

HB&O Headlines

Issue 3/Winter 2011/12

Welcome to HB&O Headlines

Welcome to the latest issue of HB&O Headlines, our quarterly newsletter designed to keep you in touch with the latest developments at HB&O and some of the key accounting, tax and business issues that may affect you.

This issue includes a focus on our range of new services, designed to make life easier for businesses, as well as a look at some of the key points of Chancellor George Osborne's autumn statement of 30 November.

We hope you will find the newsletter interesting and welcome feedback. If you have any comments on articles in this issue – or would like to suggest topics you would like to see covered in future newsletters – please contact Nicola Morley at Nicola.Morley@hboltd.co.uk or on 01926 422292.

Get app-y with accountants

For more information, contact Rob Kendall on 01926 422 292 or email rob.kendall@hboltd.co.uk

HB&O is making it easy for clients to stay up-to-date on tax and accountancy issues by launching its smartphone application.

The firm has become one of the first accountancy practices in the Coventry and Warwickshire area to launch its own mobile application, which it has developed in conjunction with Liverpool-based digital experts Crosby Associates.

The free app can be downloaded onto iPhone and Android phones and provides details of all HB&O's services,

up-to-date news and advice and handy tax calculators.

HB&O managing director Rob Kendall said: "We recognised that an increasing number of our clients have smartphones and other mobile devices.

"We wanted to be able to offer a way for them to keep up-to-date with the latest developments in accountancy as well as with our latest services and expert guidance.

"The tools such as the built-in tax calculators are also extremely useful for those looking to find information fast. It has proved extremely popular and we have already had a lot of people asking us how they can get hold of the app!"

The app can be downloaded free from the Apple App store for iPhone and iPad and from Android Market for Android phones.



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HB&O

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Extra services add up to total solution

For more information, contact Rob Kendall on 01926 422292 or email rob.kendall@hboltd.co.uk

There's no escaping the fact that it's a tough world out there for businesses – and indicators and experts suggest it's likely to remain so for some time to come.

As an owner-managed firm ourselves, HB&O knows how challenging it can be to operate a business in the current economic climate, which is why we've launched a range of new services.

Managing director Rob Kendall explains:

"Our focus is on assisting our clients as much as we can, so we have built on what we already offer to provide a total solution for clients.

"By listening to our clients, we've identified a range of needs and developed our new services to reflect these. They include:

- a full HR compliance service
- payroll outsourcing
- IT support

- a cost management service
- disaster recovery planning
- risk assurance.

"You can read more about some of these services elsewhere in this newsletter but if you are interested in more detailed information on any of our services, or if you would like to arrange a free, no obligation meeting to discuss how we can help you, please get in touch."

Rally pals boost good causes

For more information, contact Tracey Hackett on 01926 422 292 or email tracey.hackett@hboltd.co.uk



Epic journey: adventurer David Cunningham with Tracey Hackett of HB&O

teams not only travel without support but must use vehicles with an engine size of under 1.2 litres in size or be defined as a utility vehicle.

David and Mark chose a decommissioned ambulance, which was put back into active service in Mongolia after they completed the rally. To help the ambulance cope with the journey, it was fitted with a long-distance fuel tank, heat protection and a new engine and clutch.

Their journey, which began on 24 July, saw the pair travel from Warwick through Europe, Turkey, Iran, Turkmenistan, Uzbekistan, Kazakhstan, Siberia and into Mongolia.

They raised £5,502 for the Warwickshire and Northamptonshire Air Ambulance plus more than £6,000 for the Christina Noble Children's Foundation, which supports abandoned children in Mongolia. Their fundraising included an £800 donation from HB&O.

A daring duo has crossed thousands of miles of desert and mountain ranges topping 16,000ft as part of a fundraising adventure supported by HB&O.

Antiques dealer David Cunningham, from

Shipston-on-Stour, and hot air balloon pilot Mark Stevens, from Warwick, completed the six-week Mongol Rally in the summer.

The annual event involves a 10,000 mile journey to Ulaanbaatar in Mongolia in which

Tracey Hackett, director of HB&O Financial Services, said: "We were delighted to be able to support them on their adventure and to help two important charities in the process which do very different but equally valuable work on opposite sides of the world."

