



Ten Websites to Beat the Credit Crunch

by Stuart Singer

1. www.zopa.com

Zopa describes itself as "a marketplace where people lend and borrow money to and from each other, sidestepping the banks". If you are a borrower, you can go to the Zopa lenders and borrow money at a rate which will hopefully be cheaper than a bank can provide. If you are a lender, according to Zopa, you will get an average return on your money of 9.1%. Zopa use the same lending checks as the high street banks and boast around 0.5% default rates. Your risk is reduced by spreading your money across a range of borrowers.

2. www.vouchercodes.co.uk

Before you make any purchase on the internet, you should always scan the various voucher code websites. Each site contains a list of all the current codes which will give you anything from free delivery to discounts of up to 40% off on-line purchases. There is nothing more satisfying than entering a code at an on-line check-in screen and watching the total cost of your order suddenly reduce.

3. www.clearance-comet.co.uk

Whenever goods get slightly damaged or returned at Comet, they make sure the goods are in perfect working order and then list them on their clearance auction site. It may be a small dent in the side of a fridge or no box for a TV but, if that does not worry you, appliances can be purchased for up to one third of the retail price.

4. www.ebay.co.uk

This website requires no introduction, but you can purchase and sell virtually anything here. I once sold a used ticket stub for a football match for £10. You need to take care when purchasing to ensure that you are buying and selling to trusted people.

5. www.uswitch.com

With soaring utility prices, it is a good idea to ensure that you are using the most economic supplier. This site will quickly and easily compare the relevant companies to recommend the cheapest option. It is likely that you will be able to save several hundred pounds each year on your bills. In addition, you can compare prices of insurance and mortgages and the site contains lots of money saving tips.

6. www.moneysavingexpert.com

This is possibly the most comprehensive website for saving money, comparing prices and obtaining discounts. The site also has a very popular forum which contains many money saving tips and offers good consumer advice and helps you avoid becoming the victim of a scam.

7. www.tescocompare.com

Car insurance is a major cost for all of us. There are many sites that compare costs, however, the Tesco site can result in amazing savings on your insurance if you meet their requirements.

8. www.petrolprices.com

This very simple site allows you to compare the price of petrol in your local area and it is very simple to use. You simply enter your postcode and the site will list all of the prices at the local garages.

9. www.ratebuster.co.uk

If you are making calls abroad, this site allows you to call both fixed lines and mobiles at a fraction of the cost. No account is needed and it is simple to use. You simply prefix the number with a code and calls around the world cost from 1p per minute. You can also make international calls from your mobile, but many mobile providers will charge 20p per minute to call the access number, so beware.

10. www.ownmysite.com

This unique site allows you to own a share of the profits simply by browsing its pages. If you choose to purchase goods via the site, credit will be given according to the amount that you spend. Each month, an amount will be credited to your Paypal account via your e-mail address.

11. www.propertysnake.com

And one for luck! This website shows the movement of the price of property for sale. If you are looking to buy, find the properties that have been reduced and snap up a bargain. You can search by postcode and then easily review the most recent reductions.



GP Pay Award 2009/10

by Laurence Slavin

What is the New Mechanism referred to by the BMA for 2009/10?

The BMA have agreed a new mechanism with the NHS employers to set GPs' pay. It is particularly complicated and difficult to follow and works something like this:

- The annual funding is identified on spending for:
 - Global Sum
 - Global Sum + Correction Factor (aka MPIG)
 - QOF
 - Enhanced Services
 - Locum Payments
 - Seniority Payments
- As part of the agreement reached between the BMA and the NHS employers, a ratio is applied to the funding sources mentioned above as follows:

Funding Source	x	Ratio
a. Global Sum		7
b. Global Sum		
+ Correction Factor (aka MPIG)		2
c. QOF		5
d. Enhanced Services		5
e. Locum Payments		0
f. Seniority Payments		0
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- The DDRB pay award, when issued, is multiplied by the TOTAL of all the funding sources calculated from the outcome of stage 2 to find a TOTAL pay award in £s.
- The TOTAL award derived from 3 is then split between the individual funding sources in the agreed ratios.

