



Yeovil Business News

Welcome to our first Business Newsletter since becoming Old Mill. We feel it important to keep our business clients and prospects in touch with some of the important accounting, business and tax issues you are facing – and to do so in a newsletter which we hope you will find both interesting and relevant.

We have taken the opportunity of change to give the newsletter a much more local focus and to include some new features – a 'Client Profile' and a business adviser's 'Guest Spot'. If you would like to make any comments about this newsletter or any suggestion

of what you would like to see featured in future editions please let us know. Also if you feel that Old Mill can help you in any way please get in touch – remember our first meetings are always free and without obligation.

Yeovil business breakfast

Old Mill are really pleased to be involved in the 'Yeovil Business Breakfast' the twice a year meeting which we run in conjunction with Battens the Solicitors and HSBC. Believe it or not this event is now entering its fifth year. Compared to many breakfasts which have come and gone it has stood the test of time.

The secret of the success is probably that it is not a 'networking' meeting as such. Certainly there is plenty of opportunity to meet fellow local businessmen but each meeting also has substance – addressing many issues that are of relevance to local businesses.

There has been a wide range of topics covered, from the outlook for the economy, the local property market to many tax and HR topics. The next event is due in April. If you would like to make sure you are invited to this meeting – with a free breakfast – please let us know, email yeovil@oldmillgroup.co.uk.

Client profile – Filebase

Developing new marketing skills for a new business is an often overlooked but essential component of growing a new business. The experience of Simon Barber in creating his company Filebase during the past year shows how valuable they can be.



Simon Barber,
Director of Filebase

Simon looked at how he could utilise a large redundant building for a business. Self Storage was an obvious though over simple solution. Simon wanted something that added a bit more value and hit on a franchise for secure document storage and management. This is a service required by the Health, Accountancy and Legal sectors and by many other companies where there is a need to securely store documents for a period of time but still have prompt access to them. Archiving and confidential destruction work is also undertaken.

Simon invested in specialised racking, high tech security and cutting edge software. This provides a top of the sector level service with excellent document traceability and the ability to deliver documents to offices within 24 hours or even same day retrieval for emergencies. As a first step in marketing Simon identified the potential market both in terms of sectors of business who had documents to store and within that the different motivations businesses had to use his particular service.

There are those who had never considered using outside storage but needed to gain space in their offices, and then there are those who assumed that self storage was the only solution or those businesses that had used a similar service from other providers but had not been happy with the level of expense or the service. Simon quickly realised that one of the major strengths of his operation was that he could develop ongoing relationships with his customers and tailor an individual service to suit them.

Simon then had to find ways of approaching the potential market he had identified. Existing contacts have been important but Simon has found it necessary to add a whole cocktail of other efforts to that. Obtaining target prospect lists, mailing and ringing them proved hard work but essential. Getting out and meeting people through business meetings and networking has also paid dividends. Then having made an appointment to see a potential client, making the right pitch and correctly following it up in a way to gain commitment.

Simon comments "Although it has been a lot harder work than expected it is very satisfying to see those labours pay off. I now have established the basis of a successful business."

Based in central Somerset, Filebase offer their storage and retrieval service from the M4 down to the Devon border, through Somerset, Dorset and West Wiltshire. Simon is contactable on **0845 602 7006**.

Email: **simonbarber@filebase.biz**

Website: **www.filebase.co.uk**

www.oldmillgroup.co.uk

Visit the Old Mill website to find out more about Old Mill and to see pictures of our key personnel. As well as recent news stories, press releases and publications two new features have been incorporated into the site.

Old Mill Business Survey – we are interested in finding out what West Country business people think on

issues that are important to them. Every four months the simple questionnaire highlights a number of pertinent issues so we can collate your opinions and views. Summaries of results will be made available for you to read and if you complete the questionnaire you could be in with a chance of winning a case of wine.

Old Mill Blog – with Blogs being all the rage at the moment we thought that we should not be left out – but have a bit of fun at the same time. Behind the light hearted approach are some serious tax tips and messages.





Tax Investigations – do you believe the Chancellor?

