administrative burden and the hassle, but is likely to save you money as well.

Take into account the cost in terms of salary, holiday cover, sick leave, software, annual updates and training to ensure that staff are kept up to date with all the relevant legislation, and it soon becomes clear that outsourcing your payroll function makes good commercial sense. What's more we'll make the switch so easy you'll wish you'd done it years ago.

Our experienced payroll team do all the initial setting up and check that existing payments are correct. And after the agreed handover, all we'll need from you is the number of hours that an employee works and whether there are any starters or leavers.

We'll take care of everything else, right through to issuing payslips and transferring the payments to your employees' bank accounts if you wish.

All payroll clients are allocated a specialist advisor to look after their business and act as a contact for any payroll issues they may have and if they're not immediately available there will always be someone from the department to answer any queries.

Still not convinced? Why not talk to an advisor to see how much you could save.

**Call Christine McAneney on 01582 540800 or e-mail [christine.mcaneney@fkca.co.uk](mailto:christine.mcaneney@fkca.co.uk) to make an appointment.**

*Tell us what you think.*

*Call us on 01582 540800 or e-mail [lisa.taylor@fkca.co.uk](mailto:lisa.taylor@fkca.co.uk) direct with your comments and suggestions.*



## Company Car Advisory Fuel Rates

The HM Revenue & Customs advisory fuel rates for company cars are to change from 1st July 2008 to the following (although HMRC will allow employers to use these rates from 1st June if practical for them to do so):

Engine size	Petrol	Diesel	LPG
1400cc or less	12p	12p	7p
1401 20 2000cc	15p	13p	9p
Over 2000cc	21p	17p	13p

*(Petrol hybrid cars are treated as petrol cars for this purpose.)*

The rates for employees using their own cars remain at 40p for the first 10,000 business miles and 25p for each additional mile.

VAT

Customs will also accept the figures in the table for VAT purposes though employers will need to retain receipts in line with current legislation.



## Increases to National Minimum Wage

Please note the following annual increases to the National Minimum Wage recently proposed by the government and applicable from 1st October 2008.

The level of increase is substantially smaller than that seen in 2007, and roughly matches the current rate of inflation. However, the new rates will boost the pay of almost a million workers and will mean the National Minimum Wage has increased by almost 60% since it was first introduced in 1999.

Rate	Current	From 1st October 2008
Adult	£5.52	£5.73
18-21 year olds	£4.60	£4.77
16-17 year olds	£3.40	£3.53

# Compliance Clampdown

Increases in late filing penalties and the shortening of filing deadlines are two new measures introduced under the new Companies Act to encourage businesses to improve their compliance record. The following came into effect on 6th April 2008 and will first apply in early 2009.

The penalties shown below apply where accounts filed on or after the 1st February 2009 are not filed within the period allowed by the relevant Companies Act.

*Note that if you fail to comply with filing requirements in two successive years, the penalty in the second year will be DOUBLE that shown in the table.*

The increased penalties also apply to accounts filed for a financial year beginning before 6th April 2008, however the provision for doubling the penalty does not.

The new filing deadlines for accounts and reports for financial years beginning on or after 6th April 2008 are as follows:

For private companies the period will be 9 months (previously 10) after the end of the relevant accounting reference period. For a public company, the period is 6 months (previously 7).

*Note that for private companies, the first year-ends to be affected by the new deadline are years ending 30th April 2009 (assuming that the company year is a period of 12 months and the year-end falls on the last day of the month). In such a case, the filing deadline is 31st January 2010.*

For more information, please speak to your usual advisor.

Length of period (difference between end of period allowed and date accounts filed satisfactorily)	Public Company		Private Company	
	Now (£)	Was (£)	Now (£)	Was (£)
No more than 1 month	750	500	150	100
More than 1 but not more than 3 months	1500	1000	375	250
More than 3 but not more than 6 months	3000	2000	750	500
More than 6 months	7500	5000	1500	1000

## Is flexibility the key?

Flexible working might not seem to be applicable in small businesses, but it's not impossible and according to experts it could help to solve recruitment, retention and productivity problems for many firms.

All employers are obliged to meet minimum standards when it comes to listening to flexible working requests, granting maternity, paternity and adoptive leave, and giving staff 'reasonable' time off to deal with family emergencies.

Go that little bit further to help staff balance their work and family commitments

more easily and you'll reap the rewards in terms of staff loyalty and productivity.

And by introducing flexible policies, such as part-time working, job sharing, home-working or compressing weekly working hours into four days, you may get access to a pool of talent that a competitor down the road doesn't have.

Look at what you're trying to do, who you've already got on board to do it and who you're struggling to recruit.

Then think about family-friendly working and whether it could help your business to deliver what you want.



*Go that little bit further to help staff and you'll reap the rewards...*

## Quicker Banking

A long-awaited banking scheme for one-day cash transfers over the telephone or on the internet is now in operation. The scheme will speed up the process which previously saw money transferred between banks disappearing into a black hole for up to four days – a delay which earned them an estimated £30m a year in interest

The £300m Faster Payments Service started on 27 May and will be gradually phased in. The next stage for this

new system will be standing orders and these will start to follow the new system from 6 June.

So good news for most but be aware that there is concern from the banks that this faster system will lessen the chance of them being able to identify fraud.



## What's your story?

Call us on 01582 540800 or e-mail us direct if you think your story would interest other readers.

We'd love to hear from you!