

# Charity Walk



A9 staff, pictured left, took part in a charity walk starting at the Falkirk Wheel and finishing at our Abercorn office, a distance of 16 miles. **Sarah Sloan**, Associate was using the walk as a warm up for the Edinburgh Moonwalk, raising money for Breast Cancer.

A sum of £2,000 was raised, split evenly between The Vine Trust and MS Support (Scotland), which was a fantastic achievement by all staff both in raising the sponsorship and completing the distance.

## Congratulations!

Best wishes to new mum, **Claire Mitchell** (Dunblane), on the birth of her daughter and to **David McFarlane** and **Karen Brown** (pictured right) on their marriage on Boxing Day, 2008.



Congratulations to clients **Gordon Connor** and **Scott Dalrymple** on their recent success at the Royal Highland Show.

## Family Businesses

According to surveys, the following facts refer to family businesses:-

-  **69% of SME's** in Scotland are family owned.
-  **Over 30% of the UK's GDP** is produced by family enterprises
-  There are approximately **60,000 family businesses** in Scotland, employing around **900,000 people**.
-  **61%** of Scottish businesses are **over 11 years old**.



THE ABSOLUTELY CRITICAL NON-ESSENTIALS



Dr Paddi Lund

Experience the 'Total Thrive' in your business and have an incredible experience share with your customers.

This Dr Paddi Lund focused on the 'Critical Non-Essentials' in his business and shared one of the most talked about customer service experiences in the world.

## Alistair recommends:

### *The Absolutely Critical Non -Essentials* – Dr Paddi Lund

An amazing story of how "non-essentials" are so critical in running a successful business. Paddi makes every-day things that happen in your business work automatically. He summarises the ménage in a few words ; -

*Take care of the incidentals, if you want to have people respect your core product or service.*

*Do things that give your customers a great story to tell about your business.*

*If you are going to do something in your business, make sure that it gives you as much happiness as possible.*

You can order Paddi's book at [www.solutionspress.com.au](http://www.solutionspress.com.au)

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# New Board



With the recent retirement of Roy Alexander, pictured below are the new Board of Directors with from left to right



Philip Bald



Victoria Walsh



Paul Hetherington



Jayne Anderson

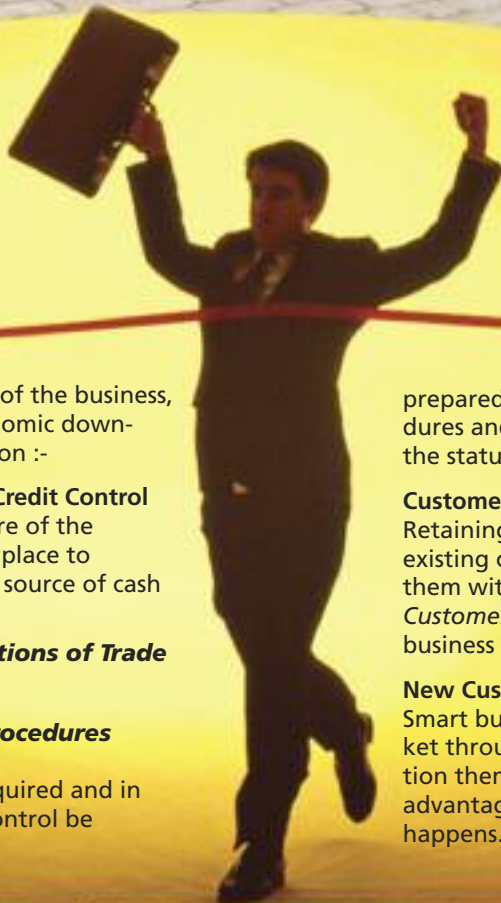


Richard Baird



Alistair Armstrong

## SURVIVING in 2009



The following areas of the business, especially in an economic downturn, require attention :-

**Cash management/Credit Control**

You need to be aware of the systems to be put in place to ensure a continuous source of cash to the business.

- **Terms and Conditions of Trade**
- **Invoice Issuing**
- **Credit Control Procedures**

Clear policies are required and in the case of Credit Control be

prepared to enforce the procedures and if appropriate, impose the statutory interest legislation.