Turkey experts dish up bright ideas to keep growing

For more information, contact Andy Farren on 024 7663 1303 or email andy.farren@hboltd.co.uk



Talking turkey: Andy Farren of HB&O (left) with Rod Adlington

The third generation of a family-run turkey farm in Warwickshire has clocked up its 55th festive season in good health after gobbling up a host of opportunities.

Adlington Ltd, in Balsall Common, has been managed by Rod Adlington since 1989 after a relative in New Zealand gave his grandparents

the idea of farming turkeys for Christmas as a hobby.

The business they began in 1956 now deals with 12,000 turkeys on two sites in the run-up to Christmas but it is the farm's year-round trade that separates it from the flock. In 2008, with the help of HB&O, Rod set about building on the farm's reputation for producing high quality, traditionally reared, British premium foods.

He said: "Year-round trade began to suffer due to foreign imports and this made producing turkeys all year round unviable. We were looking to diversify into other areas and the cooking and smoking of chicken as well as turkey seemed a perfect fit.

"What makes us stand alone is that we still adopt a traditional approach to turkey farming. Half the turkeys will be reared in open barns and the other half are free range.

"Our turkeys are hung after slaughter, which is important, because we produce only British turkeys and maintain the high standards set by the RSPCA and Red Tractor guidelines, which customers value.

"We have also launched a range of value-added products that fit with our niche in the market. These include apple-fed cockerels, smoked turkeys and chargrilled products. The ideas keep coming – it is just a case of making them work commercially and finding the time to implement and develop them.

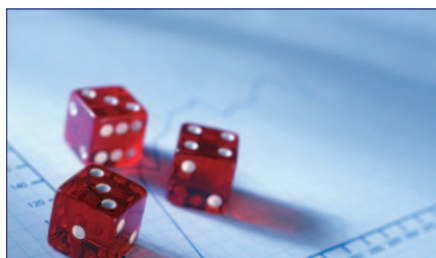
"HB&O was recommended to us by a management partner, Brian Fisher, and they have really helped us with the development of Adlington Ltd. The traditional farmer will probably go and see their accountant once a year. Now we have weekly budget meetings, set targets and strategise!"

HB&O director Andy Farren said: "When you think of turkey farming, you just think of them being busy at Christmas but Adlington Ltd has developed into a lot more than that.

"We primarily worked with them to set up this brand and it has been a real success. Their value-added products have gone down really well with a number of outlets and we have seen the company develop in different directions. This, coupled with the continued success of their high quality Christmas turkeys, will see them go from strength to strength."

Act now to reduce risk

For more information, please contact Rob Kendall on 01926 422 292 or email rob.kendall@hboltd.co.uk



We all take risks in life, from crossing the road to bungee jumping on holiday, and the process usually involves some risk management in advance – thinking about just how much danger we're putting ourselves into before we take the plunge and weighing up the pros and cons.

While businesses also need to take risks from time to time, effective risk management can enhance business performance and deliver financial and time savings. From working with businesses every day, at HB&O we understand the kind of risks they face and that each business has its own unique challenges.

To help our clients manage risk more effectively, we now offer HB&O Risk Assurance, which offers reviews of all business processes – financial and operational – or of a specific process, to identify whether existing systems for managing the associated risks are up to the job.

HB&O's Rob Kendall said: "The review will assess the robustness and relevance

of existing risk management and control strategies, as well as exploring the likelihood and impact of the risks facing the business.

"We'll show where weaknesses in controls can be improved and support the development and implementation of a flexible risk management system that is able to keep pace with changes and growth in the business.

"Having the right controls in place stops risks becoming a reality, so that businesses don't have to spend time firefighting and can spend more time on what really matters. If you'd like more information on our HB&O Risk Assurance, please contact us."

Employment law set for shake-up

For more information, contact Gemma Lockwood on 01926 422 292 or email gemma.lockwood@hboltd.co.uk

Business Secretary Vince Cable has set the ball rolling on what is being described as the biggest overhaul of employment law in decades.

Announcing a package of measures and consultations on 23 November, Dr Cable said the UK labour market was already one of the most flexible in the world but that many employers still felt that employment law was a barrier to growing their business.