In his budget last year the Chancellor caused a certain amount of surprise by suggesting that he was reducing the number of Tax Enquiries into company's returns.

This is a surprise as this seemed a total back track of all that he had done over the previous decade with the implementation of an ever more draconian stance from the tax authorities.

What the Chancellor meant by a reduced number of enquiries is still less than clear. The HMRC targets for extra tax collected through enquiries has not been reduced – and the very high 'hit rate' target of extra tax in 78% of all full enquiries has not been altered. In practice HMRC inspectors still seem to be as aggressive as ever and going after easy targets – all too often smaller businesses.

At Old Mill we offer clients an insurance scheme to cover the costs of a tax enquiry. This is something that we strongly advise clients to take out. Every year some clients will have to suffer an inspection and it is a great reassurance to know that the costs involved are covered. However we also are keen to help clients reduce the

risk of attracting an enquiry in the first place. There are a number of ways of going about this.

Keeping your nose clean – ensure that all returns are made in time and that all tax is paid in time. Immediately you transgress, as well as picking up the unpleasant financial penalties, you draw the authority's attention to yourself and it has been shown this is the number one way of making an inspection more likely.

An omission – perhaps you genuinely forgot to mention it to your accountant or maybe you thought the tax people would never notice but beware; HMRC receive information from banks about income you receive through interest, PEPs, ISA's and the like. If they spot an omission an inspection is very much on the cards.

Big changes from one year to the next – if there has been a big change in your performance, rate of profit, expenditure or similar compared to the previous year it may be a good idea to make a comment in the Additional Information Box to explain the reason.

There are a number of other possibilities that Old Mill accountants will be looking out for. Nobody can guarantee who will or won't receive a Tax Enquiry, however by working together we can minimise the likelihood and insure against some of the consequences. If you have a query or concern please do not hesitate to talk to us.

VAT – the flat rate scheme

The VAT flat rate scheme for smaller businesses has been in operation for a number of years but in real terms has not had a huge uptake. Some people have given it a bad press – perhaps because many advisers prefer to advise what they know and are comfortable with.

The experience of the Old Mill Small Business teams is that there are circumstances where the flat rate scheme can not only be very simple to operate but financially advantageous to the client.



To opt for a flat rate scheme a business needs to be big enough to register for VAT but below a net turnover of £150,000 per annum with net supplies of below £187,500 per annum. The way it works is that although when you sell goods or services you charge VAT at the usual rate you do not reclaim the VAT on goods and services which are invoiced to you.

Instead of paying VAT to HMRC of the difference between the VAT you have charged out and the VAT you have paid suppliers you are instead charged a flat rate % on all your VAT turnover.

The flat rate varies depending on the industry that you are involved in – calculated to equate to a similar amount to that which would have been paid under the usual system. However given that it is designed to help

small businesses it usually tends to veer to the generous – most companies report finding themselves better off. In addition there is a 1% discount on the flat rate in the initial 12 months of a business being registered for VAT.

Some companies seem to do better than others out of the flat rate scheme. If you would like to find out if it is the right choice for you please contact the Small Business Teams in Yeovil or Shepton Mallet.

Guest spot

In each issue we ask a guest to explore a topic which they are finding is of relevance to their business clients. In this issue Tom Lenon of Solicitors Dyne Drewett, who have offices in Shepton Mallet, Sherborne and Castle Cary, looks at the emotive subject of Asbestos Regulations.

Who is responsible for compliance with the Asbestos Regulations?

The Control of Asbestos Regulations 2006 came into force in November 2006. They reinforce the existing rules concerning asbestos risks in commercial properties that have applied since 2004. Many commercial property owners still remain unaware of their responsibilities in relation to asbestos risk.

The Regulations affect all non-domestic properties and any person who is responsible under the Regulations faces stiff penalties for failure to comply. The definition of non-domestic premises extends to the common parts of residential properties such as apartment buildings for which the landlord may be responsible. Increasingly, on a sale of a property a prospective buyer will want confirmation as part of its due diligence that the Regulations have been complied with. It is important,

therefore, if you are the duty holder under the Regulations that you understand your obligations and carry them out.

