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BUDGET 2006

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If you have any suggestions for topics you would like to see covered in *Shipshape*, or have any comment about the content or presentation of the newsletter, please contact Stuart Dey at our London office.

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Managing partner John McCuin considers the need for disaster recovery planning and the importance of adequate insurance.



Disaster Recovery

The photograph on the front cover of this issue of *Shipshape* was taken by Richard Salt, the designer of this newsletter, from his bedroom window at 7.30am on Sunday 11 December. It shows the dreadful plume of smoke from the burning oil depot at Buncefield, seven miles away.

Richard's business, SHL Communicators, was not close enough to be affected, but are you sure that you have appropriate disaster recovery plans in place for your own business if you are caught up in a similar crisis?

The most immediate problem experienced by businesses affected by the Buncefield fire was that more than 400 firms could not gain access to their premises in the 'exclusion zone' imposed around the fire, and many of them had to cease trading for some days.

Even worse problems faced the businesses whose premises had been damaged. One company had to request the Stock Exchange to suspend its share listing until it could quantify the damage to its warehouse, and another admitted that its on-site computer back-up systems were inoperable.

Unexpected hazards

Your business may not be near any obvious hazards, but what if the premises next door suffer a disastrous fire which affects your own premises? What if the police deny you access to your business because they suspect criminal or terrorist activity on your doorstep?

Questions

You should ask yourself a number of basic questions. For example: if you could not gain access to your business premises for any reason:

- Do you have contact details for all your staff, or a cascade system, so that you could advise them what to do?
- Do you have back-up computer files at a separate location?
- Could your key staff work from home, with access to your back-up computer files?
- Can you contact your clients and keep them apprised of the situation?
- What are you insured against, and do you have details outside the office which would enable you to contact your insurers and take advantage of the protection you have paid for?

Insurance

On the back page of this issue of *Shipshape* you will find an article on the 'soft' insurance premiums which are currently available in the commercial insurance market.

We plan to take advantage of these, and this is certainly a good time to review your existing insurance arrangements.

In addition, you should look for gaps in your insurance cover. Do you have cover for business

interruption or consequential loss, which could safeguard your cash flow in the event of a disaster? You should take professional advice from a broker on the scope of your insurance cover.

Practicalities

You need to look at the practicalities of your own business. What are your own risks, and what can you afford to insure against?

We have recently undertaken a major firm-wide review, which we believe will bring us up-to-date with the best current disaster recovery and insurance practices. If you would like to discuss your own crisis management and insurance issues with us, please talk to your usual AGN Shipleys contact.

*“do
you have
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TAX PLANNING

The Chancellor's Pre-Budget Report in December gave personal allowances and NIC rates and thresholds for 2006/07, but said nothing of tax rates for that year apart from the 'simplification' of small companies' corporation tax rates. At the time of writing the date of the Spring Budget is unknown, but it is usually before the end of the tax year on 5 April, and end-of-year tax planning will become easier once the Chancellor's proposals are known.

Deferral of income into 2006/07 will normally postpone tax liability, but would be unwise if such income were then taxed at a higher rate. Also, the basis of calculating interim income tax payments on account may reduce the postponement of liability. Care and judgement are needed; sometimes a crystal ball.

Deferral of capital gains: if tax rates and taper relief rules are unchanged there may be attractions in deferring past 5 April 2006 the disposal of any asset showing a gain. This could increase taper relief, reduce the effective capital gains tax rate and defer payment by a year.

But there are circumstances where taper relief is actually reduced by delaying disposal. For example, shares in a listed company held by an employee are business assets, but cease to qualify when he is no longer an employee. So the taper relief would gradually diminish.

In past years it has generally been wise to realise capital losses sooner rather than later. But taper relief has made the timing of such losses much more critical. Losses, even though they are set off in the order most beneficial to the taxpayer, reduce gains before taper relief is calculated, thus sometimes effectively tapering the loss.

