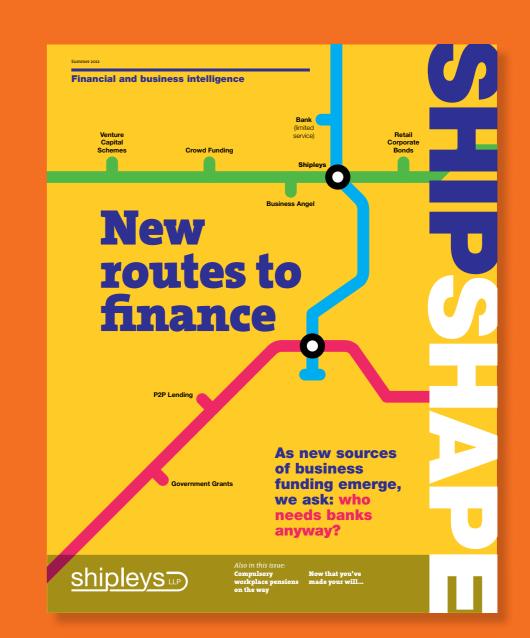


Shipshape through the years **Current format**

Autumn 2012 **Financial and business intelligence** Theonly From catwalk ces centre stage



Financial and business intelligen

Preparing for 2012 - a reality check on modern times

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Austerity Olympics?



the state

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Salaries or dividends - which is the best **Client profile: Eco Age**

Financial and business intelligence

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William Annual

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Spring 2012

Rocking all over the world

Will export-led growth be the UK's economic saviour?

While the Chinese Government's procedures have improved a lot in past decades, they are still inefficient and arbitary. Investors need to be prepared to ope with delays and inexpected changes ı requirements.

lews and views

The Chinese way An insight into doing business in China With the UK economy and those of the wider eurozone generally sluggish, reducing costs by BRIC countries or selling to customers in these growing markets is becoming increasingly important. AGN International member firm Fiducia Management Consultants in Hong Kong important.provideAGN International member firm FiduciaprovideManagement Consultants in Hong Kongfrospecialises in helping overseas companies dowbusiness in china. We've enlisted their help tofrocompanies breaking into the Chinese marketand some of the common pitfalls of buying ormanufacturing there.free.

Who is allowed to do business in China? While is allowed to do pusiness in China' Foreign investment is generally welcomed. The latest foreign investment guidance sets out which industry sectors are encouraged, restricted or prohibited. Occasionally, it is cessary to form a joint venture, J

with the Chinese side holding the majority You need to be well prepared when setting You need to be well prepared when setting up a business. Numerous different authorisation bodies are involved and while the Chinese Government's procedures have improved a lot in past decades, they are still inefficient and arbitary. Investors need to be improved a lot in past decades, they are stull inefficient and arbitary. Investors need to be prepared to cope with delays and unexpected chapters in requirements. Firms a machine the changes in requirements. Even a representative office will take at least three months to set up.





Buying and manufacturing – some common mistakes **Poorly defined specifications** – If you go to a factory direct and give the supplier freedom to handle the product design, the final product can be substantially different from product design, the final product can be substantially different from your original concept. Also the supplier may think their input means they own the intellectual property righted for example, if a problems because of concerns over losing face or the contract. You will need people 'on the ground' to property rights! For example, if a property rights: For Charling, it barcode is too large or too small, it can't be read by a scanner. Payments not linked to rayments not linked to performance – Structure payment so that quality and performance standards are met. Typically, 30% is paid upfront, with 40% on passing quality control is provide Failure to establish the 'all-in' price – You may have to provide equipment to the factory, for

passing quality control inspection and 30% on receipt and final example to make sure the design inspectio

