

*I am writing this on the eve of the 31st January Tax Return deadline and every one in the office appears to be surprisingly calm....*

*We can now look forward and consider the impact of all the proposed legislative changes on you as clients. There are major changes due in April regarding capital allowances and the new Entrepreneur's Relief (see page 2), the Companies Act is also being overhauled which will have an impact on our limited company clients and those of you with Directors Duties. I have already published details in previous newsletters and will keep you updated of changes as necessary. The Revenue is also considering its position regarding "income-shifting" ie paying wives a salary to reduce the overall tax burden in owner managed companies, again, once the ink is dry on the Revenue proposals, we will be able to advise you.*

*It looks as if 2008 is going to be another busy year!*

Clare (Ed.)

## Offices—To Let, in Abington, Northampton.

Are you or do you know of anyone looking for office space?

We have 1004 sq ft of office space to let in Purser Road, Abington, Northampton. Details can be found at [www.egpropertylink.com](http://www.egpropertylink.com): 1 Purser Road, Northampton NN1 4PG.

There are three individual offices of 160 sqft, 214 sqft and 630 sqft and we can arrange flexible lease terms.

Please contact Margaret to arrange a viewing.

## Do you have difficult customers?

One of our clients, Kathy Stiff at Supporting Customer Care Ltd, is holding a workshop on March 4th that tackles the challenging issue of Handling Difficult Customers.

The workshop is being held in Wellingborough and Kathy is making the early-bird booking offer of £99 + VAT available to our clients until 21st February (normally £125 + VAT).

If any member of your team would benefit from increasing their confidence when handling customers, do get in touch with Kathy on 01933 651807.

You can find full details of the workshop on the events page at [www.scc-ltd.net](http://www.scc-ltd.net)

After all, it doesn't matter how good your business is, difficult customers will hassle you from time to time so take this opportunity to be prepared!

## Air Ambulance...

We have just received official confirmation of our donation to Warwickshire & Northants. Air Ambulance which totalled £165.39, being pennies collected on the bar at our summer BBQ in June last year.

Thanks to all who left pennies in the pint jar.

## Trivia Question....

Which Bond movie shows James Bond curling on the ice (where he falls over wearing a kilt?)

## The BBC, no less!

Senior Manager Karen Cheatley was having a lie in at the weekend, minding her own business, when one of her clients pops up on Breakfast TV.

Sue Hayward ([www.bondward.co.uk](http://www.bondward.co.uk)) is a TV and Radio presenter specialising in Money, Property and Consumer issues. Sue currently presents the "Women in the Property Market show" on Sky TV .

Sue is also a personal finance journalist, having written articles for national newspapers and regular contributions to *She* magazine, *Family Circle* and *Woman's Weekly*. She has also found the time to become a published author with her book "[Women Leading](#)" on women in business.

More recently Sue has been on BBC News 24 and the main breakfast show... Keep your eyes peeled... Sue could be on a screen near you!

## Business Link Grants

We are currently liaising with Business Link re. grants available to you, as clients.

For example:

The Business Transformation Grant is available to clients who are looking to invest in new products/ training/ new geographical areas and is worth up to £10,000 (you would have to match the amount spent).

You can find out more at: [www.businesslinkeastmidlands.co.uk](http://www.businesslinkeastmidlands.co.uk) or contact us for details.





## Now is the time to plan ahead for changes to capital allowances....

The timing of expenditure on plant and machinery and industrial buildings either before or after April 2008 may have a significant impact on your taxable profits and needs to be planned for. The HMRC have now issued a 91 page document including draft legislation regarding the proposed changes to capital allowances expected to take effect from April.

For expenditure incurred on or after 1st April 2008 for companies or 6th April 2008 for sole traders, it is proposed that the first £50k spent on equipment in one year by any business will be set off in full against the profits for that year. This allowance should cover most items of equipment purchased by smaller businesses, although cars will not be included in the total. Where the expenditure on equipment in one year exceeds £50k in one year, the excess will be written off at a rate of 20% per year rather than as currently at 25%.

The rules on capital allowances on industrial buildings are also changing with the annual allowance being phased out over the next three years. Balancing adjustments on the sale of a building have already gone.

**Comment:** it very much depends on how much you intend to spend and what you spend it on. eg. If you spend £10k pa on plant, computers etc you will be better off, however, if you wanted to install air conditioning, it would be better to do it now and not wait until the changes in April.

If you are unsure and want to clarify the situation with regards to any proposed expenditure, please just give us a call.

## Entrepreneurs' Relief....

In the Pre-Budget Report in October 2007, the Chancellor announced a series of changes to the Capital Gains Tax (CGT) regime for individuals and trustees. These changes included the abolition of taper relief and indexation relief and the introduction of a single rate of CGT at 18%. The changes take effect from April 2008.

On 24th January 2008, in response to pressure from the business community, the Chancellor announced a new "Entrepreneurs' Relief". The first £1m of gains qualifying for relief will be charged at an effective rate of 10%. Gains in excess of £1m will be charged at 18%. An individual will be able to make more than one claim for relief, up to a lifetime total of £1m of gains.

The rules:

- There will be no minimum age limit;
- Relief will be available where the relevant conditions are met for a period of one year;

The Relief will apply to gains arising on the disposal of:

- The whole, or part, of a trading business that is carried on by the individual, either alone or in partnership, and
- Shares in a trading company, or holding company of a trading group, provided that the individual owns broadly a 5% shareholding and has been an officer or employee of the company.

**Comment:** For smaller businesses, there is no real change from before. For businesses worth in excess of £1m, unfortunately, there is likely to be a higher Capital Gains Tax liability on any disposal of a business.

**Trivia answer: On her Majesty's Secret Service.**