Confirming that from April 2012, the qualification period for an unfair dismissal claim would increase from one to two years, Dr Cable unveiled other reforms including a requirement that all employment disputes go to the Advisory, Conciliation and Arbitration Service (Acas) to be offered pre-claim conciliation before proceeding to a tribunal and a consultation on options for introducing fees

for anyone wishing to take a claim to a tribunal.

Gemma Lockwood, HB&O's human resources consultant, said: "Dr Cable's announcement highlights the complexity of employment law and the way it is subject to ongoing change, which is why it can be difficult for employers to keep up-to-date with the rules and regulations.

"With the HB&O HR Compliance Service, employers can enjoy real peace of mind that they are legally compliant and can obtain expert advice when they need it.

"For a set fee, they'll receive an initial health check and then be given advice to make sure the HR side of their business is up to the required legal standard, as well as ongoing access to the service to help them avoid potential employment law problems and unnecessary costs."



Gemma Lockwood

Life cover option offers tax benefits

For more information, contact Jason Strain on 01926 422 292 or email ifa@hboltd.co.uk



Taking steps to keep your family financially secure when you are no longer around makes sense.

It also makes sense to put in place arrangements that don't cost you more than they have to, which is why relevant life cover

is an option worth considering for company directors and business owners.

Jason Strain, of HB&O Financial Services, said: "Relevant life cover is a straightforward insurance arrangement that provides a lump sum on death

"It can also deliver real savings on the cost of an ordinary life policy, with a tax-efficient structure that can be particularly useful for company directors and business owners.

"We've put together a guide to relevant life cover, including details of how it can provide potential savings of almost half the cost of a traditional policy, allowing you to double your cover for no extra cost.

"If you'd like a copy of the guide, or would like to discuss in more detail whether relevant life cover is right for you, please contact us."

Plan ahead for the unexpected

For more information, contact Greg Philp on 01926 422 292 or email greg.philp@hboltd.co.uk



When a lorry carrying more than 20 tonnes of yeast extract, believed to be Marmite, overturned on a busy motorway, the incident quickly hit the headlines – and the internet.

Police had to close a section of the M1 in South Yorkshire after the incident late on 28 November and the accident prompted a flurry of puns in newspapers and on social media sites about “yeastbound carriageways” and “toasting” the emergency services.

No-one was seriously hurt in the incident and while the spillage may have had its funny side, it was also a good example of the kind of unexpected disaster that can cause major headaches for businesses.

Greg Philp of HB&O said: “Earlier this year, businesses in towns and cities across the country were seriously affected by riots and at the end of November, flooding caused problems across much of central, west and southern Scotland after torrential rain.

“Flooding might be expected in certain areas, which means businesses located there should have arrangements in place to cope, but the riots came pretty much out of the blue. Even in those circumstances, with the right forward planning, businesses can be ready to deal with any emergency or disaster, to minimise disruption to their operations.

“At HB&O, our Disaster Recovery Planning service enables businesses to identify risks and the likelihood that they might happen and put in procedures and guidelines to prevent and mitigate the damage caused in the event of any disaster.

“It makes sense from an insurance point of view too – many insurance companies are insisting that firms have a disaster recovery plan in place to prepare for and prevent unnecessary losses in the event of disasters such as rioting, looting, flooding or fire.”

Golfers have fundraising down to a tee

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Representatives of more than 30 local businesses braved the rain to raise more than £1,250 for charity.

Around 50 people attended HB&O’s golf day at the Menzies Welcombe Hotel Spa and Golf Club, in Stratford-upon-Avon, to raise money for the Grace Research Fund. Money raised by the fund is used to support medical research into the causes of premature births and the best forms of neonatal care.

The event included a reception breakfast, an evening dinner and a fundraising raffle with prizes including golf equipment and vouchers.

HB&O’s Mark Ashfield, said: “Despite the wet weather everyone thoroughly enjoyed themselves and we would like to thank all who took part to support the charity’s important work.”



Fundraising drive: (From left) Andy Coe, Tracey Hackett and Rob Kendall swung into action in aid of the Grace Research Fund.

Company has designs on bright future

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A Coventry-based design and manufacturing firm's success in winning new contracts has helped it to secure more than £650,000 in investment.