In the example given by the BMA and the NHS employers, a 2% pay award would result in the following increases:

Funding Source	%age Increase
a. Global Sum	2.13%
b. Global Sum	
+ Correction Factor (aka MPIG)	0.61%
c. QOF	1.52%
d. Enhanced Services	1.52%
e. Locum Payments	0.00%
f. Seniority Payments	0.00%

Having established the awards to be applied to each funding source, the same concepts apply to the MPIG/Correction Factor that applied in 2007/08. In other words, whatever increase is added to the Global Sum in (a) above is deducted from the Correction Factor, unless that practice does not have a correction factor, in which case it will get the full increase in (a) above. If the practice does have a Correction Factor that effectively absorbs the increase in Global Sum, it will still get the increase shown in (b) above.

If that is not complicated enough, the formula is then put through what is called an Iterative effect. Recycled savings on the Correction Factor are applied again using the formula identified above a further 40 times to increase the final award further, but the effect of this remains to be seen.

What is the Latest on the Future of MPIG?

The BMA mentioned in their letter to the profession of 14th October 2008 that they have started work with NHS employers on finding ways to reduce reliance on MPIG over a number of years. One of the conditions the BMA have stated is that practices should not be destabilised through lack of resources. The BMA also say that, since it is unlikely that this work will be concluded for 2009/10 and the ratio model described above may not be used after 2009/10, there is an expectation that a new method will be found to reduce reliance on MPIG by 2010/11 and the complicated ratio formula will not be necessary.

What is happening to the QOF points?

The following is agreed:

- 1000 points still remain
- Thresholds stay at their current levels
- The QOF Patient Survey is replaced with a new Postal National Patient Survey
- 55 Patient Experience points are reallocated
- 17 points are taken from other areas
- These 72 points are put into new clinical areas:
 - Advice on long term contraception
 - Cardiovascular disease primary prevention
 - New depression indicator on assessment of severity
 - Beta blockers for heart failure
 - Improvements to chronic kidney disease indicators
 - Improvements to diabetes indicators
 - Improvements to chronic lung disease indicators

Using the example given by the BMA, the £s per point would increase from £124.50 to £126.40 for an average practice.

What is happening to QOF Prevalence?

There has been much criticism of the square rooting mechanism applied to the calculation of prevalence and there is a commitment to replace this with true prevalence. The change was expected to be advantageous to some practices but disadvantageous to others. The suggestion is that local PCOs will assist those practices likely to lose a significant amount of funds. The plan is as follows:

- On 1st April 2009, the square-rooting will be discontinued
- On 1st April 2010, true prevalence will be used to calculate QOF

Using the QOF Prevalence calculator at www.qof.ic.nhs.uk, you can measure the expected effect on a practice. Using four different examples, the following can be expected:

Practice	List Size	Income Change 2009/10	Income Change 2010/11
Inner City	6583	£12,007 less	£15,580 less
Inner City	8396	£13,309 less	£15,231 less
Suburban	12134	£2,868 less	£4,434 less
Rural	7967	£1,395 less	£3,037 less

What Else is Likely to Change?

There are discussions going on looking at the way seniority is calculated, but no agreement has yet been reached.

Our Website

You can access our website at www.ramsaybrown.co.uk where you can log in to check your tax liabilities, download personal expenses claim forms, recent newsletters and other useful information.

Accessing your tax liabilities

If we have prepared your tax return, we will have written to you detailing your tax liabilities.

You can also check your liabilities via our "client tax login" area on our website. To do this, you will need your ten digit reference number, which appears on your tax return and your date of birth. You can also download a payslip and envelope if you do not receive these from the Inland Revenue.