**Customer Loyalty**

Retaining the loyalty of your existing customers by providing them with an *"Outstanding Customer Experience"* is vital for business survival.

**New Customers**

Smart businesses continue to market through a downturn and position themselves to take full advantage of the upturn, when it happens. Consider "Marketing" as

an investment, not an overhead!

**Staff Morale**

Employee motivation can rapidly deteriorate in times of economic uncertainty, therefore maintaining and improving good communication with your staff is important in keeping morale high.

**System and Planning**

Now is the time to ensure proper systems are in place for every task in your business. Do you have systems for non-essentials e.g. reception flowers/newspapers?

2009

# Budget Report Update

Further details on the budget proposals

## Corporation Tax

From 01/04/09 the rate will remain at 21% for "Small Companies".

## Capital Allowances

Temporary "First Year Allowance" for expenditure on general plant and machinery, in excess of £50,000 AIA limit, will be 40%. This applies to expenditure between April 2009 and April 2010. This will benefit businesses spending over £50,000, where previously, they would have been limited to 20%.

## Stamp Duty Land Tax

The threshold of £175,000 has been extended to 01/01/10.

## Pensions

### Anti Forestalling Provisions

The provisions will affect individuals with income in excess of £150,000, who on or after 22/04/09 change:

- Normal pattern of regular pension contributions.
- Normal way in which pension benefits are accrued.
- Total pension contributions are in excess of £20,000.

The proposal is to restrict the payment of pension contributions to basic rate relief from 06/04/11 for taxpayers with income in excess of £150,000. Tapering will apply until tax relief is 20% for those on incomes in excess of £180,000.

## ISA Limits

These have been raised to £10,200, with up to £5,100 in cash. The new limits apply to those aged 50 and over, in 2009/10 from 06/10/09 and for all other investors from 06/04/10.

## VAT

From 01/05/09, the registration threshold rises to £68,000 from £67,000. The rate of VAT reverts back to 17.5% on 01/01/10.

## Extension of Trading Losses

This is effective from 22/04/09 for company trading periods ending in the period 24/11/08 to 23/11/10 and for unincorporated businesses for the tax years 2008/09 and 2009/10. The relief is limited to £50,000 of trading losses, available to carry back for three years, previously up to 11/09 now extended to 11/10.

## Vehicle Scrapping Scheme

A discount of £2,000 will be offered to customers, buying a new vehicle to replace a vehicle over ten years old, which they have owned for more than 12 months.

## Personal Tax

There is a new 50% rate on income in excess of £150,000, applicable from 06/04/10. Where dividends are received the rate applicable to those dividends is 42.5%, formerly 32.5%. Personal allowances are to be restricted for those with "adjusted net incomes" in excess of £100,000, tapering to zero. This is being introduced from 06/04/10.

## Tax Relief for Business Expenditure on Cars

With effect from 01/04/09 for companies and 06/04/09 for individuals, expenditure on cars with CO2 emissions exceeding 160g/kg will be allocated to the special rate pool and attract a 10% writing down allowance. Expenditure on cars with CO2 emissions of 160g/km or less will attract a 20% writing down allowance.

The adjustment in respect of car lease rentals has been changed to a flat rate of 15%, but only applies above 160g/km.

The above is a snapshot of some of the 2009 budget provisions which will affect SME's. If you require further information or advice, please contact **Alistair Armstrong** on [alistaira@a9partnership.co.uk](mailto:alistaira@a9partnership.co.uk).

The end of May saw a big change for The A9 Partnership (Highland) Ltd. as we moved into new premises in Cradlehall Business Park, on the outskirts of Inverness. The new office is modern, professional, ideally situated and equipped to facilitate an outstanding customer experience to our clients.

The recession has had a mixed effect on the Highland economy. Walking through the city centre the number of empty shops is increasing as the big high street names continue to struggle. However, the feeling is that this predominantly rural region has suffered less than big cities in the Central Belt.

Due to the popularity of UK holidays this year, the director of Highlands Loch Ness tourism group, has described business as "buoyant", particularly at the budget end of the tourism market. There is however a squeeze on medium and large hotels on the corporate services side as corporate Scotland continues to keep its entertaining budgets suppressed.

