



**WISE & CO**  
Chartered Accountants  
& Business Advisers

# Wise Words

*accounting for the future*

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Crew Catering vans line up at Pinewood



An army of extras marches on its stomach!



Roger Wise and Colin Essex with the Pinewood Oscar collection

## Feeding the troops at Pinewood Studios

Wise & Co's Pinewood team works with many film and TV-based clients; it's a fast-moving environment and clients need support exactly where and when it's needed.

Typical of these is Crew Catering. Run by Vince Jordan for over 20 years, he has the unenviable task of making sure hungry and tired crew and cast are fed from early in the morning to late at night – and on time. Filming schedules wait for no man!

Colin Essex, who looks after Vince and many other Pinewood clients, aims to offer exactly the right support to help Vince with the decisions he needs to make to grow his business. "There's no doubt it's a competitive marketplace and people need to work hard to hold their position against enthusiastic newcomers. Nothing stands still for long in film and TV," commented Colin.

We asked Vince what was valuable to him about the support from Wise & Co.; "Colin has been looking after our accounting and tax affairs for over 20 years and he and his team have been invaluable to me and the

business in helping us maximise our profits and minimise my tax exposure.

"The fact they are practically on location with us at Pinewood means they are always available if I need them - this has helped me focus on whichever project we are working on at the time. Knowing that the accounting and business side of things are being looked after by Colin and his team is very reassuring; it enables me to focus on generating new business, gives me the freedom to continue to be a leading film and TV catering company and allows me time to service my demanding clients.

"Colin, Mandy, Maxine and other Wise and Co. staff are, without doubt, part of a most forward-thinking firm for our type of industry and they have helped me through both good and difficult times. My thanks to them for all their hard work."

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### Is there room for eBusiness in your sales channels?



Both eBay and Amazon are reporting a huge surge in online retailers since the recession three years ago. Smart-thinking businesses are looking for alternative methods of selling their goods and using online marketplaces like these makes it possible to sell practically anything to anyone, anywhere.

eBay is expecting the number of its millionaires to rise to 160 with many of these trading on the back of major export sales to the US, Australia and Europe. Easy access to Google Adwords campaigns and other e-marketing techniques provides a platform where even small businesses can thrive.

The question is, are you making the most of this opportunity or are you still using the same distribution channels as before?

### Absence through stress on the rise

A recent study by the Chartered Institute of Personnel & Development (CIPD) reveals that stress is now the number one cause of long-term staff absence.

The cause is put down to increases in workload and pressure at work, combined with fears over redundancy. 40% of employees said they had taken more sick leave this last year as a result of stress.

It goes without saying that this is a costly exercise for employers, so it's worth taking some time to think through what you can do in your business to reduce these factors.

- Communication is a key tool – making sure the whole team knows what's going on in your business
- Plus watching out for tell-tale signs of individuals being under excessive pressure and not coping. Caught early on and with plans on how to reduce stress in the workplace, you could nip the problem in the bud before it leads to absence.

## Volatile markets and low deposit rates?



By Martyn Lodge : Wise Financial Solutions

We are experiencing more and more clients looking to 'spread risk' through other investments. Whilst tax advantaged routes should usually be considered, at the present time with the recent fall in stock market indices, structured products are becoming popular again for those seeking an alternative form of investment.

There is a whole array of products available in this sector but as they can be quite complicated and the rates across the market do vary, potential investors may wish to seek independent advice before deciding on a particular course of action.

Wise Financial Solutions has access to a wide range of structured products, some with the objective of providing underwritten capital returns and others a tax efficient income.

Many of the schemes available are covered by the Deposit Protection scheme, allowing up to £85,000 per investor and some accept ISA monies which can benefit from tax-free income and /or capital growth. Full details of the terms, conditions and potential benefits will be supplied upon request.

#### ISA investments

In the current tax year up to £10,680 can be put into an ISA per individual and up to half of this can be placed in a Cash ISA. If you do not use this allowance each tax year, it is lost.

With base rates so low and many individuals holding monies on deposit, it is vital that you make your money work for you, so make sure that if you do not currently use the full allowance by means of a Stocks and Shares ISA, that you consider transferring the maximum £5,340 into a Cash ISA to get TAX FREE returns and if you wish to invest more, you can top up with a further £5,340 into a Stocks and Shares ISA.



Many investors have built up sizeable ISA investments over many years and these should be reviewed, as Cash ISA rates from your current providers may not be the best and better returns may be achieved elsewhere. If you have a portfolio of Stocks and Shares ISAs, these should certainly be reviewed regularly to assess the performance and managed in line with your current requirements.

The value of a stocks and shares ISA can go down as well as up and the capital / income value is not guaranteed

If you require further information or advice on this subject, please contact Guy Freeman or Martyn Lodge at Wise Financial Solutions or talk to your Wise & Co Partner.

### VAT Registry Scam – be warned!

We've been made aware of a new scam by some of our eagle-eyed account managers who have received several suspicious letters intended for our clients. These letters originate from a firm called Intracom VAT Registry in Belgium and are requesting registration for EU VAT for £320.

This scam is quite sophisticated with a

mailing package leading you to a web payment page. Please do not visit any websites asking you for money to register for VAT – you will never be asked to pay for VAT registration and there is no requirement to register for EU VAT.



