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## **THE EASIEST WAY TO GROW A BUSINESS IS TO KEEP WHAT YOU'VE GOT HAPPY!**

You can only lose your reputation once. Research has shown that if you upset a customer they may tell 11 other people about it!

If you keep a customer happy they are likely to tell 4 other people about their positive experience and they are highly likely to refer you to others. Remember referrals cost nothing to market. The most important business system you can put in place is customer satisfaction.

So here are some of the things to think about when designing a system for keeping customers happy and getting referrals:

1. Regularly review your customers needs and wants, either by survey, face to face or telephone, be prepared to adapt your products or services to changing circumstances.
2. Install customer care as the number one system in your business, discuss this with all employees and agree a system that puts the customer first.
3. Get regular feedback – ask customers “How are we doing?”
4. If the response to (3) above is positive – ask them “Do you know anyone else we could help?”
5. Measure how many referrals are given to you, it is quite simply the most cost effective form of marketing you can do.
6. Regularly review your policies.

....and what happens when you have built up that reputation?

1. Deliver. The easiest way to build and keep a good reputation is to promise a high-quality product or service and then to produce the goods consistently well.
2. Keep everybody in the business “Onside”. It is not enough that owners and employees are simply aware of the importance of reputation. Unless you all buy into it completely and with conviction, it will not work.
3. Plan – for the worst. The easiest way to turn a minor crisis into a major disaster is not to know how to handle it. In every area of your operation, ask what could happen that would be most damaging to your reputation. Then, plan for that worst case scenario (and any other less fatal but still damaging possibility).

## Team Update



We would like to introduce you to our latest addition to the Taxless team, Natasha Bose.

Natasha finished school in Russia with a golden medal (the highest obtainable grade) and took English as a foreign language at University and finished with a Red Diploma: straight As in all her subjects.

' I am delighted to be working for Taxless. I wish to develop my accountancy and tax skills to the best of my ability.'

## BACK YOUR DATA UP!

The safe storage of business data is an essential requirement for all businesses. Figures from a recent Google survey suggest that hard disks have a failure rate of around 7% each year, which means that information stored on a hard disk can be at significant risk of irretrievable loss unless backup copies are regularly produced. Failure to back up correctly can result in potentially damaging consequences. Here are three things you should do to protect your business data:

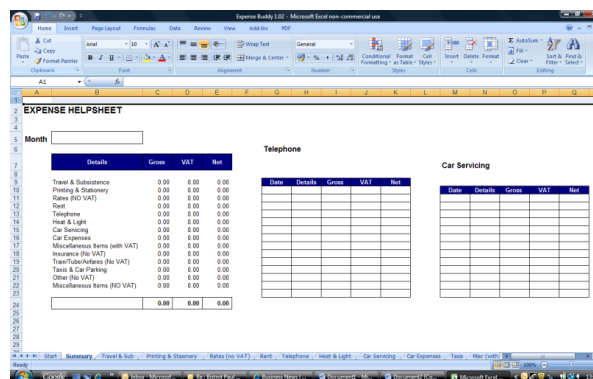
1. Think about where your data is being stored. In any organisation data can exist in a wide variety of formats whether it's on a memory stick, CD or DVD, the hard drive of a laptop, PC, server, or even an off-site data centre. Is it secure and cost effective? Do all employees back up business data?
2. Think about what information needs to be stored and for how long. Continually purchasing additional storage as demand seemingly dictates can get expensive, so it is prudent to only keep data that is valuable and likely to be needed in the future.
3. Back-up regularly! Data storage is much like physical storage – it needs to be well managed to make sure that it is secure, that the space is used efficiently and that nothing is being kept unnecessarily. It's easy to retain old files that nobody takes ownership of, but it's important to make sure files are accounted for, sensibly stored and ultimately archived then destroyed when they are no longer needed. Please contact us if you would like to talk about this area.

## DO YOU KNOW ANYONE STARTING A BUSINESS?

The economic situation has meant that more and more people are starting their own businesses than ever before.

If you know anyone who is starting out in business then please let them know we have developed a "New Business Kit, a guide to the Financial, tax and accounting considerations of starting a new business".

The guide is free of charge to new business owners and is a handy reference guide to some of the problems encountered when starting a business.



In addition we have developed a simple bookkeeping spreadsheet that allows new business owners to keep track of their expenses in a time efficient and practical way.



