

People at TTR Barnes



We thought that a great place to start would be the very first employee of the newly merged TTR Barnes. Catherine Rodenby joined the firm in 2001, as a Tax Assistant. ATT qualified, Catherine had previously worked at Wright Hogg Eisen, before taking time off to have her children, Connor and Hannah. After spending 2 years in the Tax Department, Catherine started to show her versatility by 'helping out' in the Payroll and Accounts Departments.

Her secondment to Accounts soon became permanent in 2005, and in 2007 Catherine began studying for the AAT accounts qualification.

She completed this in Spring this year and, never one to let the grass grow, in September began her studies for the ACA qualification, to become a Chartered Accountant, 'The Practice has been more than happy to support Catherine through her studies' says David Cook, 'especially as we have reaped the benefits of both her newfound expertise, and her breadth of experience from different departments within the firm'.

Catherine herself is a little more modest: 'I appreciate the opportunities that TTR Barnes has offered, providing flexibility when I needed it as a mother of young children, and also giving me the opportunity to progress my career'.

Catherine is not the only member of the firm pursuing studies; Chris Ewen and Mark Hinder are also studying towards accountancy qualifications



We also have another cause for celebration this month. John Mutch, our very own VAT Man, has spent 20 years with the firm, helping our clients with their VAT queries, from registration, to investigation. Congratulations to John!

You may have noticed that our Newsletter is changing. After 9 years, we thought it was time for a facelift, and we hope you like the new version. Feedback from readers of In Focus tells us that one of the aspects they like most is the detail about the firm itself, and everyone involved with the office, so we have 'refined' the focus slightly, and will feature someone from the office in a little more detail in each issue.

HMRC Interest rates

Please note that the rate of interest on unpaid Income Tax, Corporation Tax (Self Assessment), Capital Gains Tax, Stamp Duty and Stamp Duty Reserve Tax has increased from 2.5% to 3% with effect from 29 September 2009.

The increase in interest charges will also affect current payment arrangements already in force with the Inland Revenue on all amounts paid after 29 September 2009.

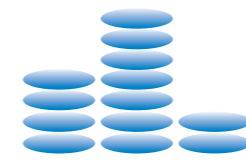
For more information, please contact the Tax Department.

Current National Minimum Wage rates

Please note that the new levels of the National Minimum wage with effect from 1 October 2009 are:

- £5.80 - the main rate for anyone aged 22 and over
- £4.83 - for those between 18 and 21 years of age
- £3.57 - the 16-17 rate for anyone above school leaving age but under 18

For more information, please contact our Payroll Department.



T T R B A R N E S
chartered accountants

T T R B A R N E S IN FOCUS

Here we are again nearing the end of another year, and as the leaves are falling and the days are getting darker, we have the latest copy of 'In Focus' to shed some light on financial issues at least!

It's been a rollercoaster of a year for many, with belts tightening, and economies shrinking. Inside the Newsletter, we have managed to focus on some good news, with details of the new capital allowances available for cars, the extension of the car scrappage scheme and opportunities to take advantage of the current tax breaks on offer.

In our Financial Focus, we have featured the increase in the tax-free ISA limits for those over 50,

meaning that your pennies could work harder for you with some careful financial planning.

'In The Spotlight' this month profiles a real success story in the City, Walker Filtration Limited, a longstanding client of the firm, whose business started in Wearside and now spans across the world; turn to page 5 to find out more.

Our 'People at TTR Barnes' section features two staff members who have reasons to celebrate, you will find them on the back page.

As always, we hope you enjoy the latest newsletter. We do appreciate any feedback you give and if there is anything you would like to see included in future editions, please let us know.

The greener, the better!

New Capital Allowances rules for cars

New rules for the capital allowances available on cars were introduced on 1 April 2009 for Corporation Tax and on 6 April 2009 for Income Tax .

Expenditure on cars before these dates will continue to be subject to the old rules for a transitional period of 5 years.

Broadly, under the old rules, capital allowances are available at a rate of 20% (formerly 25%) and for cars costing over £12,000, the allowances are restricted.

Under the new rules, the rate of capital allowances will remain at 20% for cars with emissions under 160g/km (this information is clearly shown on the car's registration document) and for cars with emissions in excess of 160g/km, the rate of capital allowances will be reduced to 10%.

However, under the new provisions, there is no upper limit on the cost of the car on which allowances can be claimed.

It is important to note that the Annual Investment Allowance provisions, under which the first £50,000 of qualifying expenditure qualifies for 100% capital allowances, does not apply to cars, but does include vans.

In saying that, it is still possible to claim 100% capital allowances on low emission cars, that is cars with emissions of 110 g/km or less, and details of the car's CO2 emissions are readily available on line or by contacting the dealer.

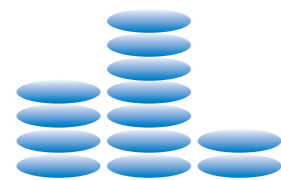
New rules have also been introduced for the tax deductibility of leasing charges on cars.

Previously, leasing charges were restricted for cars costing in excess of £12,000.

However, from 1 April 2009 for Corporation Tax and from 6 April 2009 for Income Tax, the full cost of leasing charges is allowed as a tax deductible expense in your accounts, where the car's emissions are less than 160g/km. For cars with emissions in excess of this, there is a 15% restriction.

As with capital allowances, there is a further restriction where the sole trader or partner uses the car privately, although this does not apply to company cars driven by directors or employees, as they are of course taxed on the provision of the car as a benefit in kind.

For further information on any of the points covered in this article, please contact the Tax Department on 567 0304 or contact Katie Buckley, the Tax Manager at katie.buckley@ttrbarnes.com



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Hot off the Press!

