



## New Year Message

January 2013 is now behind us and we look forward to the Spring and then the firm's 60<sup>th</sup> Birthday in June.

Our founder Kenneth Carr, set up the Practice in 1953 shortly after marrying Doreen. Our congratulations go to them both on celebrating their Diamond Wedding Anniversary last month.

On the subject of dates, most clients will realise that 31<sup>st</sup> January is a significant one for firms of accountants. The successful completion of tax returns in time for the deadline is of primary importance to all firms although there are always a few clients that don't make it! For those with



serious arrears the penalties are now substantial and the people who used to say "it's only £100" need to think again.

Looking back to 2012 I am sure we are all quite relieved that the world managed to keep turning without any major financial disasters. This relief is now beginning to show through in a higher level of optimism and, at the time of writing, the stock market has already shown a considerable increase this year.

I think it is fair to say that confidence is still fragile and any general set back seems to unsettle world markets very quickly. Let us hope therefore that we will not see any major calamities in 2013 and, as far as the home markets are concerned, a steady return to more prosperous times is a possibility despite the lack of any "Olympics" excitement.

On the tax front, HMRC are targeting individuals with offshore arrangements and very low tax together with very large companies with substantial profits but also paying little or no tax. In both categories public opinion is on the side of the tax inspector and there is little doubt, in view of the country's own budget deficit, that the Government will be making every effort to tighten up in these areas in order to secure a significant increase in tax revenues.

One area of tax saving which has been discussed with many clients over the last couple of months is the welcome return to a much larger allowance for plant and equipment purchases. The figure for the Annual Investment Allowance has risen to £250,000 with effect from 1<sup>st</sup> January. Be careful if you have a March year end, because you will only receive the allowance in this current trading year in proportion, i.e. £62,500 in the last quarter. The figure will increase to £250,000 for the year to 31 March 2014 and if any client is uncertain of the availability of this capital

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allowance during the current or the next financial year, then please contact the Partner responsible for your affairs. The scheme will end on 31 December 2014.

For those clients with payrolls, an additional burden arises with effect from the new tax year. This is called RTI which stands for Real Time Information. In simple terms, it means that a return has to be filed with HMRC every time a wages payment is made. This is done instead of the annual return P35.

The view of HMRC is that this should make it easier for people but how they can seriously say that the completion of 12 returns per annum for monthly payrolls or 52 for weeklies is easier than doing it just once a year is questionable!



We have already embarked upon the task of getting payrolls ready for the new financial year. The term given to this by HMRC is "payroll cleansing".

If you require any assistance in this area then please contact Julie Perrin who heads up our payroll department.

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We have developed a system for our own payroll whereby our staff receive their payslips by email every month. Once this system is running smoothly, which we anticipate to be in the next few weeks, we will offer this facility to clients who run their payroll through ourselves. The only difficulty would appear to be where a member of staff does not wish to receive an email payslip at home or is not on the internet and alternative arrangements can then be made.



**There has been a substantial shakeup in financial services with the new system of charging**

**fees coming into force at the beginning of January. Many Edmund Carr clients are now looked after by David Carr through our financial services company EC Financial Services Ltd (ECFS) and David has seen a substantial growth in his client base over the last 18 months.**

There is no doubt that many people do not wish to use their bank for financial advice any longer and in fact the banks have made it clear that they are not interested in dealing with small portfolios.

I must congratulate David on his response to the "Mystery Shopper", when the respected weekly Financial Adviser newspaper came to Chelmsford recently. Out of the 4 firms chosen, ECFS came out on top with a Star rating of 33 points from 35.

**The accountancy profession in general often appears modest** about the level of skills and expertise offered to clients. I recently saw in Accountancy Age a survey carried out by a leading software supplier which indicated that 50% of those surveyed believed their accountant provided the most valuable business advice, with 4% suggesting this to be the case with friends, 2% family, with others coming in at 2% or less. The comment made was that the survey was indicative of the detachment of business owners with other professionals or advisors.

**We continue to sponsor the Great Baddow Charity Races** which is organised by the Rotary Club of Chelmsford Mildmay and raises a substantial amount for local charities. This year's race is to be held on Sunday 19<sup>th</sup> May. If you would like to take part, have a look at the homepage of our website where you will find a link to the Charity Races Page and will be able to make your entry. We very much hope that many of you will come along on the day.

**The Practice continues to grow** and we are delighted to welcome our new partner **Colin Barker** who joined in December. He will be a great asset to the firm. Colin worked for many years with BDO and for the past nine years has run the Practice of Brookes & Co in Maldon.



**We hope that 2013 proves to be profitable for all our clients. Thank you for your continued support and loyalty.**

**This newsletter has been prepared by David Drain Managing Partner**



**Disclaimer**

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**Edmund Carr LLP  
February 2013**

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**If you think this information might be useful to a friend or colleague, please pass it on.**

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