aet local advice

Due diligence – The glitz and glamour at the trade fair may no

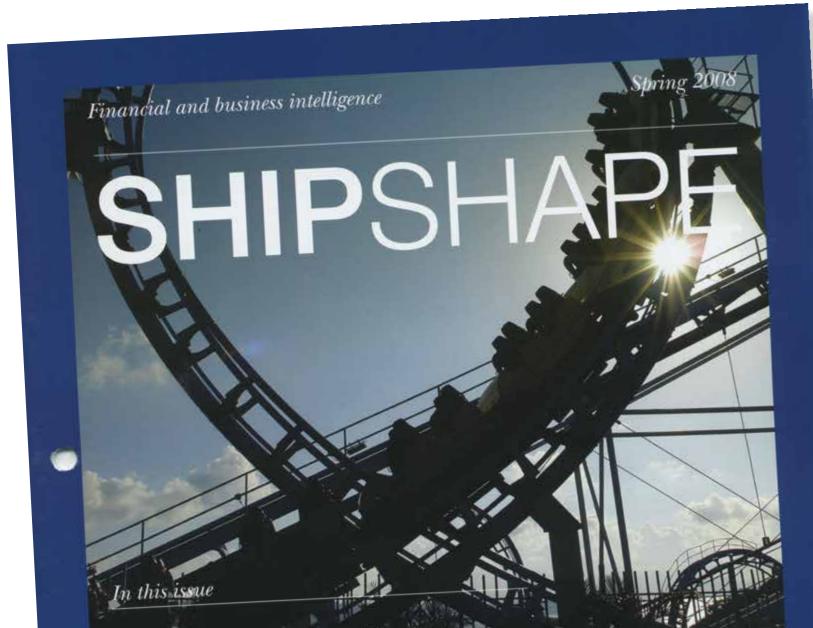
example to make sure the design of your logo is right. Buyers also have to look after their own equipment and prevent the supplier from using it to make copies. Stewarding services are available, whereby a third party looks after the equipment when it's in the factory and removes it when manufacturing is complete. Shipping rates, exchange rate volatility and the cost of emergency visits to the factors emergency visits to the factory should all be considered.



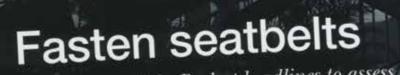




Shipshape through the years Spring 2008 & July 2006 updates







We look beyond the Budget headlines to assess the impact on individuals and businesses as the economic climate gets tougher

In the News

The story behind the growth of Important capital allowances Saffron Insurance and its plans changes for company cars and for the future news for overseas homeowners

International

A taster of the results from the latest AGN surveys comparing taxes across Europe

Money Matters The renewed attractions of Enterprise Incentive Schemes and the latest on 'income shifting'

Client Profile



www.shipleys.com



How Venture Pilot is helping How to make the most of hi-tech companies grow renewable energy incentive renewable energy incentives shipleys www.shipleys.com Financial and business intelligence Autumn 2011 **SHIPSHAPE** In this issue Back to reality, back to business In in-depth look at Un rusts and the plannin Cruickshanks and a new-loc Money Matters Entrepreneurs' relief is good news for some, but beware the shipleys www.shipleys.com SHI shipleys www.shipleys.com October 2006







Shipshapes through the years Spring 2001 & 2000 updates





SIMPLIFYING THE TAXATION OF PENSIONS



shipshape

G shipleys chartered accountants

However, AGN is not an

organisation which exists, as so many do, as little

What's in a name?

From 1 May this year we shall be changing our name to AGN Shipleys, writes John McCuin, Shipleys' Managing Partner. This reflects the growing importance that AGN, Accountants Global Network, has for us and for many of our clients. Crossborder transactions are now routine events for even quite small companies, and the depth and breadth of expertise that AGN

more than a directory of members. It is a lively and interactive support group, of Occupational with members who are committed to helping each other and their clients. As many of you will know, Shipleys partner Steven Jeffcott is currently the President of AGN. Many other partners and staff are also active within AGN, contributing to Task Forces on a wide range of subjects that affect our clients' commercial interests. Not just pretty lease We are among the first members of AGN to demonstrate our commitment by including its name with our own, but many other firms are planning to follow suit. For us, the change of name was not a difficult decision to take, as we are convinced that the future is international for so many of our clients. AGN has 127 member and affiliate firms in 71 countries, with 346 office locations and a total of 7,880 partners and staff worldwide. They are our your service whenever and To find out more about AGN, or to take advantage of its worldwide expertise, please ask your usual Shipleys contact.