Realising sufficient capital gains to utilise the annual exemption (for 2005/06 £8,500) always remains good planning.

Pension contributions: all current pension arrangements should have been reviewed by now, ready for the 'simplified' pension regime on



6 April 2006. Details of the new regime are under Current Issues at www.agnshipleys.com

As ever, there could be merit in making pension contributions in 2005/06 (say on 1 April rather than 10 April), subject to investment concerns, either to get the tax relief earlier or to get tax relief at a higher rate than might apply in 2006/07.

Employees in occupational pension schemes should consider the merit of topping up their own contributions by 5 April to the maximum of 15% of earnings (generally capped at 15% of £105,600 for 2005/06).

There remain advantages in contributions to a Funded Unapproved Retirement Benefit Scheme (FURBS). Until 5 April 2006, a FURBS is generally taxed more lightly than the employee would be, on any income or gains generated from the contributions. Also, funds in the FURBS derived from contributions made before 6 April 2006 remain outside the member's estate for inheritance tax purposes.

Trusts: the reform of the taxation of trusts is scheduled to apply from 6 April 2006. Trusts affected will need to consider taking action before that date. This topic is discussed in much greater detail as a Current Issue at www.agnshipleys.com

Charitable giving: a gift aid declaration enables a charity to reclaim the basic rate tax notionally deducted by the donor on a monetary gift, enhancing the gift by about 28% at 2005/06 rates. And if the donor pays tax at 40%, his tax liability is cut by about 23% of the amount given.

If quoted shares, etc or interests in land are given to charity there is no capital gains tax on any gain that might otherwise have arisen, and the donor is entitled to income tax relief at his top rate on the market value of the gift.

If assets are donated that show a capital gain, the value to the charity can be significantly greater than if the asset were sold and the proceeds given.

Tax-efficient investment: those able to do so should consider using their 'ration' of tax-aided investment opportunities – ISAs, Venture Capital Trusts (VCTs) and Enterprise Investment Scheme (EIS) investments.

Companies should not overlook Corporate Venture Relief; a relief from corporation tax on amounts subscribed by a company for up to 30% of the shares in a qualifying trading company. This has added attraction now that gains on 'substantial shareholdings' (10% upwards) in trading companies are exempt from tax.

Inheritance tax: this has scarcely been changed for some years, save for anti-avoidance action in the form of the so-called pre-owned asset income tax charge.

There are a number of exemptions for gifts which do not depend on surviving for seven years. One often overlooked is that for regular gifts out of income, where the remaining income is still sufficient to maintain your usual standard of living. Lifetime gifts of assets likely to increase in value are also worth considering, as the growth in value escapes inheritance tax even if you do not survive the requisite seven years.

New opportunities to mitigate inheritance tax are available to same-sex couples who register their partnership under the Civil Partnership Act 2004.

If you would like advice or further information on any of the above, please ask your usual AGN Shipleys contact.

This article is based on the information available when Shipshape went to press. If later information affects any of this advice, an updated version of this article will be placed on our website at www.agnshipleys.com

TAX NEWS

UITF 40

As mentioned in the May 2005 edition of *Shipsshape*, the accounts of many professional firms for periods ending after 22 June 2005 will reflect a change in the valuation basis for 'work in progress', much of which will now be recognised as unbilled fees and valued at selling price instead of cost.

This will usually involve a prior year adjustment. As announced in the Pre-Budget Report in December, the effect of this is to be phased in over three years, or six in cases of 'extreme hardship'. It is understood that this will be achieved by adding to the 'normal' profit for each of up to six years the lesser of (a) one third of the adjustment income (that prior year adjustment) and (b) one-sixth of the profit otherwise chargeable for that year. It is assumed that the figure in the sixth year (if it runs that long) is whatever part of the adjustment income was not previously charged.

