



# Moulton Johnson Quarterly

Summer 2008

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## Welcome to our Summer MJQ!

Imagine one of your customers sitting down at a lunch with several other business owners. The subject of your services comes up. What will your customer say about you and your firm?

Will it be positive? Will it be negative? Or worse yet, will it be nothing at all?

Will your customer be listening carefully to what's being said by others about their service providers and comparing this with the services you are providing?

Customers do think about you and the service your firm provides. Even if they aren't talking about you to other business owners, they're evaluating your firm every time you do business with them. Ironically, it's often the non-technical aspects

of what you do that are noticed most by customers.

We know that customers often leave a service provider not because the firm was technically incompetent, but because they were perceived to be 'indifferent'.

We do want to avoid giving this impression to our clients. We do concentrate on the technical aspects of our work but we really care about our clients and their businesses.

This is why we have asked marketing firm MBS to contact a selection of our clients to help us improve the service we provide.

So be prepared, you may get a call from them in the coming months!

*Peter Moulton*

## New businesses defy economics slow down

The recent economic slowdown and the turmoil on the financial markets have done little to dampen enthusiasm for starting up new businesses.

According to a survey carried out by Barclays Bank, the first quarter of 2008 saw 98,000 new start-up enterprises in England and Wales. The figure was down on the same period a year ago but showed an improvement on the numbers recorded in the previous three quarters.

Broken down by sector, business and financial services topped the list with 27,500 new enterprises. In construction

there were 15,100 new ventures, and in retail 10,700.

The number of businesses that closed in the first three months of the year was down by 12,000, Barclays reported, compared to the 111,900 that ceased trading in the last quarter of 2007.

The survey also highlighted the importance of overseas entrepreneurs to the UK economy. Some 15 per cent of start-ups in 2007 were established by owner-managers from outside the UK.

So, despite what you read in the papers every day, it's not all doom & gloom after all!

## Rise in personal tax allowance

The Chancellor, Alistair Darling has announced some of the details of the compensation the government is to offer taxpayers who have been hit by the scrapping of the 10p income tax starting rate.

Mr Darling told the House of Commons that the basic rate personal tax allowance is to rise by £600 to £6,035. As a result basic rate taxpayers will save £120 annually.

The Chancellor also said that the allowance for higher rate taxpayers would be reduced. To cut the higher rate threshold as announced by the Chancellor, the basic rate limit will be reduced by £1,200 from £36,000 to £34,800. The higher rate band will now start at £40,835. Higher rate taxpayers will see no difference in the amount of tax they pay.

The cost of the Government changing their policy by raising the basic rate allowance to £6,035 will be some £2.7 billion in lost tax.

The increase in this allowance is to be backdated to 6 April.

Basic rate taxpayers will pay £60 less tax in September to be followed by a £10 a month reduction for the rest of the tax year.



## P11D reminder—deadline 6th July

It is the responsibility of the employer to produce a return of benefits and expenses paid to employees during each tax year. For employees receiving benefits and earning at a rate in excess of £8,500 per annum, a form P11d has to be completed. For employees receiving certain benefits and earning at a rate of less than £8,500 per annum, a form P9d may be required.

P11d and P9d forms have to be filed with HM Revenue & Customs by 6<sup>th</sup> July 2008 in order to avoid penalties. In addition, the employer needs

to supply employees with copies of these forms by 6<sup>th</sup> July 2008 under the self-assessment system.

From 6<sup>th</sup> April 2007 the rules for company vans changed. If there has been any private use of vans by employees then a van benefit charge of £3,000 will be incurred and if private fuel is provided to the employee then a fuel benefit charge of £500 will be incurred.

You may be running short of time to deal with this piece of red tape so please contact one of the team if you need any last minute help!

## Annual Investment Allowance

In the budget the new Chancellor announced that there would be a new 100% allowance on the first £50,000 of investment in plant & machinery called the Annual Investment Allowance. But before we all get too carried away with his generosity there are a few points to keep in mind. Firstly it does not cover motor vehicles and it is not a per company or business allowance. By this we mean if there are say three related companies then they only get one allowance between the three of them each year.

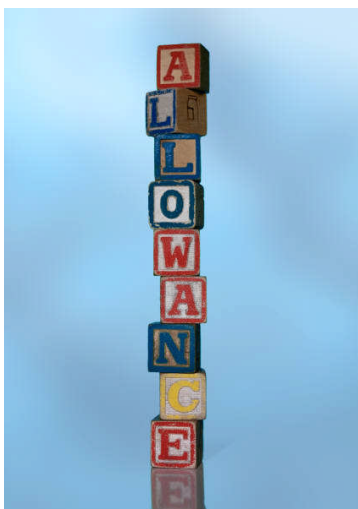
Any expenditure over the £50,000 allowance will only receive an annual writing down allowance and this is now only at 20% or 10% depending on the type of asset involved.

