

NEWSLETTER

CHARTERED ACCOUNTANTS

WINTER 2013/14

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WELCOME

Welcome to our newsletter, bringing you news about latest developments at the firm and about issues that may affect your business or personal finances.

We're always interested in receiving feedback on any aspect of our work, so if you have any comments on our newsletter – or have an idea for a topic that you'd like to see featured in the future – please let us know.

We also welcome enquiries about any issues covered in the newsletter, so for more information, please contact us.



ACT NOW TO PROTECT PENSION POTS

By David Chambers, Smailes Goldie Financial Management

HM Revenue & Customs (HMRC) has launched an online form to help savers protect the most substantial pension pots.

The form, launched on 12 August, provides a quick and easy route for applying for fixed protection 2014 for their lifetime allowance.

From 6 April 2014, the lifetime allowance – the amount someone can put into their pension pot and receive tax relief on the savings – will be reduced to £1.25 million from £1.5 million.

Unless the saver puts in place some form of lifetime allowance protection, if their pension savings are worth more than £1.25 million when they take their benefits, they will have to pay the lifetime allowance tax charge on the excess, at a rate of 55 per cent on a lump sum and 25 per cent if taken as a pension.

Fixed protection 2014 has been introduced to protect people with pension pots worth more than £1.25m but no more than £1.5 million. Applications must be made before 6 April 2014 and there are certain eligibility rules.

HMRC said: "If you're unsure of the value of your pensions savings and don't know whether you need fixed protection 2014 you'll need to contact your scheme administrator or financial adviser.

“ You can also use the lifetime allowance checking tool to help you decide whether to apply for fixed protection 2014 and also individual protection 2014 .”

Details of individual protection 2014, for which HMRC said the application process would open on 6 April 2014, will be confirmed later but it is expected that it will give a lifetime allowance equal to the value of pension rights on 5 April 2014 – up to an overall maximum of £1.5 million – and will not be affected by further savings into a pension scheme.

Pension savings in excess of the lifetime allowance will be subject to the lifetime allowance charge.

Getting your pension arrangements right – including mitigating tax – is crucial to financial security in later life and Smailes Goldie Financial Management can provide expert advice on pension planning, reviewing existing pension arrangements and enhancing your pension provision. For more information, please contact us.



2013... A YEAR TO REMEMBER

By Ian Lamb, Smailes Goldie

Smailes Goldie clocked up two significant achievements in 2013 as the firm continued to grow.

Our acquisition of Hull-based accountants David Turner & Co, which specialises in the agricultural sector, led to the launch of our sister firm Smailes Goldie Turner, which provides a range of accountancy, tax and business advisory services, with a particular focus on working with farming clients.

David is staying with us as a consultant for the time being and his team has transferred to our offices in Hull – although they didn't have to travel far, as their old offices were in the same street!

Meanwhile, September saw the tenth anniversary of our moving into our offices in Regents Court, Princess Street.

At Smailes Goldie, we're proud of a history that goes more than 100 years and we know that our clients appreciate the way we deliver high quality services with a personal touch, a traditional approach that never goes out of date.

At the same time, we know that it's by developing our firm and our services in new and innovative ways that we can

best support our clients, for example through our Sigma Solutions arm – which provides outsourced payroll, bookkeeping and other financial support services – and through SG Financial Recruitment, which specialises in helping businesses to fill their accountancy and finance vacancies. You can read more about these two services elsewhere in this newsletter.

So with 2014 now underway, we're looking forward to another year of developing our services so that we can do even more to help our clients grow.

NATIONAL INSURANCE CUT COUNTDOWN

By Peter Markham, Sigma Solutions

Legislation is on its way that will cut the costs of every business and charity employer by hundreds of pounds this year.

The National Insurance Contributions Bill, which was introduced in the House of Commons on 14 October, will cut national insurance contributions by £2,000 for up to 1.25 million employers from April 2014 through the new Employment Allowance, originally announced in the March 2013 Budget.

Around 450,000 businesses – or one third of all employers – will be taken out of paying national insurance contributions altogether. And more than 90 per cent of

the benefit of the new allowance will go to small businesses with fewer than 50 employees. Up to 35,000 charities with employees are also expected to benefit from the Employment Allowance.

For employers to claim the allowance, they will need simply to confirm their eligibility through their regular payroll processes, ensuring that up to £2,000 will be deducted from their employers' national insurance liability over the course of the year's PAYE payments.