SPRING 2000

48.5

NOTICE TO AUDIT CLIENTS **NEW LONDON RECEPTIONISTS** ERSONAL FINANCE: FW PENSIONS PROPOSAL AGN shipley chartered accountants www.agnshipleys.com ENRON DEBATE **BUDGET UPDATE REVENUE CLAMPDOW** E-MAIL ABUSE VAT COLUMN: PLANNING OPPORTUNITIE **GIFTS OF SHARES** PERSONAL FINANCE: FINAL SALARY PENSIONS

CCESS & RESPONSIBILITY BUDGET 2003 TAXATION OF SHARE OPTIONS INTEREST PAID TO A NON-RESIDENT PARENT COMPA **KEEPING CONTROL OF YOUR BUSIN** ACTION POINTS JUNE 2002 NEWSLETTER WHAT FUTURE FOR THE COMPANY CAR? BGC372G

In return, we are able to help companies and individuals from overseas who wish to invest and do business in the UK. If your business and , financial affairs are confined to the UK, there is no need to be concerned. The advice and support you receive from AGN Shipleys will be exactly the same as it is from Shipleys. One of the great advantages of AGN is colleagues, and they are at that it is there when we need it, but we do not have wherever you need them. to divert our resources to building our own international network with the overheads that this would inevitably involve.

members around the world

ovide for our clients is

proving invaluable.

Charitable giving	Inheritance tas planning
Employers' year-and checklist 3 Peaks Challonge	8 INTERNATIONAL Taxing the web
<u>ship</u>	<u>leys</u>
	countants