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100% Tax Relief on the Cost of Fixtures, Fittings and Equipment

by Jenny Stone

From April 2008, businesses can claim 100% tax relief on the cost of fixtures, fittings and equipment, up to an annual investment allowance of £50,000. An individual partnership will only have one annual investment allowance which will cover expenditure paid by the partnership and the individual partners.

If more than one business is under the common control of the same individual or group of individuals, they are "related" and there may be a restriction on the annual investment allowance. If two businesses are "related" and they share the same premises and have similar activities, then only one annual investment allowance will be available for both businesses. For example, if the partners from a GMS practice also set up a separate partnership to provide commissioning services which are carried out from the same premises, then both partnerships will share one annual investment allowance. However, if, instead of setting up a partnership to provide commissioning services, the partners set up a limited company, then the partnership and the limited company would each have an annual investment allowance. Although the partnership and limited company are under the control of the same partners, the limited company is a separate legal entity.

Capital Allowances for Fixtures, Fittings and Equipment

When a business purchases fixtures, fittings and equipment, the cost cannot be treated as an expense in the accounts. Instead, it is capitalised as an asset and depreciated over its useful life. Depreciation is not allowable for tax purposes and capital allowances are claimed on the cost instead. Fixtures, fittings and equipment that were purchased prior to April 2008 could only have 50% claimed in the first year and 25% on a reducing balance basis thereafter. The value of these will be included in what is called a "general pool". From April 2008, the writing down allowance on the general pool will be reduced from 25% to 20%. This will also include the cost of fixtures, fittings and equipment which are over and above the annual investment allowance of £50,000.

Capital Allowances for Cars

Capital allowances can be claimed on the cost of a motor vehicle that is used in the business. Following recent reforms to capital allowances, the position regarding motor cars is generally determined by their cost and/or CO₂ emission levels. As cars will also be used for private use, only the business use percentage of the capital allowances can be claimed.

Cars with very low CO₂ emissions

If you purchase an environmentally friendly car which emits 110 grams per kilometre or less of CO₂, this will qualify for 100% enhanced first year allowances. Therefore, if you claim 50% business use and buy a car emitting no more than 110g CO₂ for £15,000, then the claim for capital allowances would be £7,500 (£15,000 x 50%), which would save a higher rate taxpayer £3,000 in tax. However, as the cost of the car would have been fully claimed, there are no further capital allowances to claim in future years until a new car purchased. If you then receive sale proceeds on your old car, the business percentage will be fully taxable, as you will have already received tax relief on the full cost.

Cars with emissions above 110g/km

Cars costing £12,000 or less qualify for capital allowances at 20% reducing balance from 6th April 2008. For example, if you purchase a car costing £10,000 and 50% business use is being claimed, the writing down allowance is £1,000 (£10,000 x 20% = £2,000 x 50% business use), saving a higher rate taxpayer £400 in tax. The following year, 20% allowances would be claimed on the tax written down value of £8,000 (£10,000 less £2000).

Expensive Cars

Cars with an emission level above 110g/km and costing more than £12,000 are treated as expensive cars and have a maximum writing down allowance of £3,000 per annum. Therefore, if you purchase a car costing £40,000, the maximum writing down allowance for capital allowances is £3,000, if claiming 50% business use then £1,500 capital allowances can be claimed, saving a higher rate taxpayer £600 in tax.

From April 2009

The rules that restrict the figure of capital allowances for cars costing more than £12,000 will be abolished and replaced with new rules which will take effect from 6th April 2009. The claim for capital allowances will depend on the CO₂ emissions. Cars with over 160g/km of CO₂ emissions will attract a reduced rate of 10% (as opposed to the standard 20%).

From April 2009, motorbikes can be included in the annual investment allowance of £50,000, however, if this allowance has been used, then the rate will be 20%.

Cars do not qualify for the 100% annual investment allowance.



