



WINTER 2010

COMPULSORY ONLINE FILING

From 1st April 2010 most businesses with a turnover greater than £100,000 will have to file their VAT returns online and pay any VAT electronically.

Nearly all employers will have to file their Employer Annual Return on line this year.

Many clients have expressed concern about filing on line – we can help make it easy.

COMPANY BANK ACCOUNTS

If you run your business through a company, it is important to note that any money you draw out must be dealt with appropriately - usually taken as a salary, dividend or loan repayment. If funds are not drawn out in the correct way, with the correct documentation in place, you could end up paying unnecessary tax and National Insurance.

UP TO DATE FINANCIAL INFORMATION

In difficult trading times up to date financial information is essential, even if self assessment returns aren't due! Have you considered having interim quarterly accounts? If not please don't hesitate to contact me to discuss what the benefits are and what it would entail.

VAT

The VAT rate went back up to 17.5% on 1st Jan 2010 so you should check all the settings in your bookkeeping systems and ensure they have been reset correctly to account for the new (old!) rate. It is also worth keeping an eye on invoices due either side of the change to make sure they are processed with the correct VAT rate.

ELECTRIC VEHICLES

From 6th April 2010 the company car tax benefit charge for those who drive a car solely propelled by electricity will be reduced to 0%. This will also apply to company drivers of electric vans.

YEAR END TAX PLANNING

The tax efficiency of your actions may vary depending on whether they occur before or after the end of the tax year.

Before 5th April consider the following:

- Making Pension Contributions
- Making ISA investments
- Timing of sale of your business or business property

Before the end of your accounting period consider:

- Timing of investment in new vehicles and other business plant and equipment
- Timing of discretionary business expenditure such as on marketing, stationery and repairs to plant and equipment

For clarification on how any of these points may affect you please don't hesitate to contact me.

PENALTIES

From May 2010 HMRC will charge penalties of between 1% and 10% on those PAYE and CIS payments that are late (the due date is the 19th of the month). The rate of penalty depends on the frequency and lateness of the late payments.

APPRENTICESHIP GRANTS

Until the end of March The National Apprenticeship Service (NAS) has £2,500 grants for employers to offer 5,000 new apprenticeship places and take on unemployed 16 or 17 year-olds.

NAS want to support SME's employing an apprentice for the first time, or those employing an additional apprentice over their traditional level of recruitment. They want to help train a new generation for economic recovery.

For further details, contact the [National Apprenticeship Service](#)

Don't hesitate to call to discuss anything contained in this update or any other queries you may have. There is no charge for this, as always.

AIMS ACCOUNTANTS FOR BUSINESS

For details of your nearest AIMS accountant:
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