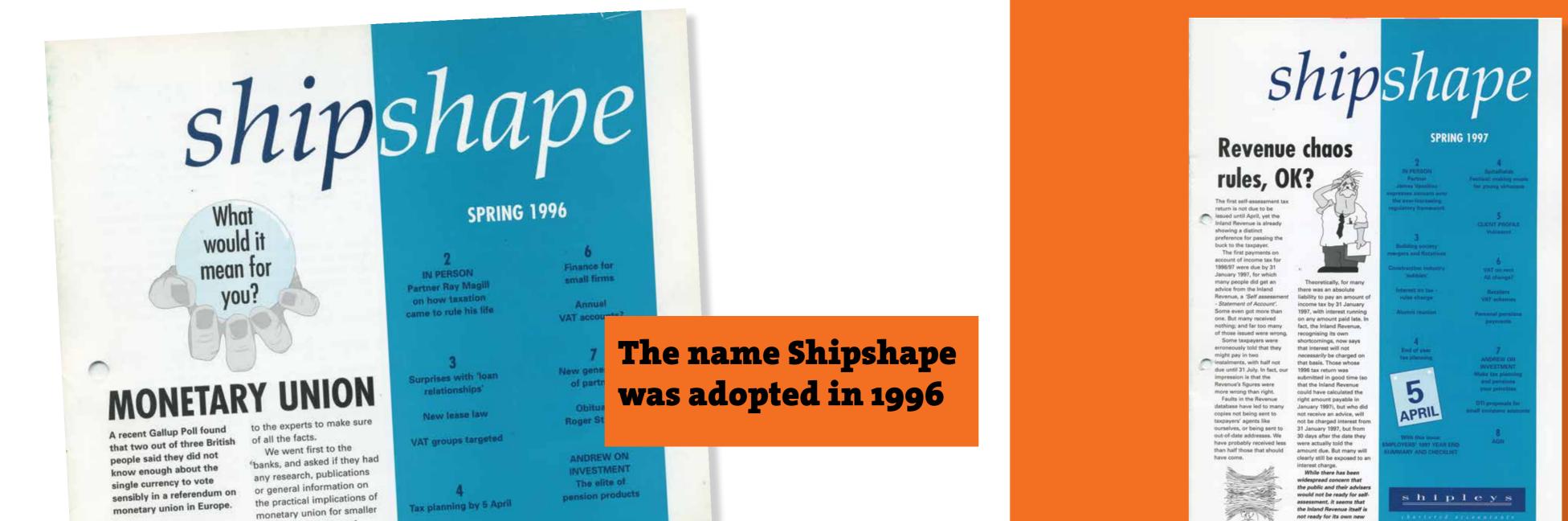
Staimholder Penetons







Shipshapes through the years Spring 1996 & Summer 1994 updates



Shipleys' clients might find it useful therefore if the consequences for smaller businesses were examined, to help them make an informed decision when the time comes. As for the more obvious implications, there would be fewer worries about rates of exchange, and less need to hedge against currency risks. And we could all travel from country to country without having to buy different currencies, which would be convenient, though charities would lose the opportunity to collect our spare change at airports.

us to the DTI ... Cross-border bank transfers within the EC would be totally considered the practical straightforward, and those implications for smaller horrific bank charges would businesses? Are any of you be a thing of the past, or experts on this subject? If would they? Somehow we so, a lot of people, it seems, doubted it; there had to be a would like to hear from snag somewhere, so we you! So please call us. decided that we should turn

businesses. We cannot claim to have contacted every bank in the UK (though we did start with

the Bank of England), but it

have an answer to our

question. There are

seems that the banks do not

publications on the overall

implications, of course, in

which economist talks to

economist about macro-

economics, but on the

could find nothing.

What about the

practical implications we

Department of Trade and

either, they referred us to

the Treasury, who referred

Can it be that no-one has

Industry? No joy there,

8 International CLIENT PROFILE expansion Roy Freer: through AGN portrait of an artist

FLOODED, YET FILED!

Despite a mass staff avacuation from Shipleys office in Orange Street to our other offices at the end of January - due to a basement flood over the mains electricity supply - we ensured that our lients' accounts were filed on time at Companies House. We apologise to clients and supplie who had difficulty in contacting us at Orange Street while we were reduced to one emergency telephone line;

shipleys

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newsletter

Inland Revenue counter-attacks with force on the self employed

The changes in the taxation of the self employed (including partnerships) seemed to offer some tax planning opportunities. It had appeared that judicious planning of income and expenditure, to maximise the benefit of the tax rules applying in the changeover period, could have produced quite significant tax savings. But, as expected - and as we

predicted in our last issue -

There may be a high degree of tactical positioning by the Revenue in this. The law, when passed, may not be as severe as the proposals would seem to indicate. The actions required to reduce tax bills is being

taken now. It is possible that purely commercial decisions will give rise to some tax advantage that will be capable of being attacked by the Revenue. The threat of this sledgehammer may well

stop many taxpayers from taking even reasonable steps to reduce their

All major decisions over

the next few years should

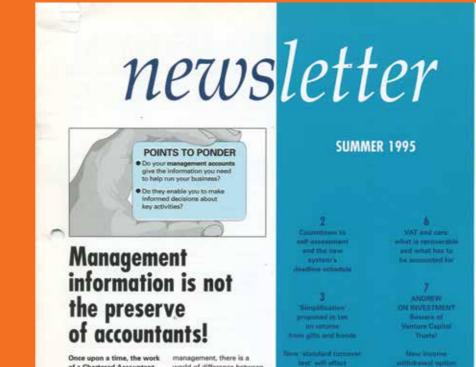
SUMMER 1994

INSIDE ...