## SAVING TAX BY TRANSFERRING INCOME TO YOUR SPOUSE OR CIVIL PARTNER

This has long been an option where your spouse or civil partner is paying income tax at a lower (or higher) rate than you are. With the new top rate of 50% about to come in on income over £150,000 the saving can be greater than ever, and it is an annual tax saving rather than merely one-off.

If assets are owned generating income of, say, £5,000 the tax saving each year could be as much as £2,500 where your spouse has no income at present, or £1,000 if you pay tax at 40% and your spouse is a basic rate taxpayer.

### Useful iPhone Applications



**QuickOffice Connect - £4.99**  
You can Create, Open & Edit Microsoft Word, Excel & PowerPoint.



**Business Card Reader - £2.99**  
Business Card Reader scans and "reads" the picture using text recognition technology and enters the data into appropriate fields of the iPhone address book.



**DocScanner - £4.99**  
DocScanner enables users to scan documents on the road. Take a picture and convert it to pdf, email to the office



**Skype - Free**  
Call and instant message anyone else on Skype for free. You can also call landlines and mobiles and send SMS anywhere in the world, at great rates.



**RedLaser - £1.19**  
Aim your iPhone camera at a barcode and your phone searches Amazon and Google for instant access to online prices.

Not surprisingly there is some anti-avoidance legislation which serves to still tax you on the income if the gift is not outright and instead there are some conditions attached or you could benefit from the gift. However, HMRC are relaxed about you receiving an indirect benefit in the following circumstances where you may feel you want to have a degree of protection:

- Placing funds into an account with joint beneficial ownership can provide a degree of protection by arranging for withdrawal only if you are a signatory. The income is then taxed 50:50. HMRC accepts this provided it is a straightforward gift.
- Converting property from sole into joint ownership is also acceptable provided it is a straightforward gift. The property could be owned 90:10 in favour of you but with the income taxed 50:50.
- Crediting the income from the asset transferred into a joint account. This is not likely to be regarded as taxable on you even though you will be receiving some benefit, provided it was not a condition of the gift being made.
- Using the income from the asset transferred to meet your family's household or holiday expenses is also likely to be acceptable with the same proviso.

Where you run a business as a limited company you could pass some shares to your spouse or civil partner and with care the dividends they receive on their shares will be taxed on them rather than you. If you have not already considered this please talk to us for up to date information on this tax saving idea.

## COMPANY EXPENSE DISPENSATIONS

A dispensation cuts down on employer's paperwork as it means you do not have to report benefits and expenses you pay your employees. HMRC are having another attempt to increase the number of dispensations, by offering an online application facility. HMRC say they are committed to granting P11D dispensations whenever they can. This basically requires them to be happy that no income tax charge could arise on the benefits or expenses covered.

One of the requirements is that the employee's expenses claim to the company is checked independently. HMRC now say that for a one-man company this condition is satisfied if, for example, an accountant reviews all the expenses claims when doing the bookkeeping or the VAT return.

## NORMAL MINIMUM PENSION AGE TO RISE TO 55 FROM APRIL 2010

As part of the pension reforms announced by the Government in 2003, the normal minimum pension age will rise from 50 to 55 from 6 April 2010.

After that date, people will normally only be allowed to start receiving their pension payments from an Occupational or Personal Pension Scheme whether they are 55 or older. There are certain exceptions, for example, ill health.

Please contact us if you want to talk about your pensions or retirement options.

## COMPULSORY ONLINE FILING OF VAT RETURNS

This comes in from 1 April 2010 and applies where your annual business turnover is over £100,000. You should have received a letter from HMRC telling you all you need to know.

## TAX CODE NUMBERS UPDATE

Some of the 2010/11 Notices of Coding have errors admitted by HMRC as a result of using a new database which creates a single record for all employees even if you have more than one source of earnings or pensions.

Whilst steadfastly refusing to say how many of the 25 million tax codes issued are likely to be wrong, HMRC have now admitted that the errors include double-taxing your benefits (car or health insurance for example); miscalculating the private fuel benefit of a company car (only applies of course if you do have any private use fuel provide by your employer); not giving the age-related enhanced personal allowance; underpaid tax from earlier years incorrectly being coded out in 2010/11 even where it has already been paid.

## Humour

The accountant had just read the story of Cinderella to his four year old daughter for the first time. The little girl was fascinated by the story, especially the part where the pumpkin turns into a golden coach. Suddenly she piped up, "Daddy, when the pumpkin turned into a golden coach, would that be classed as income or a long-term capital gain?"



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