A new online calculator has been launched to enable employers to see the overall impact of the allowance on their payroll or of taking on an extra employee.

Payroll changes, including changed reporting requirements under Real Time Information, can create extra pressures on employers. Our Sigma Solutions payroll bureau provides a fast, efficient, cost-effective alternative to handling payroll in-house – please contact us for more information.

READY, STEADY, GO FOR GROWTH

By Steve Bramall, Smailes Goldie

At Smailes Goldie, we work with small businesses every day and take great pride in providing the advice and support they need to help them do better and grow bigger.

That's why we we're delighted to have sponsored the Small Business of the Year category, for businesses employing fewer than 25 people, in the 2013 Mail News & Media Business Awards, organised by the group behind the Hull Daily Mail. The award went to Stonemere IT Limited, based in Hull.

In an economic climate that remains challenging, these awards – which were announced on 21 November – underline the fact that it's not all doom and gloom out there. There are many

business success stories to be found and it's great to be a part of an initiative that turns the spotlight on entrepreneurs who have found ways to run and develop their businesses successfully.

By celebrating their achievements, these awards can help to open the door to new opportunities and inspire others to follow their enterprising example.

Smailes Goldie's support for new and developing businesses also includes our membership of the Institute of

Chartered Accountants in England and Wales' Business Advice Service.

Under this scheme, we offer a free, initial, one-hour consultation to start-ups and small and medium-sized businesses, typically covering issues such as the viability of the business idea, the right legal structure, taxes and bookkeeping requirements.

So if you'd like to tap into our experience in helping businesses achieve more, please contact us.



EMPLOYERS 'NEED TO BE PREPARED FOR AUTO-ENROLMENT'

By Nicki Shipley, Smailes Goldie

New research suggests many employers could be facing a steep learning curve as they work to hit their deadline for automatically enrolling employees into workplace pension schemes.

The phased introduction of auto-enrolment, under which employers are required to enrol eligible employees into a qualifying workplace pension scheme and make contributions into it, began with the largest businesses in October 2012.

The first wave of medium-sized employers, those with between 50 and 249 staff, is due to come on board in April 2014, and the number making preparations is rising, according to a new survey of almost 700 employers released by the Pension Regulator.

It revealed that the percentage of medium-sized firms that had started to draw up action plans to meet auto-enrolment obligations had more than doubled on the autumn 2012 figure, rising from 13 per cent to 27 per cent.

However, more than half of medium-sized employers (52 per cent) said they felt that implementing auto-

enrolment would take four months or longer and a worrying 41 per cent of small employers said they would leave it "as late as possible" before thinking about how to comply with auto-enrolment responsibilities.

The Pensions Regulator, which regulates workplace pension schemes in the UK, warned that all employers needed to be aware of their staging date – the date at which their auto-enrolment responsibilities begin.

It said that medium-sized businesses should be well on the way to putting in place a qualifying workplace pension scheme, if they do not already have one that is compliant, and need to ensure that their payroll software, if they handle payroll in-house, can deal with auto-enrolment requirements.

The organisation's executive director of automatic enrolment Charles Counsell said:

“The vast majority of employers are yet to go through automatic enrolment, with tens of thousands of medium-sized companies due to stage in 2014. Our call to action to employers to know your staging date and make a plan are more relevant than ever.”

At Smailes Goldie, we understand that auto-enrolment is not a straightforward process and that preparing for, and implementing, compliant new pension arrangements takes time. We can provide expert advice to help employers on their auto-enrolment journey and assist on an ongoing basis once auto-enrolment is in place. For more information, please contact us.

FINANCIAL RECRUITMENT SERVICE ADDS UP

By Shaun Brown, SG Financial Recruitment

Getting the right people into the right positions in your business is crucial. Nowhere is that more important than in finance roles.

Time and again over the years, clients have told us how difficult it can be to find suitable candidates to fill specialist financial positions within their businesses.

That's why Smailes Goldie has teamed up with technical and executive recruiter Emmerson Kitney to form SG Financial Recruitment, which specialises in bringing employers and accountancy and finance professionals together.

As well as listing vacancies for positions on its website at www.sgfr.co.uk, where candidates can also register for regular updates on vacant positions, SG Financial Recruitment eases recruitment headaches for employers

by sourcing accountancy and finance specialists, for permanent, interim and temporary roles. Typical positions we can assist with include:

- finance directors
- finance managers
- financial controllers
- management accountants
- credit controllers
- ledger clerks.