For partnerships, unless the legislation is changed, each partner's share of the prior year adjustment is determined for tax purposes according to the profit-sharing arrangements for the immediately preceding 12 months, not according to how it is actually split. It remains to be seen how any difference can be dealt with. It is not clear whether the figure to be compared with one-third of the adjustment income is one-sixth of that partner's profit share in subsequent years or if the comparison is first at the level of total partnership profits.

Pre-Owned Assets

The Chancellor announced a tightening up of the rules governing the income tax charge on 'pre-owned assets' with effect from 5 December 2005. On 14 December 2005 regulations were introduced, giving further relief from a duplicated inheritance tax charge, effectively from 6 April 2005.

Construction Industry

The Government has decided to postpone introduction of the new Construction Industry Scheme until 6 April 2007.

Civil Partnerships

In general all references to husband, wife and spouse in the tax legislation have been changed to include those in same-sex relationships registered under the Civil Partnership Act 2004 (or equivalent overseas legislation).

The tax credits legislation, which takes account of the joint income of unmarried couples living together as if man and wife, is also extended to take account of the joint income of same-sex couples living together as if in a civil partnership. This particular extension seems likely to lead to even more problems over tax credits, although the increase to £25,000 in the income disregard announced in the Pre-Budget Report will help to reduce them.

Planning Gains

No further information on the proposed Planning Gain Supplement (PGS) was available when *Shipsshape* went to press beyond the consultation paper published in December 2005.

The Government is considering a reduction in the scope of planning obligations ('S.106 agreements'), confining them to those matters that relate to the environment of the development site, and affordable housing. PGS would be introduced to 'capture a modest portion of the value uplift' arising from planning permission. PGS would be treated as a deductible cost, not a reduction in the tax on a subsequent profit from the development.

Part of the proceeds would be used to finance elements of infrastructure currently secured through planning obligations.

It is currently assumed that PGS would apply to tax-exempt developers such as charities and registered pension schemes.

REITs

It is now understood that, although the legislation is to be in the 2006 Finance Bill, Real Estate Investment Trusts (REITs) will not be introduced until January 2007.

Payroll Giving

Until December 2006, the Government Payroll Giving Grants programme is rewarding small and medium sized enterprises (SMEs) that set up Payroll Giving to Charity with a grant of up to £500. Furthermore, the first £10 of each employee's monthly donations will be matched £ for £ for the first six months (until March 2007).

This means that £10 donated each month costs only £7.80 for an employee paying basic rate tax (£6 for higher rate taxpayers) but for the first six months of his donations will be worth £20 to the charity.

A business with fewer than 500 employees which signs up to Payroll Giving before the end of 2006 will be eligible for a grant of between £300 and £500, according to the number of employees. Grants (and the matched donations) will be backdated to those that have signed up since 6 April 2004. For more on this visit www.payrollgivinggrants.org.uk

R & D Tax Credits

In December 2005 the Government responded to the discussions on the future development of R&D tax credits, welcoming the strong level of support shown by business for the R&D tax credit and noting areas to improve their delivery. They announced a package of major improvements to the administration of the scheme, including the creation of dedicated HMRC units to develop specialist R&D expertise and handle all SME R&D tax credit claims.

Pension Schemes – SIPPS

The unwelcome U-turn, as a result of which self-administered pension schemes will be prohibited from investing in residential property after 5 April 2006 (as they are now, of course), invites questions about the status of properties such as a pub with living accommodation; a farm with agricultural cottages or farmhouse; blocks of offices with caretaker's flat, etc. There are to be stringent penalties for any breach of the rules.

Arctic victory

Just before Christmas the Court of Appeal gave their decision in favour of the taxpayer in what has come to be known as the Arctic Systems case, although its official name is Jones v. Garnett. It is hoped that, unless overturned by the House of Lords on appeal, this decision will signal an end to the fears of many that the 'settlement' provisions may be applied to extract heavier tax liabilities from business structures commonly set up by married couples.

