



NEWS UPDATE

Pre Budget Report

Let's firstly deal with the so called new approach to tax simplification!

The "three line account threshold" turnover limit is to be doubled from £15,000 to £30,000. This really only affects very small "hobby businesses" and will be of little practical help for serious businesses. Likewise the doubling of the payment on account threshold to £1,000 (but only from 2009) will not greatly assist serious businesses. Some good news though in that "consultations" are to take place about easing the benefits in kind reporting regime. That's those dreaded P11D's that everybody hates.

Now we turn our attention to the "Nasties". Lots of you will be aware of the Arctic Systems case where Mr & Mrs Jones so arranged their business affairs to legitimately minimise their joint tax liabilities – that's by paying low salaries and the balance by way of dividend – from their family company. The tax "bother boys" did not much care for this arrangement and so took Mr & Mrs Jones to court. The bullies lost all the way to the House of Lords. So being the good losers that we have come to expect from HMRC they are to introduce draft legislation to counter "the unfairness for one person to arrange their affairs so that their income is diverted to a second person, subject to a lower tax rate, to obtain a tax advantage". We await to see what shape the proposed legislation will take and how effective it is likely to be.

Next we come to what has caused Peter absolute apoplexy. We mean the idiotic increase of 80% in the amount of capital gains tax that a business person is going to have to pay on the disposal of their business. OK there is going to be a single rate of capital gains tax of 18% (this will potentially benefit those people with second homes for example) but for the entrepreneurs who make up the vast majority of our customer base their capital gains tax rate will be increased from 10%. Over half of the wealth created in this country is by the army of small family owned businesses. They have just been kicked in the teeth and all for the sake of appeasing the Unions. This policy just beggars belief.

Into the next Decade

On November 5th we are holding receptions to celebrate our 10th birthday and to thank our very loyal customers and professional support contacts for their contributions. For those of you who have known us a long time you will have noticed how our approach to business has transformed not only their businesses but also differentiated us from the traditional firms of financial historians. It has been an exciting roller coaster of a journey and one which we will continue to ride into the next decade. Our passion for customer service, pro-activeness and improving the profitability of the businesses we work for is becoming legendary. Next year we hope to make some really brave announcements which will move us a few more notches up the success ladder.

Wicked Wisdom!

Housework – Something you do that nobody notices until you don't do it.

Internet "Browser" – The piece of software that puts a message on your computer screen informing you that the internet is currently busy and you should try again later.

Peter

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BUSINESS IS GREAT AND WE ARE LOOKING FOR MORE. PLEASE DO REFER US TO YOUR BUSINESS ASSOCIATES.