



Dear Client/Business Owner

Welcome to our monthly newsletter designed to keep you informed of some of the latest issues.

We hope you enjoy reading the newsletter and remember, we are here to help you so please contact us if you need further information on any of the topics covered.

ADVISORY FUEL RATES

If you have a company car you can receive a tax-free payment from the company to cover fuel you have purchased for business use. The best and simplest option is to receive payment by way of a fixed amount per business mile. This is in accordance with HMRC tables which are reviewed every 6 months.

The latest rates applying from 1 June 2010 are as follows, based on petrol at 119.9p per litre:

Engine Size	Fuel Cost Per Mile		
	Petrol	Diesel	LPG
To 1,400cc	12p	11p	8p
1,401 to 2,000cc	15p	11p	10p
Over 2,000cc	21p	16p	14p

You can also use these rates for VAT purposes, so that the company can reclaim VAT of 7/46ths of the mileage rate which is VAT inclusive.

TIME TO PAY ARRANGEMENTS (TTP)

These can be arranged as the core of HMRC's Business Payment Support Service which to date has allowed businesses experiencing financial difficulties to spread tax payments in excess of £5 billion.

It has been reported that some businesses have been told by HMRC staff that TTP arrangements are not available for PAYE liabilities. HMRC Head Office have made it clear this is not correct, so if you have experienced a problem with HMRC on this issue please tell us so we can put them right.

SUPPORTING BUSINESS START-UPS AND SMALL & MEDIUM SIZE BUSINESSES

To help businesses in their earliest days, HMRC will further reduce the burdens in starting a business and personalise the online support it provides.

They aim to do the following, starting this year in 2011:

Personalise www.businesslink.gov.uk for those starting up in business and enhance online services for all SMEs, providing better access to relevant tax guidance and flexible tax payment plans to help businesses manage their cashflow.

Help start-ups and new employers by introducing a single interactive form to authorise tax agents and register for multiple taxes online.

Provide an online facility that reduces the need for businesses, or their agents, to provide the same information to HMRC multiple times and allows them a single online view of current tax liabilities or repayments due.

FURNISHED HOLIDAY LETS

This is a strange story, where political issues have had a direct effect on tax legislation.

The special tax regime applying to holiday lets of furnished accommodation is very advantageous. However, they only applied to UK properties and under the guise that the UK tax-favoured rules may not be compliant with European rules, the intention was to repeal them from 6 April 2010. Indeed, the necessary legislation was in the Finance Bill following the budget. With the General Election around the corner, the Government had to get the Bill passed in a ridiculously short time (in fact, they allowed a paltry 2 ½ hours' debate!). Under pressure from the Opposition, the Finance Act received Royal Assent only if the repeal legislation was dropped.

This means that we still have the special tax treatment and it is quite possible that it will remain with us indefinitely. Furthermore, it applies also to non-UK lettings in the EEA as well as in the UK provided the basic requirements are met. This could give some new tax advantages and we will be pleased to discuss the opportunities with you.



ACG Accounting Services

Working with Sole Traders and Small Businesses

Please contact me if you would like to discuss any of the issues raised.

CASHFLOW MANAGER – Breathtakingly Simple Bookkeeping!!

Cashflow Manager is the simple bookkeeping solution for small and micro business owners.

The Main Features:

- Enter your receipts and payments into columns, reconcile them to your bank accounts and then print the reports or email them to your accountant.
- A simple wizard makes reconciling your bank account a breeze. Download your bank statements to make it even easier.
- Cashflow Manager's unique column system makes it amazingly simple to record receipts, payments, VAT and even prepare a budget.
- Each column has a VAT tax type that automatically calculates the VAT and makes VAT reporting a breeze.
- Comprehensive reports help you manage your business and prepare your tax returns.
- Three months free telephone support helps you with any questions when learning the programme.
- You don't need to know anything about accounting and everything is right there on the screen for you to review.

Slash the time you spend on book-keeping!!

To find out more about the programme or for a free demonstration please give us a call.