

Newsletter



Race For Life

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A team from our office took part in the Race for Life in order to raise money for Cancer Research UK Limited.

The 5 km race was completed by all 5 of the girls who took part within half an hour.

All five had been training hard before hand and had collected sponsorship from friends, family and clients to support the charity.



The Race for Life Team

One of our clients, Karen Thomas has also been involved in running to raise money for charity. Together with our own Chartered Accountant Charles

Buckland they both recently completed a double marathon in Charles' home country of South Africa.

The Comrades Marathon is 56 miles long in total and Charles finished this in 11 hours and 25 minutes.

This is the 8th time Charles has run this Marathon and this time he was running to raise money for the Nelson Mandela Children's Fund.

The Comrades is one of four ultra marathons Karen is completing this year. She was running to raise money for the COCOA: Care of China's Orphaned & Abandoned Children.

We would like to say congratulations to both Karen and Charles for completing this race and for the money they managed to raise for two very good causes.

Newsflash...

Our online Accounting service, WebsterAccounts has recently been upgraded to version 3.5.

This version will allow Sales and Purchase Invoices and Expense Claims to be edited from the input screen, including all text fields and not just amounts as in previous versions.

Tax News

New Form to be Completed for Companies

The Inland Revenue now require companies to report to them where shares have been issued in the tax year ending 5 April 2004 to directors or any other employees.

This new reporting requirement came from the new tax rules on employment related securities which were introduced in 2003. What has been unexpected is that the Inland Revenue say that they will deem any shares issued or awarded from a company to the directors/employees to be because of employment or prospective employment. Even if you simply form a company and take one share you are required to make a return.

In almost every case there will be a nil return, since the company has no assets at the stage when the subscriber shares are issued. Our original interpretation of the new legislation was that no return was required unless shares were acquired at under value. The Revenue have recently made it clear that they are expecting returns for every company and will be looking for fines where these are not done. Some commentators are suggesting that this is just a way to generate income by charging fines. Our view is that this is unlikely to be true but suggests that there is a strong body of opinion within the Revenue which feels that companies are being used to save tax (true) and that they have a role to challenge this even though the original political message from Gordon Brown was that he prefers companies to self-employment.

The new form, Form 42, was required to be submitted by 6 July or there is a penalty of £300 for each reportable event (e.g. where a husband and wife subscribe for shares there are two events, one each, so a potential fine of £600). Remember this is the same reporting deadline for form P11D. However this has been extended to the 6th September for this year only.

Therefore if you have started a new company or issued new shares or transferred shares to other directors/employees during the year ended 5 April 2004 the new form needs completing. Please contact us as soon as possible for further advice if you feel you are caught by this legislation.

For those of you who are happy to do this yourself you should be able to download the form from the Inland Revenue website at:

www.inlandrevenue.gov.uk/shareschemes/42-2004-q8-31.pdf

By Tony Signorini Chartered Certified Accountant

KEY DATES

- **July 19th**

Payment of Class 1A NIC's to reach revenue.

- **1st August**

New tax scheme disclosure rules take effect.

- **6th September**

Form 42 deadline where company was not sent form

- **30th September**

Deadline to submit tax return for Revenue to code out any underpayments.

Biotech Focus

Andrew Webster Limited have always had a strong focus on providing Tax and Accounting Services for companies in the Biotechnology sector.

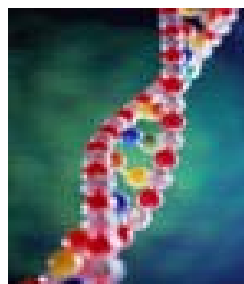
Being located in Cambridge there are many new Biotech start up opportunities.

We have a number of clients who work in the Biotech field and our account managers understand the specific tax, legal and accounting matters involved in setting up and growing Hi-Tech and Biotech companies.

We have experience of providing a range of services for Biotech companies for example producing monthly management accounts and project costing analysis, tax planning to ensure tax liabilities are kept to a minimum, consultancy for gaining Venture Capital funding, setting up employee share option schemes and personal tax work for senior managers in the Biotech industry.

Due to our keen interest in serving this sector we have been invited to participate in a seminar for start up Biotechnology companies which is being run in conjunction with ERBI, the Biotech network for Cambridge and the East of

England. We will be joining a group of local service providers to speak with those who are considering or have recently set up a new Biotechnology company.



The emphasis of the event will be upon providing essential advice for the early stages of business management and the services that are available locally to help.

More information about this event will follow shortly on our website but if you are interested in attending please contact us on **01223 50 70 80**

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Dates for your Diary

September 7th 2004 Client Open Evening

November 3rd 2004 Biotech Seminar in conjunction with ERBI. Hughes Hall Cambridge. Details to follow shortly.

December 2004 Seminar in conjunction with Abbey Banking & APU Date TBC.