Arctic Systems Ltd provided IT consultancy, largely using the skills of Mr Jones, and HMRC argued that the rewards to Mrs Jones, also a director and shareholder, mostly in the form of dividends, were disproportionate. The Court of Appeal decided that 'for a commercial venture such as existed in the present case to be brought within the scope of the settlement provisions would represent an unjustified extension of their scope'.

Marks & Spencer

Marks & Spencer claimed relief against UK tax for the losses suffered by its Belgian, German and French subsidiaries. The Advocate-General's decision (yet to be ratified by the European Court of Justice when we went to press) was that the UK legislation's total denial of such relief was disproportionate. A UK company should be given such relief, but only once the non-resident subsidiary has exhausted the possibilities available in its own country to relieve its losses. Thus, although the British Government lost in this particular case, the decision is not quite as far-reaching as had been feared. Details of any consequent changes in UK law are awaited.

EMI schemes

Amendments are to be proposed to clarify the amount of corporation tax relief due when shares are acquired from the exercise of Enterprise Management Incentives (EMI) options. These will take effect for all accounting periods beginning after 2002, to confirm previous understanding of how the rules work. Draft legislation is expected by the end of February 2006.

VAT

Mileage Allowances

Where an employer reimburses employees for using their cars on business journeys, the VAT incurred in respect of the road fuel has always been regarded as allowable by Customs (subject to the normal partial exemption position of the business).

This view has now been held by the European Court to be incorrect. As a result, UK VAT law has been changed from 1 January 2006.

It will still be acceptable to calculate how much to reimburse the employee using a mileage rate, and to calculate the potentially recoverable VAT based on the petrol element of the allowance. However, from 1 January, the employee must obtain and provide to the employer a VAT invoice for the petrol.

Electronic Returns

The Government is committed to increasing the use of electronic communication with taxpayers, and as part of this initiative Customs have been developing online services such as the filing of VAT returns.

AGN Shipleys uses this service for its own VAT returns and, although the initial set-up was time consuming and cumbersome, it has been relatively straightforward to use.

The set-up takes time because it is necessary to register with the Government Gateway and wait to

receive an activation PIN before starting to file electronically.

Filing electronically means that it is also necessary to pay electronically. The filing deadline is then automatically extended by up to seven calendar days, as are the payment deadlines for BACS and CHAPS. The deadline for payments by Direct Debit is extended by up to ten calendar days.

Share Issues

As noted in previous issues of *Shipshape*, Customs finally had to accept that costs incurred in relation to shares issued to raise capital had to be treated as overheads, and the VAT was recoverable according to the normal partial exemption position of the business.

Customs did not, however, initially apply the same treatment to costs associated with the issue of other types of shares, or where shares were issued for other reasons. They have now seen the error of their ways, and these costs can also be treated as overheads.

So, if you have not already done so, please take another look at all affected VAT returns for the past three years and, if appropriate, lodge a claim for recovery.

For advice on these or any other VAT matters please call your usual AGN Shipleys contact, or our Senior VAT Consultant Nancy Cruickshanks, telephone 020 7312 6526, e-mail cruickshanksn@agnshipleys.com

Inheritance tax

Shareholdings in an unquoted trading company are exempt from inheritance tax once held for two years. Perhaps surprisingly, shares in AIM listed trading companies are eligible for this relief, making portfolios of such shares, designed to spread the investment risk, an interesting means of reducing the potential inheritance tax liability on death.

Retirement Annuities

From 6 April 2007 annuities paid as a result of contributions to retirement annuity policies, which are currently paid less basic rate income tax, will be brought within the PAYE system. For some this will mean more tax is taken at source, for others less will be deducted. The ultimate tax burden will be unchanged, but its timing will alter.

Discounted Gift Schemes

The Pre-Budget Report in December announced measures to counter inheritance tax planning through purchasing second-hand excluded property, so one of the last death-bed planning schemes around has now died.

Discounted Gift Schemes remain one of the few non-contentious, but extremely effective, planning arrangements. In particular, it is perhaps the last asset-based scheme that provides an immediate saving in the potential liability to inheritance tax.

