

Newsletter



Andrew Webster
Limited

Pensions Simplification Are you ready for the New Regime on "A-Day"?

Inside this Issue

- Pensions Simplification
Are you ready for A-Day?** 1
- Online Accounting
Are you being e-smart?** 2
- New HMRC Guidance on
Tax Relief for R&D** 2
- AW Ltd Gains Investor in
People (IIP) Status** 3
- AW Ltd offices
refurbished** 3
- WebsterAccounts links
with CIDA to provide
Free Education** 3
- One of my Other Hats—
Joanne Lamberth** 4



From 6th April 2006, often referred to as "A-Day", there will be a new tax regime for pensions.

Simplification will sweep away the eight existing tax regimes and replace them with a single universal regime for tax-privileged pension savings. The government says the new system will make it easier for Individuals, Pension Providers and Employers.

Andrew Webster Limited organised two Seminars at the Anglia Polytechnic University on the 18th and 20th of October which focussed on the Tax planning opportunities which have arisen for Individuals and businesses, as a result of the new regime.

The seminars were presented by Andrew Webster and Karen Miles (Independent Financial Advisor with Rosemount IFA).



Newsflash...

A new release of WebsterAccounts - our professional Online Accounting Service - is due on the 7th of November.

This release has an exciting new feature which will allow users to setup templates for the Sales Invoices raised which can then be directly imported into WebsterAccounts.

This will save them significant amounts of typing making working with WebsterAccounts faster and easier.

This Newsletter is produced by Andrew Webster Limited. For comments, contact the editor at amit@tax.uk.com

Who can benefit from the new A-Day Regime changes:

Any client that may wish to consider putting property into their pension arrangement e.g. Clients with a buy-to-let portfolio, Business which either own their business premises, or would like to purchase business premises, 2nd property purchase etc. Any one who wishes to purchase a commercial property via their pension scheme may wish to do this now and complete before April 2006 (borrowing rules are reducing from 6 April 2005 from 75% of property value to 50% of pension fund).

Any clients with large pension funds, which may be over, or near to the £1.5m lifetime allowance in April 2006. This limit includes all pension arrangements including pensions in payment which are valued at 25 x pension. A client with final salary scheme benefits may be over this limit. (A deferred pension of £75,000 = £1.5m fund!). It is possible to protect existing pension funds from the new legislation (55% tax charge on XS fund).

Any client with benefits in an occupational pension scheme – may need to protect existing scheme tax-free cash.

Any client near to retirement – they will need advice on whether to take pension benefits before or after 'A' Day. New flexible retirement options from April 2006 and 'value protected' annuities. Tax-free cash on protected rights and AVC's after 'A' Day (no tax-free cash option available at the moment). Tax-free cash 25% of fund from April 2006 (may currently be certified at a lower amount)

Any client with Retirement Annuity Plans (Section 226) – carry forward (can use up to 6 years of unused relief) available to 5th April 2006.

Any client who wishes to maximise pension contributions – They will be able to pay 100% of net relevant earnings from 6 April 2006. Contributions can be carried back to 04/05 prior to 31 January 2006. A client can use basis year's earnings (last 5 years) up to 5 April 2006. It may be sensible to maximise pension contributions prior to April 2006 and protect fund from new legislation with no future ongoing contributions.

The list is not meant to be exhaustive. To make the most of Tax planning opportunities arising out of the New Regime, please give your Account Manager a call.

Online Accounting

Are you being e-smart?



KEY DATES

- **30th December 2005**
Deadline for submitting Tax returns over the Internet
- **31st January 2006**
Deadline for filing returns for 2004/05
- **28th February 2006**
5% Surcharge on any pending balance payment for 2004/05
- **5th April 2006**
Last day of the 2005/06 Tax Year
- **6th April 2006**
A-Day—New Single & Simplified Pensions Regime comes into effect

Servicing clients online is not a new idea, but it's been slow to catch on, for a variety of reasons.