Therefore, if your business is purchasing assets in excess of

£50,000, it is important to get the tax planning right. Give us a call if you think that this may affect your business.

There have also been changes in the treatment of cars which, we think, will certainly prove unpopular. Cars will receive a maximum writing down allowance of 20% or £3,000 whichever is the smaller, no change there but when the car is sold you will no longer get a balancing allowance instead you will continue to write the vehicle down at the annual rate. This means a car costing £30,000 will take around 12 years to get down to around £5,000 and the car will likely to have been sold long before that.

Yet another nail in the coffin of company cars!!



## CONGRATULATIONS

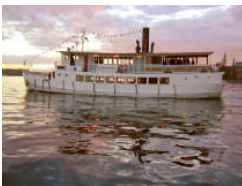
Congratulations to Ben Smith and the Oxford team for their success in winning this year's Boat Race. The Boat Race is probably one of the only true sporting occasions left, and we are delighted to congratulate Ben, son of Brentwood's long standing clients, Steve and Sarah Smith.

Our picture shows Sarah, Ben, Steve, Sam (son #2) and Sam's girlfriend Clare in post-race celebration mode!



## Team news

Certain team members at Brentwood and Byfleet have been studying extremely hard during the last few months, with Ian Sutton (Brentwood) and Katie Miller (Byfleet) spending most of their time revising for the exams they sat in June, we are sure all their efforts will pay off and we look forward to celebrating their results in the coming months.



We have planned a trial run of the celebrations for 6th August and have arranged a Summer Party for both teams and we will be enjoying a River Boat Trip from Runnymede to Windsor, with lunch in Windsor before returning

to Runnymede. Photos will appear in the next newsletter, for what we hope will show a lovely summers day!

Brentwood office have a new team member starting in July, so you'll have to get used to Kelly Adamson taking your call!

With an increasing number of progressive clients, Byfleet office is also looking to add resources by recruiting a further qualified accountant to the team, if you know anyone who would be interested, please ask them to contact Peter, Graham or Jackie on 01932 336733.

And finally, the celebrations for Mark passing his exams culminated in lunch with the partners at the OXO tower.

As you can see, a very enjoyable occasion! (Photos by Beth)



Mark & Becca



Mark, Becca & Ian



Graham & Debbie



Debbie & Peter

## MJQ Spring Winner

Congratulations to Mat Lemmings of Rencache Ltd, who was the winner of the Spring MJ Quiz. We would like to pass our congratulations to Mat and his team on winning the bottle of Champagne.

Rencache Ltd are located in South West England, and have affiliate consultants providing services and support at selected locations in:

- the UK (IT consultancy, Photography and Technical writing services)
- France (Technical writing)
- the USA (IT, Technical writing)

They have an extensive range of equipment available in-house and excellent relationships with manufacturers and suppliers which allow our IT facilities to replicate almost any equipment configuration for the purposes of diagnosis and analysis purposes. Their authors and photographers all have constant access to high performance broadband links in order to provide a cost-effective, on-demand service to clients, more information is available at [www.rencache.com](http://www.rencache.com)

For your chance to win a bottle of bubbly, have a go at the Suduko on the back page, you have until 25th July to get your entries in.

# MJO Brainteaser



## Sudoku!

Fill the grid so that each column, every row and every 3 x 3 box contains the digits 1 to 9

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
|   | 8 | 1 |   |   |   | 2 | 3 |   |
| 3 | 5 |   |   |   |   |   | 7 | 4 |
|   | 4 | 2 |   |   |   | 9 | 6 |   |
| 8 |   | 4 |   | 9 |   | 7 |   | 2 |
|   |   |   |   |   |   |   |   |   |
|   |   | 3 | 5 |   | 4 | 1 |   |   |
|   |   | 6 | 8 |   | 1 | 4 |   |   |
|   |   |   |   |   |   |   |   |   |
| 1 |   | 5 |   | 2 |   | 6 |   | 9 |

Name : ..... Business : .....

The closing date for entries is 25th July 2008 so, if you fancy your chances of winning that bottle of bubbly, fax your answers to Jackie (on 01932 336615) or email jackie@mjresults.com and good luck to you all!