A Discounted Gift Scheme allows the settlor of a trust to retain an 'income' from the gifted capital, and the regular payments to the settlor should not be subject to income tax in their hands, irrespective of tax status. For inheritance tax purposes a discount may be agreed at the outset by HM Revenue & Customs against the value of the gift, thereby reducing the value of the gift chargeable with inheritance tax in the event of death within seven years, creating an immediate tax saving.

In this way you can make gifts of capital to avoid inheritance tax yet continue to receive the 'income' derived from it. Could this be the last chance to 'have your cake and eat it'?

Offset Mortgages

Many of you will be familiar with the concept of offsetting credit balances on bank accounts against your mortgage, and paying interest only on the difference, but you may be surprised to learn that this can also be done in your business.

If you have a mortgage in your business, why not contact us to see if changing to an offset basis would save you money?

For further information please contact Julian Hawkes, telephone 020 7306 0026, e-mail hawkesj@tor.uk.com

Tor Consulting Ltd is a joint venture with AGN Shipleys and is an Independent Financial Adviser authorised and regulated by the Financial Services Authority.



Property in Florida

With the help of our AGN member firm Daszkal Bolton in Florida, we identify some of the key tax issues to be taken into account by non-US residents who own, or are thinking of buying, property in Florida.

Purchase

Transfer taxes are normally payable by the vendor.

Ownership

Local annual property taxes are payable, ranging from 1% to 2% of the purchase price.

Rental Income

For non-resident aliens (those not US citizens), income tax is usually due only on income arising in the USA, and therefore includes income from Florida property. Non-residents are liable to a 30% withholding tax on the gross rent, but can elect to have the letting treated as a US business. This means that expenses associated with the rental such as management fees, local property taxes, mortgage interest and 'scheduled building depreciation' can be deducted. The US tax payable on the net income is a maximum of 35%. UK residents are also subject to UK income tax on such rental income, calculated on UK principles, which will often involve a greater amount chargeable, but there is relief against UK tax for the US tax chargeable.

Disposal

Gains realised on sales of US real estate are subject to US tax. A buyer's agent will deduct 10% of the sale price paid to non-US resident vendors, and pay it directly to the tax authorities on account of any tax liability due from the vendor on the gain. A buyer not making this deduction can become liable for the tax owed by the seller.

In calculating the gain on the sale of investment properties the cost is

adjusted to reflect the depreciation deducted in computing the taxable rental income. There is no adjustment for inflation to April 1998 or taper relief comparable to that for UK capital gains tax. The US tax can be deferred if the property is exchanged for another in the USA of equal or higher value. Thus US tax is eventually charged on the total appreciation of all the properties concerned when the real estate business ends. But there is no comparable deferral for UK capital gains tax, which will apply to any gain realised on a disposal, subject to relief for any US tax payable on that gain.

Death and Lifetime Gifts

Estate tax is chargeable at death on a non-resident's US assets, less any associated debts. There is also a tax on lifetime gifts of US assets.

Rates are high compared with the UK's inheritance tax rates, with possible liabilities of 20% on taxable estates (ie after any exemptions) of only US\$20,000. For larger estates the marginal tax rate on inheritance or gifts can be as high as 46%. There is provision for relief against UK inheritance tax for US estate tax chargeable on the same occasion.

This can only give a brief overview of the US tax situation. Those who may be affected should obtain specific advice. It is also important to realise that the wide-reaching US residency rules can result in those who would regard themselves as non-resident becoming US resident, while remaining UK resident.

Remember that there are also UK tax implications if you own property in the USA. Your usual AGN Shipleys contact can help you with these, and can introduce you to our AGN colleagues in Daszkal Bolton if you need help with US taxes.