On the construction side some 'green shoots' appear to be sprouting with major development projects such as the Newtown at Tornagrain and the Highland Housing Fair funding looking more



"Our mood is one of cautious optimism"

positive as recently reported in the press. Tulloch Homes are sponsoring the Inverness Highland Games and Masters World Championships, showing that the big players are continuing to maintain their marketing and advertising spend.

None the less, there is concern that the impact of the recession may be delayed here, as happened in the previous downturn of the early 1990's.

It is worth noting however that this recession is financial services orientated and the highlands do not have significant exposure to this market where the traditional farming and tourist industries remain strong.

Here at A9 Highland, we are continuing to assist our clients to optimise and plan their financial position with assistance with cash flow planning, production of accurate and detailed management information, business valuations, advising at an early stage on forthcoming tax liabilities, tax planning and mitigation.

*Our mood is one of cautious optimism and we would urge business to be ready to meet demand when the upturn arrives – as it undoubtedly will.*

**Our Inverness Associate, Paul Capewell can be contacted at [Inverness@a9partnership.co.uk](mailto:Inverness@a9partnership.co.uk).**

# Pension Planning

Peter Smith had been looking forward to his retirement. He was due to access from his pension, £18,000 pa and for the first 2 years with no tax to pay. All the planning had been aiming towards his birthday.

Instead of being able to retire next April Peter will now have to wait another five years all because Peter was born on the wrong day, 10 April 1950. Why?

On the 6<sup>th</sup> April 2010 the pension retirement rules change and if you are not 50 by this date you will have to wait until you are 55.

Peter misses out by **five** days.

Yes, he will still be able to retire and still intends to sell his business next year, but the pension income cannot be accessed for five more years. Good planning and communications between his accountant and IFA has allowed him to still achieve his objectives even though the initial plan has changed.

What if you have not been effectively planning for the future? What if you are

currently between 50 and 55 and you don't reach 55 before the 6<sup>th</sup> April 2010. Or what if you're aged 50 on 5 April 2010, you'll be able to take your pension benefits, but if you don't manage to take them by midnight that night you won't be able to access your pension for another five years.

If you are currently between 50 and 55, you can access your pension commencement lump sum now, but, after next April, you will need to wait until you reach 55. If you leave it until the end of the tax year it may be too late as pension companies will be inundated by people trying to access their pension benefits before the rules change.

Act now and you will have the time for planning: leave it to later in the year and you may miss out.

Bill Smith is a Pension Specialist, and is the Edinburgh Partner of Scotia Independent Financial Services. He can be contacted on [bsmith@scotiaindependent.com](mailto:bsmith@scotiaindependent.com)

## Please note:

*A pension is a long term investment. The fund value may fluctuate and can go down.*

*Taking pension benefits early will reduce the amount you receive in retirement, so is not something to embark on lightly and is therefore only suitable for a limited number of people and circumstances.*

*Scotia Independent Financial Services is an appointed representative of the M & E Network Ltd which is authorised and regulated by the Financial Services Authority.*

*Pictured are (from left to right), Alistair Armstrong (A9), Bill Smith (Scotia Independent), John Cassells (Young and Partners) and Richard Baird*

## Property Presentation

An extremely successful presentation took place at the Dakota Hotel, in association with Scotia Independent Financial Services and Young and Partners, solicitors on maximising the use of property as a business asset.

The content included how property interacts with pensions, together with the legal and tax aspects thereto. Also included was a 2009 Budget Report, highlighting any implications relative to pensions and property transactions.

## TAX ENQUIRIES

From 1<sup>st</sup> April 2009, we have a new procedure for settling disputes with HMRC. Under the new regime, at the end of the enquiry, you will be advised of what additional tax is due.

Your options are then:

- Accept the decision and the additional liability
- Appeal and request an internal review. This review will be carried out by a different inspector, who will advise you whether they agree or not with the original decision. If you disagree with their decision, you can appeal to an independent tribunal.
- Ignore HMRC's internal review procedure and go direct to the independent review.

The new tribunal are looking for all steps having been taken to settle the case before coming before them. One good reason for using the internal review, is that HMRC, as part of the procedure, are required to set out in detail, why they have rejected any argument.

Clients of The A9, have the opportunity to join our Fee Protection Scheme, which offers protection against the costs of conducting the enquiry.