## HMRC warned over penalties



By Sharmini Woodings : Tax Partner

We have often reported on the increasing tendency for HMRC to issue penalties, in recent years, covering all aspects of taxation. Interestingly, however, there have been some recent first-tier tribunal decisions which have warned HMRC to be fairer in their approach, specifically with regards to PAYE enforcement.

**PAYE penalties** are applied on a monthly basis but it can often be several months before the penalty notice is issued; so the employer may only be made aware of the problem when they receive a four months' penalty notification – generally for £400! Previously there has been little course for redress in this situation and the penalties have been pursued and collected.

There may, however, be more hope for the future as, for example, in the recent case of *Hok Ltd v HMRC* where the judge said that HMRC had acted “neither fairly nor in good conscience” and in consequence, the penalty was reduced to £100.

### Ask for time to pay ...

It's worth noting that if you are struggling with PAYE payments, it's worth contacting the tax office to explain, even if it's only for a few days. This constitutes a time-to-pay arrangement and means that they can't charge a penalty.

### Early years tax demands – do you have to pay?

Following a change in HMRC's computer systems, huge numbers of coding errors have come to light for tax years 2005/2006 to 2009/2010.

Several people have been contacted to tell them they have overpaid and that a refund is due. However, on the other side of the coin are those who are now receiving demands for overpayment.

If you have been affected by this, we may be able to assist in negotiating with HMRC to write off all or part of the tax demanded due to negligence on the part of HMRC in assessing the liability. If you receive one of these demands and would like us to review your position, please do contact us.

## Enterprise Investment Scheme – Investor Tax Relief



By Joanne Colwell  
Tax Manager

The Enterprise Investment Scheme (EIS) provides tax relief for people who invest in other businesses; the business needs to be unconnected to the individual and you can get up to 30% of the amount invested off your personal tax bill.

Here is a summary of recent and forthcoming changes to the scheme:

### From 6 April 2011

- Relief has increased from 20% to 30% of the amount invested
- Maximum 'carry back' restriction removed for shares subscribed in the first half of the tax year
- Individuals can no longer defer existing capital gains under the EIS rules and also qualify for Entrepreneur's Relief on that same gain when it comes back into charge.

### From 6 April 2012

- Investment threshold increases from £500,000 to £1 million, per person
- The amount a company can raise in a 12 month period via EIS increases from £2 million to £10 million
- Maximum company assets increases from £7 million immediately before the share issue and £8 million immediately after the share issue, to £15 million & £16 million respectively
- The maximum number of employees (before the issue of EIS qualifying shares) increases from 50 to 250

If you would like to discuss any of these points or enquire in more detail about EIS and the potential reliefs available to you or your company, please do let us know.

The Chancellor announced in the Autumn Statement the introduction of a new Seed Investment Scheme (SEIS) for small companies from April 2012. Please contact us for more information.

## Tax on your second property – Can you secure a 10% tax rate on disposal?



By Paula Sparrow : Tax Manager

These days it is not uncommon to own a second property. There are lots of possible reasons - a holiday home; for a student in the family who is away at university; or maybe as a buy-to-let investment property.

Without planning, all second properties are exposed to capital gains tax (CGT) when you eventually sell them. The 'taxable gain' is the difference between purchase price and sale proceeds which may be significant, especially if you've had the property for a long time. Typically the current capital gains tax rate will be 28% of that gain.

However, there is a possibility that you could reduce the rate from 28% CGT to just 10% utilising Entrepreneur's Relief, by 'qualifying' the property as a holiday let for the 12 months before you sell. The rules on holiday lets are quite strict; from April 2012 you need to be able to make it available for letting for 210 days in the year and to



succeed in letting it for 105 of these. For many properties and locations, this simply won't be possible.

However, if you feel this might be an option, please do contact us for more detailed advice.

## A New Song for Christmas

Wise & Co. are delighted to be sponsors of Farnham Youth Choir.



At their annual Christmas Concert at The Maltings, the Farnham Youth Choirs once again offered an enjoyable collection of old and new carols to get the packed audience fully into the festive spirit! In addition to some usual favourites, the Junior Boys and Junior Girls came together to perform a new John Rutter carol, "The Colours of Christmas" and FYC showcased a number of carols from the Choir's latest CD, *Hosanna*, just launched and available via [www.fyc.org](http://www.fyc.org).

Finally, no FYC Christmas concert would be complete without choral director David Victor Smith's seasonal jokes (groan!) and audience participation in The 12 days of Christmas. For many in the audience the FYC concert is the true start of the Christmas celebrations - and none left disappointed.

## Marathon woman Keely!

Audit manager Keely Harvey took part in the Dublin marathon on Monday 31st October 2011 for two charities, The National Autistic Society and The Down's Syndrome Association.

Keely ran with her sister Anna O'Shea. They trained for over six months and were pounding the pavements three times a week, so they certainly earned their success!

They raised over £1400 which is a superb result. Well done to both.



Keely Harvey (left) with her sister Anna at the finishing line.

## Well done Laura and Luke



Congratulations to Luke Silvester and Laura Smith for attaining the AAT (Association of Accounting Technicians) qualification. They are both now working towards becoming chartered accountants.



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This newsletter has been written for the general interest of our clients. We believe that the facts are correct as at January 2012 but there may be some unintentional errors or omissions. It is therefore essential to take advice on specific issues. We cannot be held responsible for the consequences of any action taken upon the information contained herein without our express consent.

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