The responsibility of the duty holder under the Regulations is to manage the risks associated with the presence of asbestos. It may well not be necessary to actually remove the asbestos from the property provided the risks associated with it can be managed.

In particular you must take reasonable steps to determine the location and condition of materials likely to contain asbestos and maintain and keep an up to date record of those materials. You must also assess the risk of the likelihood of anyone being exposed to the fibres from these materials and prepare a plan setting out how the risks from those materials are to be managed.

The person with the duty to comply with the regulations is usually the owner of the property, but in leasehold properties the responsibility will normally lie with the person who has responsibility for maintenance or repair under the terms of the lease. Where maintenance responsibilities are shared the duty may also be shared.

If you have any concerns about the application of the Regulations, please do contact Amanda Inch on **01749 342323**.



The new Companies Act

Those of you who run companies may feel they should show some interest in the new Companies Act which was passed on 8th November 2006. With 850 pages it is apparently the biggest ever piece of UK legislation so there should be something of interest.



However as far as smaller companies are concerned there seems to be very little to get excited about – particularly at the moment. In the first place although it was passed in November 2006 it is not until February 2007 that there will be an announcement of when it will come into force.

It is anticipated that some of the new legislation may be applied from October 2007, but many feel that the bulk of it will not be implemented until October 2008.

It is also very difficult to see much that will be of relevance to smaller companies. The ability to communicate with shareholders by email is hardly exciting when there may only be one of you! The main thrust seems to be to codify some existing practices whilst loosening the need for some petty paperwork. There will no longer be a need for AGM and as these do not need to take place they now do not need to be minuted!

One possibly useful change is that it will no longer be necessary to appoint a company secretary. This is a role that in smaller companies is often fulfilled by the spouse of the owner without fully realising the responsibilities that are involved and the possibilities of litigation against them if the company transgresses. However the role is often useful to provide a legitimate reason for paying a spouse a salary!

Over the next few months there is expected to be more information about the operation of the act becoming clear. However for people running smaller businesses it is not expected to be of prime importance.

West Country business is turning Green

The 'Green' factor is now an important element of the West Country business scene and business owners would do very well to see how it impacts on their businesses and whether there is any way they can capitalise.

The west is home of some large 'green' businesses. Green Spirit Fuels at Henstridge on the Somerset and Dorset border are building the country's first commercial production plant for bio-ethanol fuels; BiCal of Cullumpton are the country's leading suppliers and advisers on Miscanthus – a Biomass fuel for which there are a number of heat and power generating schemes coming on stream. Recycling and Waste companies such as Virador are amongst the regions fastest growing companies whilst there is hardly a builder who would not be looking at energy efficiency and the need to be 'carbon neutral' in any new building project.

Retail businesses are also very much in the thick of things – locally produced food and farm shops are very much on the rise. 'Fair trade' foods are now on many shop shelves, good furniture is made from wood from

sustainable forests and now even clothing is coming under the ethical scrutiny.

'Green' is now seen as good – particularly at the quality end of marketing. West Country businesses can, without being cynical, reap benefits from going down the same route. For many there may not appear to be a lot they can do – except get their own house in order energy efficiency and waste recycling wise.



However even changing to recycled paper or packaging or running company vehicles on green fuel are quite effective – if you let people know you are doing them. Not only are there a lot of opportunities for free publicity through PR but there is also the strong probability that many of your customers and prospects will feel even happier in trading with you if they know your company is environmentally responsible.

Radio advertising

You may have been surprised to hear our radio advertisement on Ivel FM in the past few weeks. An accountant advertising on the radio! Well is it something new.

As a young company with a dynamic team we are looking at new ways of getting our message across – the message that accountants can be a big help to owner managers and have a proactive role to play in helping businesses maximise their profitability.



Radio is one medium to use to raise our profile – we are dipping our toe in the water to see what reaction there is to it. Our aim is to ensure that every business in the Yeovil area knows of us and what we can do for them.

Contact Old Mill



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