PowerKut, based on the Bayton Road Industrial Estate in Exhall, successfully negotiated the funding boost from RBS with support from HB&O, which has advised the company for almost a decade.

The funding, which will be provided in instalments as targets are met, will be used to support contracts worth more than £400,000 to design and manufacture specialist magnesium alloy parts for the aerospace and defence sector, including parts used in nuclear submarines and military jets. The first tranche of funding has heralded the arrival of new machinery that will boost efficiency by bringing in time savings of up to 80 per cent.

Managing director Peter Everitt said: "Securing this investment is extremely important to us as it allows us to take on additional work rather than having to pick and choose which clients we can do work for."

He said HB&O had been "pivotal" in securing the investment, adding: "To be able to secure this



Kut above: (From left) Neil Lloyd, from Lombard, Glenn Williamson, of RBS, Phil Ewing, director at HB&O, Adam Smith, from RBS, and Peter Everitt, managing director of PowerKut

type of funding in the current economic climate is a huge boost and is a credit to RBS who were willing to listen and HB&O, who acted as a conduit and brought everything together. Without them we wouldn't be where we are."

HB&O director Phil Ewing said: "We were delighted to play a role in helping PowerKut to secure this investment from RBS. It was wonderful to work with a company that has such exciting plans and with a bank that was

willing to consider lending to a company in the manufacturing industry. To be able to assist a manufacturing company expand, despite the uncertainty surrounding the economy, is extremely positive."

PowerKut, a family-run business founded in 2002, also designs and manufactures products for the mining, rail, construction, automotive, marine, nuclear, plastics and general engineering sectors.

UK plc: open for investment

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Countries around the world may be facing their fair share of economic challenges but the UK remains an attractive place to do business for overseas companies.

In November, a series of big name organisations announced additional investment in the UK. They included Michelin, which announced it is to spend £50 million on improving three of its sites, Toyota, which will invest £100 million to expand its plant in Burnaston, Derbyshire and Coca-Cola, with a pledge of £50 million to upgrade three plants.

Their commitment to the UK reflects

the findings of the World Investment Report, published earlier this year by the United Nations Conference on Trade and Development, which showed that in 2010, the UK was the most favoured destination for foreign direct investment in Europe and the third worldwide.

Doing business in another country for the first time – or expanding on existing operations – can be challenging, which is why it makes sense to work with advisers experienced in working with UK subsidiaries.

HB&O director Phil Ewing said: "At HB&O,

we can provide all the accountancy and business support services needed by overseas businesses operating, or planning to operate, in the UK, including company formations, outsourced accountancy and payroll services, audits and VAT returns and compliance. We also offer full inter-company reporting to meet the requirements of overseas parent companies.

"And as a member of MGI, the global alliance of independent auditing, accounting and consulting firms which has member firms in more than 80 countries, we have immediate access to up-to-date business, accountancy and taxation advice, worldwide."

Employers wary of agency workers, survey suggests

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A new survey suggests that new rules giving additional employment rights to agency workers could lead to employers scaling back on their use of temporary staff.

The CBI/Harvey Nash Employment Trends Survey of 462 UK companies, carried out in August and September and published on 15 November, revealed that ahead of the introduction of the Agency Workers Regulations on 1 October, 16 per cent of employers were planning to increase their use of temps compared with 20 per cent planning a reduction.

Under the Agency Workers Regulations

(AWR), agency workers are now entitled to access to the same on-site facilities as comparable directly employed staff from day one of their assignment.

After 12 weeks' continuous employment in the same role, agency workers will become entitled to the same terms and conditions as comparable, directly recruited employees. This includes terms relating to pay and annual leave.

Mark Ashfield of HB&O said: "While the survey findings are concerning for temporary workers, contractors who operate through their own limited companies, and who are genuinely in

business on their own account, should generally be outside the scope of the regulations.

"Agencies and hirers should be able to continue dealing with people who work in this way without having to make changes to accommodate the AWR.

"Contractors not already operating as limited companies – already the most tax-efficient way for them to do so – may be considering this option and HB&O offers a limited company formation service that makes the process quick, easy and cost-effective. For more details, please contact us."

Resolve to save money in 2012

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With 2012 now underway, many of us will have been busy making resolutions for the new year.