CLIENT NEWS



dampcure / woodcure / 30

Harry Bowden is the first of the fourth generation to start work at the family firm of Dampcure-Woodcure/30 Ltd, ensuring further continuity beyond the firm's existing proud record of 47 years of family ownership, and the current owners John and Carole Darling are delighted at the good start their grandson Harry has made.

The firm was started by John's father, Reuben, a house builder, and when John joined him in the business they decided to specialise in damp and timber treatments. Their work is guaranteed for 30 years, which makes succession planning important for customer confidence, as well as a source of satisfaction for Harry's grandparents.

The business is based in Watford, where it started in 1959, but now undertakes work over a much wider area, including London and most of the Home Counties. They still take on assignments for individual householders, and pride themselves on their level of personal service, but they also work on much bigger contracts from major specifiers, developers, local authorities and housing associations.

They were recently involved in a major, award-winning re-development in a conservation area in Mayfair.

Technical excellence

Dampcure-Woodcure keeps at the forefront of technical advances in the industry over the full range of its services, which include all aspects of timber treatment, damp proofing, damp course installation, tanking of basements and condensation control. The company operates a strict environmental policy, and all chemicals used are cleared by the Health and Safety Executive.

The company is a member of the British Wood Preserving and Damp-proofing Association, the nationally-recognised technical authority which sets high standards for its members.



Harry Bowden, first of the fourth generation.

It is registered on the Department of Trade and Industry's Constructionline directory, which supplies public and private sector procurers with names of companies which are 'pre-qualified' in terms of their expertise.

The company is also a BWPDA Trust Mark approved scheme operator, which ensures compliance with Government endorsed standards.

Management

Carole Darling joined the firm at the age of 16 and later married into the business. Carole manages the administrative side of the company, allowing her husband John to concentrate on the technical side.

They have made a conscious decision to keep the company relatively small, and to keep it in the family, because they believe that this is the best way of maintaining their high standards. Carole cites the main barriers to their growth as over-regulation, particularly from the EU, the burden of which falls disproportionately on small businesses.

"We could grow, but we won't." says Carole. "There are so many things standing in the way, and the goalposts keep moving. But it's a pity, because we – and other small companies – are being discouraged from creating the wealth this country needs."

John and Carole have no plans to retire. They enjoy the business, and prefer to go on working as part of the family team. They certainly don't have to worry about the future, because they have another six grandchildren growing up who may yet join the family firm!

For further information see www.dampcurewoodcure.com or telephone 01923 663322/241514.

ON LOCATION IN THE ISLE OF MAN

Ken Roberts and Steve Joberns, our specialist partners in the Entertainment & Media sector, have been commuting regularly from London City Airport to the Isle of Man recently, to look after the interests of a number of film production clients.

"The Isle of Man is now a key film making territory" explains Steve. "It has advantageous financial incentives for both filming and production, and is currently an attractive source of finance for British films. There are also some good locations, and a well-run studio with all the necessary facilities."

Although capacity is necessarily somewhat limited on such a small island, the Isle of Man Film Commission is managing to attract enough interest for eight to ten films to be made there each year.

Ken and Steve are kept busy by their production clients and the need to liaise with Studio representatives and the Film Commission, to ensure maximum advantage from the financial incentives on offer.

The films they have been involved with include *Keeping Mum*, which stars Maggie Smith and Rowan Atkinson, and the remake of *Lassie*, both theatrically released in the UK in December 2005, and *Stormbreaker*, due for release in Summer 2006. The next big one will be the film of the life of Beatrix Potter, which will be filmed on both the Isle of Man and in her home county of Cumbria.

Golden Globe Awards

Congratulations to the two clients whose films have received nominations for this year's Golden Globe Awards.

The Bureau Film Company Ltd is the UK producer of *Joyeux Noel*, which is currently on release in the UK and concerns the unofficial Christmas ceasefire during the First World War, and has been nominated in the Best Foreign Language Film category. Cillian Murphy has been nominated for the Best Actor Award for his role in *Breakfast on Pluto* (to be released this Spring), produced by Number 9 Films Ltd.