2 IN PERSON: An interview with Shipleys senior partner Michael Lister 3 4 **Recovery of VAT** Lloyd's losses paid in Europe Euro challenge £10,000 extra CGT relief to VAT on cars Charities deadline Audit or compilation report? 5

6 CASE STUDY: FRS4 and FRS5: how will Threatened with they affect your extinction, a family

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Our focus	ic ctill	AUTU	MN 2000
on client	service		
	3011100		
The accountancy profession is in some disarray.	0		
The 8ig Five firms are splitting up or selling off	(and	2	4
their consultancy divisions in response to the threat of	175	ACCOUNTING UPDATE: Filing of accounts	Employee Share Scheme
tougher independence	Contraction of the	Shadow Directors	Tax planning for non domiciliaries
requirements in the US. There is a spate of mergers		Minimum wages	Maintenance Funds
among the medium sized		NEW PUBLICATIONS So you think you	IR35 Judicial Review
and smaller firms, and many are forecasting doom for	John McColn, Managing Partner, reaffirms the role of	know about VAT?	
those in this sector who do not consolidate into larger	AGN Shipleys in the business	Doing business in the UK	5
units.	community.		CLIENT PROFILE Ovum: Independence
AGN Shipleys is among the top 50 firms in the UK.	of Accountants Global Network allows them access	VAT helpline	and Integrity
and counts as a medium	to the services of other	3 Peaks Challenge	6
sized firm. Over the last hundred years or so we too	independent firms, all dedicated to providing		Directors all et sea?
have experienced a number	outstanding professional service.	3	Victor Knope explains
of mergers at strategic points in our history, but we	However, we are not	FINANCE ACT 2000	the liabilities of Directors and Officers
have no intention of being panicked into one now. We	standing still. We shall continue to expand to meet	Capital gains tax: taper relief	7
do not believe the doom	clients' needs; on page 3 of	complications	PERSONAL FINANCE
mongers; we are confident that we can continue to	this issue of Shipshape, for example, you will find news	Marginal rates of tax	Tax planning with FUR8S
provide a valuable service to the business community.	of our appointment of a new tax partner, Terry Moore,	Use of employee's	Are your effairs
We are very clear about	who will bring additional	dwn car	in order?
our position in the market place. We believe we know	expertise to what is currently the most rapidly	New tex partner:	8
what our clients want, and we have sufficient depth	expanding part of our practice.	welcome Terry Moore	INTERNATIONAL AGN Annual
and breadth of expertise to	Our strategy, at this time		World Congress
meet those needs. At the same time, we are small	of change within the profession, is to focus on		
enough to continue to give	our service to clients and		
the personal attention to clients' affairs and business	our own organic growth. To use a time-honoured		
aspirations which has	phrase, you can be assured of our best attention at all		
arways peen the manimum of			
always been the hallmark of our service. Wherever in the world	times.	AGN Sh	ipley



The three column layout changed in 1994 to four columns.

transitional rules, the onus will be on you to establish that this is not the case; i.e. you will be guilty unless you prove otherwise. The lack of compensating relief from adjusting both years affected by the

amount allegedly shifted

means that the tax will be

11/2 times the tax on that

amount.

be considered in the light of this threat. Any plans to mitigate tax liabilities by taking advantage of the transitional rules should be reconsidered with particular reference to the risks that now appear.

liabilities.

If you think that these proposals affect you or your business and you would like to discuss their relevance please phone Ray Magill (071-839 4311) or your usual Shipleys contact.

