

We hope you enjoy this issue and find the information useful.

### SELF ASSESSMENT TAX RETURNS – ACT NOW!



Self-Assessment involves completing an online or paper tax return. You tell HM Revenue & Customs (HMRC) about your income and capital gains (profits on the sale of certain assets) on the tax return, or claim tax allowances or reliefs. There are deadlines for sending your tax return in - and penalties and interest charges if it arrives late. Once you have filed your Tax Return online, you will get an on-screen acknowledgment stating HMRC has received your return.

**ONLINE RETURNS MUST REACH HMRC BY MIDNIGHT ON 31<sup>ST</sup> JANUARY.  
YOU WILL BE CHARGED A PENALTY IF YOUR TAX RETURN IS NOT RECEIVED ON TIME.**



**Office Christmas parties fell victim to recession last year but firms are rekindling the seasonal spirit. Celebrations reward staff in tough times and make good business sense.**

Office Christmas parties were low on the priority list last year; most employers slashed budgets or cancelled festive parties altogether as belts were tightened in the wake of recession. But it seems this year Christmas parties are back on the agenda, with an upward swing in the number of companies planning to host an event. A poll of Chartered Institute of Personnel and Development (CIPD) members shows 72 per cent are holding a party this year, compared to just 58 per cent in 2009.

Christmas parties can provide big returns for employers for relatively little outlay. They are useful for boosting employee engagement when financial incentives might not be an option. A company that can only afford to give staff small bonuses at the end of the year could find it is more effective to put the money towards a party instead. Not only do economies of scale mean the cash will go further, but the event is likely to register more strongly with employees. "The cost per employee of a Christmas party is relatively low compared to the engagement that a company is likely to get from the event," says O'Donovan. "In terms of bang for your buck, it's highly effective."

An added benefit for employers is **the tax allowance on corporate events, which allows businesses to spend up to £150 tax-free on each employee.** There are caveats, though. The £150 limit is an annual events allowance, so employers must take into account combined costs throughout the year. And if spending goes over the £150 allowance the full amount becomes liable to income tax and national insurance payments. But companies that keep within the threshold can benefit from a maximum return on their investment in a party, whereas bonuses are quickly eroded by national insurance and income tax charges.

### Business gifts

A business gift is a gift of goods that is made in the course or furtherance of your business, and you can normally reclaim VAT on its purchase. Business gifts cover a wide range of items from brochures, posters and advertising matter to expensive goods of the kind given as 'executive presents'



You do not have to account for VAT on business gifts made to the same person where the total cost of all the gifts does not exceed £50 in any 12-month period. For this purpose, it is acceptable for you to adopt any 12-month period that includes the day on which the gift is made.

## VAT IS GOING UP!

The standard rate of VAT will go up to 20% on the 4<sup>th</sup> January 2011.

If you are in business you should charge VAT at the rate of 20% on any standard rated goods or services that you make on or after the 4<sup>th</sup> January 2011. Other rates of VAT are not affected. This change in the standard rate of VAT does not affect sales of goods or services that are charged at another rate ie. Zero, reduced or exempt. If your business only supplies goods or services that are subject to one of these other rates you do not



have to change the rate of VAT that you charge. The rate of VAT on standard rated goods and services that your business purchases will obviously be higher and therefore input tax claims will increase.



Now that social media has become recognised by businesses as an essential part of the marketing strategy, it is important to consider how to use these sites to convey the right message about your business. Facebook is undoubtedly the most popular social media platform with over 500 million users worldwide. Here are **some tips for your company Facebook page**:

**Title your page appropriately** - It seems obvious but many firms neglect to put any real thought into the name of their Facebook page. Describing what you do is important as many Facebook users will not have heard of your firm before. You want your company Facebook page to tell them what your firm actually does.

**Write an appealing company biography** - When writing this part of your Facebook page, try to think strategically – summarise what your firm does and explain how you can be of service to potential customers. You can also include a hyperlink to your company website in this box.

**Choose the right picture** - The first thing a user's eye is drawn to is the photo on your page. Firstly, choose an image that really jumps off the page. Secondly, make sure that the image is connected to your company and the products/services that you provide.

## USEFUL IPHONE APPLICATIONS



**Bump – Free** You can easily swap contact details with someone else with an iPhone, iPod Touch or Android phone by bumping the two devices together.



**Print n Share - £3.99 (iPhone, iPod Touch, iPad)** is the first app that enables you to view, store & print email, documents, files, attachments, photos, contacts and web pages.

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