

**Dear Prime Minister**

You will remember that back in March I wrote to the Prime Minister and the Chancellor of the Exchequer about the need to encourage entrepreneurs by reducing the outrageous tax burden they currently suffer. You may also remember me bemoaning the fact that other than an acknowledgement card from 10 Downing Street, I did not receive a reply. Well blow me down! Headline from a very recent Sunday Telegraph "Osborne signals the end of "inefficient" 50p tax rate". The Government have now publicly accepted that the higher the tax rate, then the total tax revenues will go down. We have been saying this for years and by jove it feels good to feel that at last, someone may be listening. Whilst we cannot claim the credit for this wonderful change of direction, it is gratifying to read that even our little voice has had an effect.

**Taxing matters**

Leading accounting bodies have claimed the "tax gap", the £42bn shortfall claimed by HMRC, is largely an illusion. The Revenue says the gap is the difference between the tax collected and what should be collected. While both HMRC and Treasury Ministers use this gap - equivalent to 9% of what officials believe the tax take ought to be - as justification for its clampdown on tax dodgers, critics say the figure has no real meaning. It seems to us that this "gap" is just part of the vicious public relations game currently being played out by HMRC to appeal to the tabloid masses.

Delays in sending out self assessment statements in July have caused certain challenges! HMRC has just provided us with an update. Most importantly, HMRC says that those taxpayers who receive their SA statements in August will not be charged interest provided they pay the second 2011/12 payment on account (which would normally be due on 31 July) by 27 September 2011. If you are affected, please call Helen straight away.

**Annual Bank facilities reviews**

Raising finance has become harder as banks continue to repair their balance sheets; but now keeping it is also becoming much more of a challenge. Many businesses are seeing their borrowing terms change for the worse: some have had their limits cut; others have seen costs increase; or have faced calls for more security or stricter lending conditions. This is especially true for those businesses whose borrowings are subject to an annual review by the bank.

To guard against this, our friends at Independent Banking Consultants Ltd (01234 303131) can provide specific support for existing borrowers to help them keep the right facilities and on fair and reasonable terms. This involves preparing you for the bank annual review meeting, attending that meeting in support if required, a half yearly review to check progress and spot signs of potential challenges ahead and on-going ad-hoc telephone support - all for a very cost effective monthly payment. Do please contact Russell Snowdon, as above, if this service could benefit you.

**Keeping more of what you earn**

On September 29<sup>th</sup> we are holding one of our very popular workshops to update our professional contacts and our customers on the latest tax planning opportunities. These opportunities are very exciting because, whilst being well within the current legislation, they are extremely simple in both format and implementation. If you have not received your invitation already please contact the office and any one of the Team will be delighted to ensure your attendance.

**Something Wicked (from the Daily Star)**

A toilet attendant in Bonn has been accused of defrauding the tax man out of £40,000 worth of euro tips she received from 500 public conveniences she ran throughout Germany. A convenient tax dodge?

**Peter**  
25<sup>th</sup> August, 2011