Exercising more and eating more healthily are

likely to be among some of the most popular resolutions but now is also an ideal time to make some resolutions for improving the financial health of your business.

A good place to start is by making sure that you're not paying more than you need to for essential day-to-day running costs like gas, electricity, phones, printing, stationery or insurance.

Mark Ashfield, director at HB&O, said: "No business wants its overheads to be higher than necessary but many business people simply don't have the time or resources to shop around for the cheapest supplier or they may not have considered areas of overhead spend where they might be able to trim their costs.

"HB&O, working together with independent cost management consultants, now offer a cost management service that is typically able to identify savings of around 20 per cent on costs including utilities, telephones, stationery and other office supplies."

"With our contingency payment option, if no savings can be made you incur no cost at all, but you do receive a free assurance you are already controlling your costs well.

"Where savings are identified, our charging structure ensures that the service more than pays for itself and you will also have the peace of mind that all suppliers are vetted for quality. We can also provide our service on a fixed fee basis."

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That's the way to do IT!

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We all take IT for granted in our business and personal lives and it's great when everything is running smoothly.

But although we might feel comfortable using Word, Sage or email on a daily basis, few of us have the skills or knowledge to put things right when they go wrong.

IT problems can cause real headaches – and affect the smooth running of a business – so it makes sense to have expert back-up in place, just in case there's a problem.

Mark Ashfield of HB&O said: "That's why

we've created HB&O IT Services, to give our clients the expert support they need when their IT hits a hitch.

"Our service provides up to three hours of phone and remote support (between 9am-5.30pm) each month, for a highly competitive monthly fee.

"When you sign up to the service for a six-month period, we also provide a free IT health check that includes checking your system, a review of your software, assessments of your back-up procedures and security, with a report setting out our

recommendations for improving or stabilising your IT.

"With our service, any time you have a problem or a query all you have to do is make a call or send an email. We charge a very affordable monthly fee and most problems can be sorted out without a site visit, but if it is so serious that we need to come to you, we do charge a call-out fee.

"We are also able to offer a range of additional services, including a secure back-up service to copy and protect your data and website design and upgrading."

Autumn statement update

For more information, contact Rob Kendall on 01926 422 292 or email rob.kendall@hboltd.co.uk

Chancellor George Osborne has unveiled measures designed to support British businesses develop and grow in a tough economic climate in his 2011 Autumn Statement.

Speaking in the House of Commons on 29 November, Mr Osborne said that the government "must help businesses to grow and succeed". He set out a range of measures, including:

- an initial £20 billion over the next two years to reduce the cost of bank loans for smaller businesses through the National Loan Guarantee Scheme
- a £1 billion Business Finance Partnership, which will lend to mid-sized businesses through non-bank channels
- £45 million for UK Trade & Investment to help get UK firms exporting
- confirmation that the main rate of corporation tax will be cut from 26 per cent to 25 per cent in April 2012
- from April 2012, anyone investing up to £100,000 in a qualifying new start-up business will be eligible for income tax relief of 50 per cent, regardless of the rate they pay tax, under a new Seed Enterprise Investment Scheme (SEIS). Any profits made during the first year will also be exempt from capital gains tax
- an extra £1 billion for the Regional Growth Fund for England, which has already allocated £1.4 billion to support projects offering potential for long-term economic growth and stimulate private sector investment
- a £400 million fund to help construction firms that can't get bank finance to kick-start projects that already have planning permission
- deferring the 3p per litre fuel duty increase due to take effect on 1 January 2012 to 1 August 2012 – a second increase planned for 1 August 2012 will be cancelled
- a six-month extension in the existing business rate holiday for small firms to April 2013 and the option for all businesses to defer 60 per cent of next year's increase in business rates to the following two years.

Rob Kendall said: "The Federation of Small Businesses has described the autumn statement as a step in the right direction and certainly the investment in bringing down the cost of bank loans will be welcome and hopefully lead to an increased flow of funding.

"The SEIS also looks interesting in terms of giving some attractive tax relief to investors and broadening the sources of funding available to fledgling enterprises from non-traditional sources.

"The extended rate relief holiday and deferral of the fuel duty increase will also provide help to ease the financial pressures on businesses. We would be happy to discuss these or any other aspects of the autumn statement that businesses might be interested in exploring further."