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Communiqué



Gearing up for growth

Economic conditions in the UK and elsewhere can only be described as uncertain, yet all the indications are that it is the smaller and private businesses in the country that are best placed to push the economy back into healthy growth.



Government ministers have repeatedly said that enterprise and entrepreneurship are the engine of the economy and our experience with our clients certainly confirms that those running SMEs are some of the most optimistic and ambitious business people around.

In spite of the ongoing difficulties, many companies are preparing themselves for growth and are confident about the future. But there is much to be done to ensure that your business is in the best possible shape to take advantage of the recovery when it comes. Many companies have spent the past two years looking at costs and streamlining their business, but are now focused on maximising performance.

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The biggest asset, but also potentially the single biggest liability, for most businesses is their staff. Talented, enthusiastic staff are relatively difficult to find and it's vitally important to financial success that a company continues to coax the best possible performance out of them over time. Many factors play a part in managing performance and nurturing employee engagement, from 'soft' HR skills such as effective leadership, to remuneration planning and strategy. Kingston Smith's HR specialists at HR Insight have extensive experience in this area – for more information see www.hrinsight.co.uk

We've also seen a sharp increase in interest in strategic mergers, alliances and acquisitions over recent months. Companies have honed their strategic focus and are clear about what they want to achieve. Acquisitions often form a vital part of growth strategy, but are not without their risks. Our corporate finance specialist, Marc Fecher is ready to advise anyone who is thinking of taking this route. Please contact Marc on 020 7566 4000.

We have learnt much from watching our clients grow and develop and have added services and products that are specifically designed to support them in all aspects of their business. For more information, speak to your client partner.

Apprenticeship overhaul

The Department for Business, Innovation and Skills has announced a new package of measures designed to reduce the administrative burden for companies that take on a large number of apprentices. The changes follow a number of recommendations made by the Employer Reference Group and the Confederation of British Industry, and include:

- An online toolkit in plain English for employers, which explains the processes they need to undertake in employing apprentices;
- Greater use of electronic information and reduced paperwork;
- A more streamlined certification process and contract arrangements.

Business Secretary Vince Cable said that apprenticeships provide an effective training route for young people and companies, but added that "for far too long, too many businesses have been put off by overly complex procedures and unnecessary layers of paperwork". The CBI has called for the reforms to be extended to smaller and medium-sized companies, saying that "SMEs represent a significant market for apprenticeships and we must make it easier for these firms to access apprenticeship programmes".

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2012 countdown

Everyone is watching the countdown to the London Olympic and Paralympic Games, but for businesses in the UK there is an equally important deadline approaching – October 2012, the date from which it will become a legal requirement for every UK employer to automatically enrol their workers into a pension scheme.

Auto-enrolment will be phased in between October 2012 and 2016, but the indications are that many companies, particularly smaller and medium-sized employers, are ill-prepared for the change. If you are concerned about the deadline and what you need to do to prepare, contact your client partner for advice.

Enterprising Britain

The government has announced the location of 13 new Enterprise Zones across the UK, which it hopes will help to create over 30,000 new jobs by 2015. In addition to the 11 Zones in major cities announced in this year's Budget, 13 additional Zones will be created in key locations: the Humber Estuary; Daresbury Science Campus near Warrington; Newquay; Harlow; the Solent Enterprise Zone in Gosport; Hinckley; Hereford; Sandwich; Northampton; Alconbury Airfield in Cambridgeshire; Great Yarmouth; Science Vale in Oxfordshire; and Lowestoft.

The Zones are intended to provide incentives for new and relocating companies, and extra first-year capital allowances will be made available for investment in machinery in some of the Zones, in order to give new companies a boost to their cashflow.