Early entrants into the marketplace found the approach hard to sell: partly because the concept was unfamiliar, partly because of the technology, and partly because of the accounting software itself.

But things have changed quite a bit over the past five years, and, helped by the widespread availability of broadband, the idea of using the Internet to provide on-demand services has become commonplace - even in Accounting.

The take up of Online Accounting in the UK is on the rise but not all providers were created equal. Andrew Webster Limited's online offering called **WebsterAccounts** provides significant advantage over other service providers.

WebsterAccounts is a professional online accounting package designed to allow clients to easily record their business transactions through the year.

Alan Munro states that "I have been using the online system for sometime now and have found that entering the information into a structured database is extremely useful especially for invoicing and expense control, monthly bank balance reconciliations and global access via the web. This all makes running my business so much easier."

Benefits of the system include:

- Savings on Time
- Saving on Money
- Better Management & Control
- 24/7 Global Access
- Complete Support
- Safe and Secure
- Truly Online
- No Installation Costs
- All the above & more at £10 per month

If you would like to know more about how you could benefit by using WebsterAccounts, please contact Amit Sharma.

New HMRC guidance on tax relief for R&D

The new guidance has been developed in consultation with small business and is designed to put an end to the difficulties both for companies making Research & Development claims and HMRC inspectors. The government's intention is to ensure that the claims process is made simple through better guidance and legislative simplification.

R&D relief is too good to ignore. Companies can reduce their corporation tax bill by up to 15% of eligible R&D costs. Some SME companies not in profit can surrender their R&D tax losses for cash (in the form of a payable credit) of up to 24p per £1 of actual expenditure within specified categories. Companies involved in R&D may also be able to claim 100% capital allowances for their capital R&D expenditure. Details are available in HMRC's Capital Allowances manual.

The new guide includes information on how the scheme works, what and how to claim, highlights the 10 most common errors to avoid and provides a number of tools to make the claiming process easier. If the guidance is truly aimed at SMEs, and not their advisors, it is a tall order to expect them to be able to understand the terminology of the CIRDS manual. To this end the content of the 'small print' represents something of an irony, at a time when HMRC is trying to find ways of cutting businesses administrative burdens

- For further details on the new guidance, please visit www.hmrc.gov.uk. Please contact your account manager for a more detailed discussion.

"The new guide to R&D Tax Relief includes information on how the scheme works, what and how to claim, highlights the 10 most common errors to avoid and provides a number of tools to make the claiming process easier."

Andrew Webster Limited gains IIP Status



“The IIP is an important achievement as it helps to focus on how we can best develop our team to meet the needs of our clients”

Andrew Webster
Managing Director

INVESTOR IN PEOPLE We have always been very keen to recruit, develop and retain our staff so that they might be able to take on more responsibility and improve on the exceptional services that we offer our clients. Hence, we are extremely pleased to announce that our efforts have been recognised by the industry and we have been awarded the "Investors in People". The Investors in People Standard is a straightforward, proven framework for delivering business improvement through people.

It gives staff the confidence that there is an opportunity to further their professional development as the policies set out by management in conjunction with them are recognised as being positive and proactive by the industry but externally, it sends a positive message to our clients that we are an organisation which are investing in our most valuable assets to ensure that we are able to continue to provide as many people as possible with advice of the very highest quality.”

Andrew Webster Limited offices refurbished

Over the past year the Andrew Webster Limited team has grown and we now have 14 members of staff.

We wanted the image of the office to reflect the growing business and with the promotion of Sarah Richmond and Corrina Deighton as Account Managers, we needed more meeting rooms as more members of our team are meeting clients on a regular basis.

To achieve the above objectives, the AW Ltd offices were refurbished in September. Over the next few months, our clients are going to see a number of tangible changes which will further reinforce this enhanced image.

WebsterAccounts links with CIDA to provide free education



Andrew Webster Limited has recently signed an agreement to provide free user licenses for WebsterAccounts— Our Online Accounting service to all students on the Accounting and Finance modules at **Community and Individual Development Association (CIDA)** in Johannesburg, South Africa.