	Act now to g	7 W ON FIN et the mos ive Pension	t from your
	Doing bus Tom H	8 IAA: Iness in Cir Infrecht w	icinnati rites
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chartered accountants

 on the samual accounts. This was partly because in the question of content. This was partly because in the question of content statutory audit (in the case of limited companies) or the group matter by provide the companies. Today, many of our clients work much more involved in what is happening in the business, the grous margin. Todals were for each of the furne or involved in what is happening in the business and returns (in the course of the group margin. Todals were for each of the furne or involved in what is happening in the business and returns (in the course of the group margin. Todals were for each of the furne or involved in what is marginement accounts, either by actively assisting or by eviewing with the group margin. Todals were ally understood us. Control to the low limited their value. Dure experience, while the prove the limited business and provide the tow margin todals. Control to the low limited the transformation the know is a somowhat limited, business and provide the tow limited to the samued margin to the low limited the transformation to know is not ease of the know is a somowhat limited, business and the group margin. Todals were ally understood us. Control to the low limited the transformation to know is not know the were ally understood us. Control to the low limited the transformation to the know have all to the low limited the transformation. We know have all to the low limited the transformation to the know have all to the low limited the transformation to the know have all to the low limited the transformation to the low limited the limited. Business and limited the low limited the limited, business and limited the limited. Business and limited the limited to limited the limited. Business and limited the limited to limited the limited to limited the limited. Business and limited to limited the limited to limited the limited to limited the limited	of a Chartered Accountant who dealt with an owner- managed business concentrated almost wholly	world of difference between the best and the worst. These differences take two distinct forms. First there is	tax weenploing for fulleling subcentration	Ter Personal Personn Publicles
closely with us and we are more involved in what is happening in the business throughout the course of the year. We often help with either by actively assisting in their preparation or by reviewing with the management the monthly or quarterly figures. In our experience, whilst most businesses produce some form of regular	on the annual accounts. This was partly because of the need for the annual statutory audit (in the case of limited companies) or the annual tax computations and returns (in the case of sole traders, partnerships, and limited companies).	the question of content: Do your management accounts give the information you need to help run your business? Sometimes there is a lack of information. We know of	Bilginger Sathom Watcher	IAA During hutatisaa in Garmany Tharmas Schlinnyl
most businesses produce just how limited their value characterize char	clients work much more closely with us and we are more involved in what is happening in the business throughout the course of the year. We often help with management accounts, either by actively assisting in their preparation or by reviewing with the management the monthly or guarterly figures.	"management accounts" consisted of the turnover figure for each of the five departments together with the gross margin. Totals were also given. We felt that was somewhat limited, but it was only when we discovered that the margin was arrived at by applying the assumed margin percentage to the turnover	Buzz from allow's fax robots solutiful	levs
	most businesses produce some form of regular	just how limited their value was.		





Shipshapes through the years 1994 and 1991 updates

shipleys	MARCH 1994
chartered accountants nerved	etter
NEW CURRENT YEAR' ASSESSMENT TAXATION AND THE SELF-EMPLOYED	How will the 1994/95 tax increases affect YOU?
The 1994 Finance Bill gives the first sight of the draft legislation for the new current year basis for the self-employed: the switch to taxing profits of the accounting ending <i>in</i> the tax year rather	To brace ourselves for what has been billed as "the biggest peacetime tax increase ever", thoughts inevitably turn towards next month, when the Chancellor's measures begin to bite. The extra tax burden is more about reduced reliefs than straightforward

than those of the year ending in the and for 1996/97 the assessment on trading

Apart from the probable changes before the annual average of those in the period the Finance Bill becomes law, further between that ending in 1994/95 and that End of year review Act 1995, at least. So comments may be Generally, only half of any profit falling premature. Even so, some firmer outline in that transitional period is taxed. It follows be considered for minimising liabilities. can be discerned than when the proposals that it is preferable for profit to arise in that period rather than the surrounding periods.

year basis', it will not apply until 1996/97, profits, for example, will effectively be on

es, with further cuts in relief to come in April 1995. To find out how you will be affected,

study the checklist on page 2.

