



NEW YEAR MESSAGE

February 2017



David Drain
Managing Partner

Apologies for the slightly late welcome to 2017.

It was an eventful 2016 and these events have already been extensively covered by others. Let us look forward.

The year 2017 started with the FTSE 100 in good shape. However, the price of oil is rising, inflation is back up and may not lie down for a while. This time last year I suggested that the Governor of the Bank of England had to grapple with the problem of when to raise interest rates. Not too many people predicted they would fall. There is precious little scope for further reductions and many argue that a drop to 0.1% would be pointless. When inflation is a worry and US bank rates are rising you would expect sentiment to shift towards an increase here. A return to the dizzy heights of 0.5% is possible this year and would be perfectly reasonable considering that 0.5% had been in force for nearly seven and a half years before the post referendum cut to 0.25% which many now regard as an over reaction. Growth in the economy this year is now expected to be reasonable though not spectacular. The level of employment in the UK is around an all time high and compares extremely favourably with most of our neighbours in Europe.

The local economy continues to thrive and there is much activity in the City of Chelmsford and the surrounding area. Many of our

clients are showing improved turnover and profitability. Our company secretarial department continues to set up on average one new company per week and the offer to clients to form new companies for £25 plus VAT will remain in place until further notice.



Our Financial Services Subsidiary ECFS is run by our two IFA Directors, David Carr and Kevin Bray. Following their office move just over a year ago they have now grown to a team of eight. Their trainees are taking their financial services examinations with our full support. The business goes from strength to strength and has provided Edmund Carr with tremendous support for clients requiring independent financial advice. We are pleased to note that there are now more new clients coming through ECFS's own business than through Edmund Carr referrals and it is encouraging that the company has developed its own identity.

Both Edmund Carr and ECFS are continuing to show significant growth. The workforce of the 2 firms now stands at 54 with further expansion likely over the coming months.

UPDATE ON OTHER MATTERS

Academies

We have expanded our client base and brought more staff into the department to ensure we have strength in depth for this important

part of the firm which is run by Stewart Martin and Tom York.

Tax Returns

We had an increase of nearly 10% in the number of client tax returns to submit last year many of which were filed in December and January! We are trying to change the profile so that more are completed earlier. Apologies to some clients for the delay in finalising their returns.

Audit and Accounts Department

We have been delighted with the exam successes of our trainees, many of them are now qualified and have stepped up to the Management team which is now stronger than it has ever been.

Charities

This is another growth area for the firm which is led by Partners Eric Williams and Colin Barker and their Manager Jackie Patient. Although the changing accounting requirements place many demands on Charity Trustees we have the knowledge and expertise to answer most questions.

Payroll

We now look after around 350 client payrolls and are already operating Auto Enrolment(AE) for many of these. We have helped a significant number of clients through the process of AE registration but still have approximately 150 to stage this year. We are still running seminars on Auto Enrolment. Please check the website for available dates.



Bookkeeping

We now assist many clients with their bookkeeping work mainly using Xero which is a Cloud based package. It is reasonably priced and well liked by clients and our staff. If



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based system, and are interested in having a free Xero trial, please contact Stewart Martin or Tom York.

Making Tax Digital (MTD)

Some clients may have heard of the requirement for businesses to file quarterly returns on line. The aim of this Government initiative is to make tax administration more effective, more efficient and easier for taxpayers! This is scheduled to start next year for all bar the smallest businesses. Many sensible people have suggested that it should be delayed but HMRC is determined to press on so watch our website for the latest updates.

Debit Card Payments

We are now able to receive payment of fees by debit card. Details can be given to our accounts department who will process while on the phone to you. Initially we have placed a limit of £1000 on each transaction

and there will be no charges for the payment. Please contact Freda Colton, Dawn Martin or Trish Drain should you wish to use this facility.

Pension Advice Allowance

The Government believes that it is desirable for financial advice to be given to those who need it, especially for retirement. The "Pension Advice Allowance" enables people to take £1500 tax free from their personal pension fund on 3 separate occasions of £500 in order to seek advice from a regulated Financial Adviser. Please have a word with our Independent Financial Adviser Mike MacLeod at ECFS if you would like further information on how to make best use of these allowances.



Baddow Races

We continue to sponsor the Great Baddow Charity Races which are superbly organised by the Chelmsford Rotary Clubs. This year's race is being held on Sunday May 14th and details can be found at www.baddowraces.org.uk. Why not enter individually or as a team and use the event to raise money for a registered charity close to your own

heart. We only ask that you let Rotary Club of Chelmsford Mildmay know how much you have raised. Please also share details of the race on Facebook, Twitter or LinkedIn platforms to help us spread the word. The event comprises a 10 mile road race or a 2 mile fun run, so something for everyone.

Mr President

Eric Williams will become President of the South Essex Society of Chartered Accountants in May this year. We wish Eric well for his year in office and are anticipating he will be a slightly less controversial President than the other one!



21 February 2017

Disclaimer

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

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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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