MONEY MATTERS



Cut your insurance costs!

At present the commercial insurance market is described as 'soft', which means that premiums are reducing considerably. Premium reductions of 20-30% are common, and reductions of 50-60% are achievable for some businesses. Alternatively, you may be able to arrange additional cover at your current premiums.

Unfortunately, the same 'soft' conditions do not apply to your household and car insurance, though this market is strongly competitive and it is worth shopping around.

There are a number of things that you can do in the commercial market to make sure you take advantage of these premium reductions for your business.

Go out to tender

It is best practice to put your insurance out to tender every three to five years, as exposing your insurance programme to competition drives premiums down. If you haven't tendered recently, now is a good time to do it.

You should invite two brokers to tender, plus your current broker. Any more than that and the process becomes very time consuming; any fewer and you may not get the best terms.

The best way to choose brokers is by recommendation. You need brokers who have experience of your type and size of business, so ask other business owners you know, or consult your professional advisers.

Pay a fee

Insurance brokers are rewarded in one of two ways: commission earned from the insurer or a fee paid by the client. If you are paying a fee, you know exactly how much your broker is earning and what they are doing for

that money. It is totally transparent and open to negotiation each year. You don't pay insurance tax on the broker's fee either.

If your broker is earning commission from the insurer, you do not know if they are being overpaid for the work that they do. You should also bear in mind that the higher the premium the more they earn – and as such they may not be too keen to pass on premium reductions.

Check your cover

If you haven't checked your cover limits recently, you could be paying for cover you don't actually need any more, for example because you have disposed of assets or your risks have changed. Make sure that your broker regularly reviews your limits and adjusts the premiums accordingly.

Take the initiative

There are considerable savings to be made currently, but you will have to take the initiative to reap the benefit.

Tax Returns

If, by the time you receive this issue of *Shipsshape*, you haven't completed and returned your self-assessment tax return for 2005, and paid the tax due, you are cutting it very fine. The deadline is Tuesday 31 January 2006.

The best advice is: do it now, and get your return and payment in on time.

If you really can't complete the return in time, be sure to send HM Revenue & Customs a payment for your estimated tax liability before the deadline. If you pay a sufficient amount you will avoid the penalties, interest and surcharge you would otherwise suffer.

Detailed advice should be obtained before taking action, or refraining from taking action, as a result of information in this newsletter.

This firm (AGV Shipleys) is not authorised by the Financial Services Authority but we are able in certain circumstances to offer a limited range of investment services because we are licensed by the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide.

NEW FACES

Since the last issue of *Shipsshape* we have been pleased to welcome Gary Gilbert (pictured below), who has joined us as an Audit Manager in London. Gary qualified with Harrison Trotter and then worked at Wilkins Kennedy for a number of years.

Gary is working mostly with partner James Vassiliou at present, and is enjoying getting to know our clients.



We have also had two intakes of new students in London office, all recent graduates who will be studying to qualify with the Institute of Chartered Accountants in England Wales. Heather Lubbock, Philip Clamp and Shreya Shah joined us in September and, by the time you read this in January, we shall also have welcomed Liam Waters and Radhika Vasanthakumaran who, fortunately for us all, is happy to be known as Dee.

Saffron Walden

Christine Pegrum, our receptionist in Saffron Walden, has decided on a career change, and we were very pleased to accept her as a student, working for her AAT (Association of Accounting Technicians) qualification.

Budget 2006

As *Shipsshape* went to press the date of the Chancellor's 2006 Budget was not known, but we shall be holding our usual post-Budget Briefings on his proposals, and publishing our overnight Budget Summary both in print and on our website.

If you would like an invitation to attend one of our Budget Briefings, in London, Godalming or Saffron Walden, and/or would like to join the mailing list for our printed Budget Summary, please contact Reception at our London office, telephone 020 7312 0000, or e-mail budget@agnshipleys.com