



THE RIGHT ADVICE FOR YOUR BUSINESS

Newsletter

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10 reasons why you need a Business Plan in 2017

A business plan helps you to:

- clarify your business idea
- spot potential problems
- set out your goals
- measure your progress

Approximately a third of all SME's in the UK don't have a Business Plan, that's about 1.5m businesses, so if you don't have one, here are some reasons why you should prepare one....

1. Research shows that SME's with Business Plans make 20% more profit
2. Having a business plan doubles your chances of increasing profits, increasing revenue, attracting new clients
3. A well-researched business plan which includes the right figures and realistic forecasts will reassure potential investors you are a sensible investment opportunity
4. A Business Plan will help you set out and achieve your goals
5. It will help you set goals for your managers and staff
6. The Business Plan will help you plan your cash flow and forecast Capital Expenditure
7. A Business Plan will help you secure Business Finance and Loans
8. You can plan your succession strategy or prepare the business for sale
9. A Business Plan tests the feasibility of your business idea
10. It will help you plan for the recruitment of Staff

Will your VAT Flat Rate go up in April?



The Flat Rate VAT scheme is very popular with small businesses.

The Flat Rate Scheme is designed to simplify your records of sales and purchases. It allows you to apply a fixed flat-rate percentage to your gross turnover to arrive at the VAT due.

Fixed-rate percentages vary depending on the type of business. [[HMRC VAT Notice 733](#)]

The scheme is for businesses with a turnover no more than £150,000 a year, excluding VAT.

The problem is that HMRC feel the scheme has been abused and used as a way to pay less VAT especially by businesses with virtually no costs.

A Low or Limited Cost Trader would spend less than 2% on gross turnover, or less than £1000 on the purchase of goods.

From April 2017 they will get a special 16.5% flat rate.

Here are some of the businesses likely to be affected

- Accountancy and legal services 14.5%
- Journalism or entertaining 12.5%
- Computer or IT consultancy 14.5%
- Business services not listed elsewhere 12%
- Estate agents and property management 12%
- Management consultancy 14%

There are lots of other VAT schemes to choose from

Standard VAT Scheme – on this scheme the VAT is based on tax points from invoices

VAT Cash Accounting Scheme – if your turnover is below £1.35m you can account for VAT on a Cash basis, this is particularly helpful if your customers pay you on slower terms than you pay your suppliers

Annual Accounting Scheme for VAT – if your turnover is below £1.35m you could join the Annual Scheme and complete one return for the year but you make either 9 interim payments or 3 quarterly interim payments

Retail VAT Schemes – These are specific schemes aimed mainly at shops and help to overcome the issues of mixed vat rate goods

VAT Margin Scheme – The margin scheme relates to second hand goods and accounts for VAT on the margin, for example on the sale of cars

They will all produce different answers!

Now might be a good time to make comparisons.

FOR MORE INFORMATION

Contact

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Why not give yourself or your staff a Trivial Benefit



Section 323A ITEPA 2003 sets out a statutory exemption for trivial benefits. Under this exemption, if an employer provides a benefit to its employees, the benefit is exempt from tax as employment income if all the following conditions are satisfied:

- the cost of providing the benefit does not exceed £50 (or the average cost per employee if a benefit is provided to a group of employees and it is impracticable to work out the exact cost per person) (see [EIM21865](#))
- the benefit is not cash or a cash voucher (see [EIM21866](#))
- the employee is not entitled to the benefit as part of any contractual obligation (including under salary sacrifice arrangements) (see [EIM21867](#))
- the benefit is not provided in recognition of particular services performed by the employee as part of their employment duties (or in anticipation of such services) (see [EIM21868](#))
- Where the employer is a close company and the benefit is provided to an individual who is a director or other office holder of the company (or a member of their family or household) the exemption is capped at a total cost of £300 in the tax year (see [EIM21869](#)).

Here is an example

The Employer provides each of its employees with a bottle of wine costing £25 on their Birthday. However, as an alternative, it provides employees who do not drink alcohol with a £25 gift voucher for a national supermarket chain which they can exchange for an alternative non-alcoholic gift. Both the bottle of wine and the non-cash gift voucher can be covered by the exemption.

In fact, all shop vouchers that can't be cashed in will count provided the value is £50 or less.

So why not make a list of special occasions:

Birthday

Christmas

New Year

Anniversary

Holiday

Easter

Buy a stock of vouchers and give them out.

This is a fantastic tax free benefit.



Are you ready for the New One Pound Coin?



It comes out March 2017 but will your business be ready for it, think of all the parking meters and other machines that will need to be reconfigured to accept it!

<http://www.thenewpoundcoin.com/>

The new coin has a number of features that make it much more difficult to counterfeit.

12-sided – its distinctive shape makes it instantly recognisable, even by touch.

Bimetallic – it is made of two metals. The outer ring is gold coloured (nickel-brass) and the inner ring is silver coloured (nickel-plated alloy).

Latent image – it has an image like a hologram that changes from a '£' symbol to the number '1' when the coin is seen from different angles.

Micro-lettering – it has very small lettering on the lower inside rim on both sides of the coin. One pound on the obverse "heads" side and the year of production on the reverse "tails" side, for example 2016 or 2017.

Milled edges – it has grooves on alternate sides.

Hidden high security feature – a high security feature is built into the coin to protect it from counterfeiting in the future.

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