As we draw towards the end of the 1993/94 tax year, there are a number of measures to

1993 AND	ALL THAT	STOP PRESS
The additional information to be included in the 1992 VAT stream offers a hata of the new system to apply them 1 January 1993. At the time of writing, the final details had not been agreed, but we do know that indees making upglies to other member integrited payment, but with special rades ar upplies of the Community will have to immunite between supert to complete and ar upplies by 'mail ender (probably defined as those where the trader in empossible field edivery to the customer.). Experts to bosinesses engistered for VAT m anothermember uar, which would commy be zero-ented, will, from January 1993, only be zero-ented, will, from January	Traders supplying by stail order will forw upcci problems because, in their case, the intertion is that VAT should be capped to accurate the trade of the supplica- duction of the star applicable to the orientoire occurry. This the supplier will reto-the such also is the UK but will then be responsible for accounting the the VAT due in the destination country, appointing a personentative in cach country to the sing partners, Mail order stales to registered dues will be retorned in the order of way. The reported is that this system for mail wales in the reviewant results that and so not obsci in the reviewant results that do not	VAT: transfers of going concerns Prem: 1. December 1994, subject to Paritzmetery approval. If haid or buildings are transferred as part of the preparty is after the address of an option to tax by the transferre on its of "new first-field" (VAT tolkgary), the unpyt of land set buildings is only to be transfer and a subid the acceleration the mainter acceleration of VAT to the purchase thas been made and base potified Constrains & Excise by the tame of tageby.
evolution: of the status of the parchiser is trained by the simplice. This will mean pooling the constance's VAT trightention member on the sales invoice. If zero-stating is applied Expects to surregioning persons, subass they full into the category of supplies- by mail order, will be subject to standard-rate VAT.	encored 35,000 ECUs. Clearly, the rides are going to be very complex and all traders moking sales into other momber nates of the Community with fairs to review their accounting pocochares very carefully, if they are to avoid incurring penalities in 1993.	INSIDE Prending for as up-two Unit Theorements Law Rick Remembers
PENSIONS organizy contributions New roles careful inter office from August 1991 to desensive where tax relief is to be operad on special pension contributions made by employers. The roles only apply to special contributions	as with any unified company, so be imited to 30 per cent, and the telener may not bey, aff or hence any asset to or from a scheme meber. In the scheme and the scheme scheme as anonexi equal to the supergrape of three times the annual coefficiency and 45 per cent of the scheme coefficiency and 45 per cent of the scheme assets. There are	Q&A VAT Damer Barnelge Desarer: Bagewahlstate New Schlarer: Account Ratio EAA New Schlarer: Account Ratio EAA New Schlarer: Account Ratio
aggregate exceeds the aggregate of ordnary amount contributions by E25,000 in a tharpathe period. The spend in based on the size of the combinion. If more than E25,000, but an imout than E30,000, then either a spend over two years; if between £50,000 and E100,000, over floar years. Seall schemes; new regulations Seall schemes; new regulations from the seal of the seal which glico mane train offen in August and which glico mane train offen in the provision schemes; and commute inverting the states that isoubacks and inverting the states that isoubacks and inverting the states of the thanks of the company are to be limited to 25 per cost of the function the first two years and S0 per	transitional provisions which will generally mean that pre-existing situations which are in breach of the new regulations can remain in force.	Pennions trunct Our previous Newsletter referred to an observations tax problem which could apply an analysical which had anticle data benefician that the problem of problem for the second second person problem for each second have each the hold for each second have each the hold for each second have each the hold the foreases, the deliberate deferement of the second have each the hold the benefits or each second have each the hold the benefits or each second have each the hold the benefit of the second second have been and the hold the benefits of the second have each the hold the second have when the hold the second have each the hold the blacket the hold the black the hold the hold the problem have the black the hold the hold the problem have the hold the hold the hold the problem have the hold the hold the hold the problem have the hold the hold the hold the hold the problem have the hold the hold the hold the hold the problem have the hold the hold the hold the hold the problem have the hold the hold the hold the hold the hold the hold the problem have the hold the hold the hold the hold the hold the problem have the hold the hold the hold the hold the problem have the hold the hold the hold the hold the hold the problem have the hold the hold the hold the hold the hold the problem have the hold the hold the hold the hold the hold the problem have the hold the hold the hold the hold the hold the hold the hold the hold t