CIDA City Campus has reinvented traditional models of higher education. Every student at this tertiary institution is on a scholarship and comes from a disadvantaged background. The passion behind CIDA is to provide mass-scale, quality higher education and to provide an effective human development strategy for the nation. Its vision is to contribute to the economic and social transformation of the sub-continent.



CIDA offers the best of contact education, combined with the

ability to import the best content in the world in any format, whether via video conferencing, video, streaming video, internet, PowerPoint, audio, satellite, or any other format.

States Andrew, “CIDA’s aim is to be provide access to high quality education to those from a disadvantaged background. We share this vision and found it hard not to be involved in some way.”

- if you would like to know more about CIDA or wish to get involved with CIDA, please visit www.cida.co.za.

One of my Other Hats

The Andrew Webster Team is expanding and we would like our clients to know a little bit more about our people and some of the things that they are involved with outside of work. Joanne Lamberth, a Chartered Tax Advisor and Chartered Accountant is one of our senior Tax consultants and is also the editor of the National Childbirth Trust Magazine.



Joanne Lamberth is a Chartered Accountant and Chartered Tax Advisor who works within our specialised Tax Consultancy Team. She has expertise in a broad range of tax issues and was previously the senior UK specialist in R&D Tax Credits at Grant Thornton.

The first time I heard of the National Childbirth Trust (NCT) was shortly before the arrival of my first child, someone mentioned that they were having one of their nearly new sales and that I should go and stock-up for my imminent arrival. Through this initial contact I was moved to find out more.



The NCT is a registered charity that offers support and advice to pregnant women and their partners

and follows them through to early parenthood. It operates local branches throughout the UK, my branch being Huntingdon & District, and there are also branches in Cambridge, Peterborough and St Neots.

The branches offer antenatal classes, arrange social events to enable new families to establish new social networks – something that is vital for someone like me who has always worked and suddenly finds themselves at home with the kids, and run nearly new sales, to allow new parents to obtain all the paraphernalia of parenthood without quite such a dramatic impact on their bank accounts!

The branches are run by volunteers, people like me who have young children and either don't work anymore or work part-time. Having gained so much benefit from my branch I felt I should give something back and decided to attend a committee meeting to find out what it involved. I've always suffered from being too willing to help and before I knew what I was saying I had volunteered to take over as editor of the quarterly magazine.



Since taking over from the previous editor last autumn the magazine has had a complete face-

lift – new format, new structure and new content. In addition to that my friend Jenny, who volunteered to take-on the role of organising the advertising which has to cover the cost of producing and circulating the magazine to the 300 or so members and notaries on our mailing list, and I have had to work hard to attract new advertisers. It hasn't been easy, it was certainly harder than I had envisaged when I volunteered but I am proud of the outcome. Each magazine focuses on a topic of interest to pregnant women, their partners and new parents and I like to think that the information might help someone cope with what they're experiencing. Becoming a parent can be a very lonely time, your whole world changes and nothing really prepares you for it. Often hearing what someone else has experienced and what they have done about it is all that stops you going doo-lally!

I keep hearing on the radio that 2005 is "the year of the volunteer" and I have to say that, although it's easy to make excuses that you don't have time, I have found volunteering a very rewarding experience. I also think that for all you professional working women who take a career break to have children it is vital to do something like this to keep your brain from turning to mush so that you can sensibly return to work, if that is what you want to do in the long-run.

- To know more about the National Childbirth Trust, please contact Joanne Lamberth

Welcome Back Cheryl & Thank you Sam!

We are pleased to announce the return of Cheryl Simpson to the firm following her break from work on maternity leave. Cheryl has returned and has been promoted to Practice Manager and will be responsible for ensuring the smooth running of all aspects of the Business.

We would also like to show our appreciation to Samantha Bowker for her dedication and commitment whilst providing temporary maternity cover for Cheryl. We wish Sam all the very best in the future. She is currently travelling in India.