Tax Investigation Service (TIS)

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Increase in Fines and Shortening of Deadline - Companies House Cracks Down on Apathy

by Luke Kirkham

The Companies Act 2006 (CA 2006) is coming into force over several months and most of the changes that come into place will have little impact on the way that many directors complete the preparation of their accounts. However, one item that most definitely will be the introduction of increases to fines for late filing of accounts and the shortening of the filing deadline from ten months to nine months for private companies.

We have seen with HM Revenue & Customs (HMRC) that the deadline for filing paper tax returns has been brought forward to 31st October and there is still concern that the on-line filing deadline of 31st January will be brought forward too. It comes as no surprise then that Companies House has followed suit and brought forward their own deadline to nine months after the accounting year end. Since the corporation tax that a company has to pay is due at this time, it seems to be that common sense has prevailed and at least these two deadlines are now the same. This new nine month deadline is for accounts with a year end after 5th April 2009 therefore, for most directors, this will not apply until next year.

At the same time, someone has seen that common sense should be applied all round and another bizarre oddity has been dealt with too. If a company had a year end that was the end of February, then their accounts had to be filed by 28th December and not 31st December (ten months after the year end). In a leap year, you received an extra day too. This has now been corrected and accounts with a year end of 28th February have to be filed by 30th November (the end of the month nine months after the year end).

The other aspect of the changes relates to the late filing penalties. Parliament introduced these penalties in 1992 to encourage directors to file their accounts on time as this information was for the public record.

These new changes are now in force as they relate to all accounts filed late after 1st February 2009. A point to note is that it does not matter whether your accounts are late under CA 1985 or CA 2006 as, if they are filed after this date, the new penalties apply. Below is a table that shows a comparison of the penalties before and after 1st February 2009 for private companies. For public companies (PLCs), they are significantly higher.

As you can see, the penalties are not only higher, but they rise much more quickly than before. If you are more than one month late, you will already have to pay £375 under the new rules. I think some directors used to see these penalties as a fee for extending their deadline by three months, but this will not be the case anymore as £375 is a much more substantial sum. One point to note is that these penalties are automatic; the registrar can only rescind this penalty in exceptional circumstances. Another dimension to these fines is that, for persistent offenders, the fines can be doubled, therefore if you are late in two consecutive years, you could have to pay a £3,000 fine!

To put these fines into context, in 2006/07 Companies House statistics stated that, of the 2.3 million private companies it had registered, almost 10% paid a penalty for filing accounts late. This raised £47.4 million for Companies House, with an average of £216 per company. Due to the measures below, this average will probably be around £700-£750 per company, or in excess of £150 million in total, although this figure may be much larger.

You can now see why it is more important than ever to ensure we get your books and records in time so we can avoid your company being another statistic on the Companies House website.

Length of Delay	Penalty pre 1st February	Penalty post 1st February
Not more than 1 month	£100	£150
Between 1 month and 3 months	£100	£375
Between 3 months and 6 months	£250	£750
More than 6 months	£500	£1,500

Coming soon...

Ramsay Brown and Partners' Seminars.

To register your interest in forthcoming events, please e-mail Emma Pottinger at: emma@ramsaybrown.co.uk



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When you were a child, what did you want to be when you grew up?
Sweet Shop Owner

Give 3 words that describe you:
Expensive, spoilt and loving

If you could invite up to 3 people to dinner (alive or dead), who would they be?
Mum, Dad and a plastic surgeon

What won't you leave home without?
Positive thoughts

What is the last book you read?
Shopaholic

What is your secret vice?
Shoes

What is your greatest ambition?
To be remembered

People would be surprised to know that ...
I have no hearing in my right ear and that I am lip reading 90% of the time

What is your favourite quote?
"Does thou love life? Then waste not time, for time is the stuff that life is made of" by Benjamin Franklin

What is your favourite movie?
Pretty Woman

Feedback:

Please send views and comments regarding any of these articles to: info@ramsaybrown.co.uk