One anxiety removed

The good news is that the relief for double taxation is not to be tapered off. The Inland Revenue has been persuaded that it can record the figure of profit taxed twice until a trader dies or retires, which would be when the double taxation would mainly be felt. This removes a major anxiety. For those commencing to trade after 5

April 1994, and for new sources of untaxed investment income arising after that date,

Self-assessment

The new self-assessment system will soften the blow for the self-employed. Currently, their tax is payable in two instalments, on 1 January in the assessment year and the following 1 July. Under the system to be introduced from 1996/97, the instalments will be due a month later with, generally, a balancing payment due by 31 January following the year of assessment. The balancing payment arises because the two initial payments are to be calculated the existing system, for 1997/98 and later as if the profits were similar to those of years. the preceding year, but with the taxpayer having the opportunity to pay a lesser figure if he believes that his profits are greater detail speak to your usual contact partner or either Ray Magill or Steven

accounting year-end after 5 April 1994. For traders whose annual accounting date is 30 April, this means 1 May 1994. For those with December accounting dates, it means 1 January 1995. We are told, however, that anti-avoidance legislation will be introduced - but perhaps not until the Finance Act 1995 - to counter action designed to take advantage of this quirk. It remains to be seen how such a provision could work. For a trader whose accounts go to 30 April annually, the 1997/98 assessment will be based on the profits for the year ending 30 April 1997 instead of, as it would be under the current system, the year ending 30 April 1996. Although this appears to accelerate the tax liability by a year, there will still be only one tax liability each year. It is true that, if profits are rising, and leaving aside changes in tax rates and allowances, the tax payable will be more than it would have been under

If you would like to discuss this in

Action points for an end of year tax planning review are itemised on page 3.

The transitional period when maximum profits are desirable, for those assessed on the 'preceding year basis', follows the first Car/fuel benefits

If you run a company car, are your car and fuel benefits tax efficient? You can check this quite easily from the evaluation template on page 5.



interest rate fluctuations End of year tax review

CGT Indexation calculator Rent-a-room

VAT Update: prepaying domestic fuel PAYE visit rehearsal?

Q&A Car/fuel benefits evaluation

NIC on benefits in kind Andrew on Finance:

control your pension fund on retirement! International: IAA

Shipley Blackburn NEWSLETTER

The Chancellor's Budget proposals have now become a Finance Act, after the usual plethora of amendments and additions. No major novelty has appeared this year since the Budget, but a number of detailed changes have been made to the initial Finance Bill clauses and some small loopholes plugged almost before they became apparent.



Shipley Blackburn NOVEMBER 1992

INHERITANCE TAX: WINDOW OF

VAT Comm Think again about Pools Related pay Programmer period Group Relations within Vestimal exemption to relation of the Charges to Accounting system Q-8.A New balls for supervise contribution Groupsey provides contribution Single sensitive companies in the sensitive companies in the Single sensitive contribution Single sensitive companies in the Single sensitive contribution of the Single S **OPPORTUNITY?** The Finance (No 2) Act 1992 implements which to pass the family business or farm the Chancellor's Budget Proposal down to the next generation free of

International How IAA can help client On connect art holisate ride New associate

Contains business and agricultural properties into more complexity carrently containsy. The organization of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the many carrent of the complexity of the complexity of the complexity of the many carrent of the complexity of the complexity of the complexity of the many carrent of the complexity of the complexity o

Are your SINGLE MARKET accounting systems

Tin place for 1993? Place of supply of services: important changes

INSIDE Finance (No.2) Apr 198 Post-Budget forms

CHEQUES ACT 1992. With this Act, there is seen a legal labelity on backs which pay endersoit relexpers, which are created "account paper only", with 'or order' deleted.



Shipley Blackburn SEPTEMBER 199