We understand that when it comes to recruiting accountancy and financial personnel, we make sure we fully understand client requirements so that we can identify candidates with the right skills and experience to put forward, an approach that worked well for Yorkshire-based Plant Raisers,

the UK's leading plant propagator when the company unexpectedly needed to recruit an accounts manager.

The company's Nick Denham said:

“Within a very short period, candidates with skills relevant to our business were available for interview [and] we are very happy with the new member of our team selected.”

If you'd like to know more about how SG Financial Recruitment can assist you, please contact us.

YOU'RE NOT A-LOAN ON FINANCE

By Jeremy Allison, Smailes Goldie

Business and banking leaders have been offering top tips on how firms can make their loan applications a success.

The Federation of Small Businesses (FSB) and the British Bankers' Association (BBA) teamed up during Small Business Advice Week to help businesses enhance their chances of banks saying “yes” to funding, including putting together five key tips.

- Develop a robust business plan that will give the lender confidence.
- Demonstrate that you understand your key numbers, including turnover, profits, existing debt and repaying the new loan.
- Check your track record of managing previous lending.
- Be honest about how much you need and what it is needed for.
- Keep talking – a “no” from the bank now does not have to mean “no” in the future.

Despite continuing negative headlines about bank lending, the BBA also stressed that the banks are keen to help businesses, including through the Funding for Lending scheme.



The BBA's Irene Graham said: “The UK's banks are currently offering some of the lowest interest rates in history. If you run a business with a good business plan and want funding, our message is go and talk to your bank. There should be no doubt that now is a good time for businesses to go and see their bank if they want to borrow.”

While that message is good news for businesses – and the FSB and BBA's tips are sound advice – working with

corporate finance specialists can make a real difference to enhancing prospects for raising finance, as well as opening doors to other sources of funding that you may not have considered.

Smailes Goldie is experienced in advising businesses of all sizes and across all sectors on corporate finance issues, including finance raising for investment or acquisitions. For more information, please contact us.

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

T: 01482 326916
F: 01482 215009

Smailes Goldie
2 Market Lane
Barton-upon-Humber
North Lincolnshire
DN18 5DE

T: 01652 632927
F: 01652 636225

Smailes Goldie Turner
Regent's Court
Princess Street
Hull
HU2 8BA

T: 01482 221777
F: 01482 212478



Smailes Goldie
Chartered Accountants



Smailes Goldie Turner
Chartered Accountants

service@smailesgoldie.co.uk ▪ service@smailesgoldieturner.co.uk

'THEY GAVE US THE HELP WE NEEDED TO START THE BUSINESS'

ATC International is a small business that has taken off in a big way. Since the Hull-based company began life in 2009, its summer residential language schools have attracted thousands of 11 to 18-year-olds, who enjoy a complete package of English tuition, activities and excursions.

In 2013, it ran its most comprehensive programme yet, made up of ten summer schools based at universities and colleges around the UK, from Glasgow in the north to Bath in the south.

The business was set up from scratch by a small team, of whom only Jimmy Hordon, one of the directors, had any operational experience, in a much larger company that had its own in-house finance director – something ATC was not in a position to replicate.

Instead, the ATC team looked around for a local accountant that could provide both accountancy support and broader business advice and came to Smailes Goldie through a personal recommendation.

Jimmy says that since then, the Smailes Goldie team – including accounts manager Karen Maden – have been “consistently helpful on lots of issues”, from payroll administration to a current project to change the name of the business.

He says: “As a small team, we have leant very heavily on them, not just in terms of accountancy but for general

business advice on where we were going wrong, what we could do better and things we could improve.

“We’re quite complicated as a business, because we have a very intensive period of activity in the summer, when we bring in most of our income – including money coming in from abroad – and have most of our outgoings, which involves a lot of transactions. We have only a handful of full-time employees, but for the summer we take on around 200 teachers and activity leaders, so that creates some payroll challenges.

“When we started, we were too small to deal with any bookkeeping or payroll in-house but now we are doing more of the nitty gritty ourselves, with guidance from Smailes Goldie so that we carry out the work to meet their requirements.

That reduces our costs, while we continue to benefit from their input on the more complex elements.

“Smailes Goldie gave us the help we needed to start the business in the first place. Since then, we’ve benefited from their expert advice and what is effectively our finance department, in a way that delivers the value for money we’re looking for.”



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