It has been announced that the Chancellor will make his Pre-Budget Statement to the House of Commons on Wednesday 9 December 2009.

Make sure you check our website for all the latest news on the Pre-Budget Report and how it may affect you and your business at-

www.ttrbarnes.com



Spend money and save money all at the same time? We tell you how!

If you are thinking of investing in assets that qualify for the Annual Investment Allowance (AIA) during 2009/10, it is also worth bearing in mind that you can claim additional relief via the 40% First Year Allowance (FYA) that is available for one year until 5 April 2010 (1 April 2010 if you trade as a company.)

For most businesses, the only assets that do not qualify for the AIA or the FYA are motor cars. Although don't forget that if you buy a car with CO2 emissions under 110g/km a special 100% allowance can be claimed.

The AIA allows you to write off 100% of qualifying expenditure during 2009/10 up to a total spend of £50,000.

But what happens if you spend more than £50,000? Let's say you invested £80,000 during 2009/10 in assets that qualify for the AIA and FYA.

You would be eligible to claim the maximum £50,000 AIA and a 40% FYA on the excess. This would make your potential, combined claim £62,000, or an overall 78% tax write down in one year.

Even if the claims created net tax losses in 2009-10 this may enable your business to recover some of the tax paid in the previous three years.

Please call Katie Buckley if you need more information on this topic and we can tell you whether your intended investment in new equipment will qualify for these reliefs.

Instead of being scrapped, it's being extended!

The car scrappage scheme will be extended, the Government has confirmed. An additional £100m will be made available, which will cover an extra 100,000 purchases.

In addition, vans will now qualify for the scheme.

As before, the Government will give the car buyer half of the £2,000 grant, with the car manufacturers providing the other half.

The scheme will come to an end in February 2010 or whenever the money runs out, whichever is sooner.

At the same time, the Government also said that more vehicles will be eligible for scrappage.

The age of eligible cars will be extended by six months, so that any car registered on or before February 29, 2000 ('V' registration) will qualify. Vans of more than eight years old (registered on or before February 28, 2002) will also qualify.

For more information, please contact the Tax Department on 567 0304.

All Change for VAT!

VAT certain to revert to 17.5%

HM Revenue & Customs have reconfirmed that the standard rate of VAT will revert to 17.5% from 1 January 2010, but have accepted that those businesses trading at midnight, such as pubs and clubs, should be allowed a few hours grace in which to continue to charge 15% VAT.

Businesses must be ready to apply the 17.5% rate from recommencement of trade on the 1st January.

Paperless VAT!

HM Revenue and Customs (HMRC) have also reminded businesses that new rules as to how VAT returns are submitted and payments are made will be coming into force next year.

Under the changes, HMRC intends to phase out paper VAT returns from 1 April 2010.

Businesses with an annual turnover of £100,000 or more, excluding VAT, and all newly registered VAT businesses will need to submit their VAT returns online and make payments electronically.

Those businesses that are already VAT registered and have a turnover below the £100,000 threshold will still have the choice to use paper returns, although the option is to be reviewed in the run up to 2012.

If you need assistance in filing your VAT return online, please contact John Mutch on 567 0304 or email him at john.mutch@ttrbarnes.com

Too good to be true!

Internet fraudsters are producing a steady stream of emails attempting to obtain people's bank or credit card details. One that is doing the rounds at the moment is the tax refund scam.

These emails, which are made to look convincing by copying HM Revenue and Custom's style, may include plausible details, but they are not to be believed.

HMRC do not notify rebates by email.

HMRC insist that they do not send emails to anybody to notify them of tax refunds. HMRC's own site includes a page 'Online security making your online experience as secure as possible' <http://www.hmrc.gov.uk/security/index.htm> which sets out their policy on secure communications.

What to do with a suspicious email

If you receive an email that you think may be false, HMRC has a system for dealing with it. There is a dedicated email address to which you can forward any email that purports to come from HMRC but you think may be fraudulent.

That email address is phishing@hmrc.gsi.gov.uk; HMRC promise to look at every dubious email that is forwarded to them but they do not guarantee to reply to everyone who submits one.

How to spot a bogus 'tax rebate' email

Here are a few tips for dealing with email messages that claim to come from HMRC:

- If it claims to offer a tax refund, treat it as false.
- Look out for spelling mistakes and bad English.
- Look out for references to 'federal taxes', as these relate to the US and not the UK tax system.
- Don't reply to it; scams are like spam, they may be randomly generated but any reply could give the fraudster a genuine identity to steal.

• Think about the information being requested; many of the bogus emails we have seen ask for credit card details and refer to the account to be debited, not credited.

• Don't believe the internet address given, what you see on the screen may not be the actual address that the response will go to

• Do a 'mouse hover' if you hold your computer cursor over an internet link it should show up the true address; a genuine address should be the one shown, whereas scam links will usually be extremely long, deliberately, to make them hard to trace.

If you have any concerns about any emails you may receive, either contact the Inland Revenue directly or our Tax Department on 567 0304 - but whatever you do, do not divulge any personal or banking information on line in response to any of these fraudulent requests!

You have been warned!

Companies Act 2006 – Have you got your Act together?

From 1 October 2009, the main provisions of the Companies Act 2006 came into force. This means some fairly major changes in the delivery and format of information and communications submitted to Companies House.

Perhaps the most publicised change is the necessity to submit limited company accounts 1 month earlier than previously. This applies to limited companies from their first year end date that falls after 6 April 2009, and means that you only have 9 months to submit accounts to

Companies House, rather than the previous 10 months. Fines for late submission are also increasing, a ‘first offence’ will result in a fine of £150 if the accounts are late by 1 month or less, rising to £375 if they are between 1 and 3 months late. Should you be late filing accounts for a second year the fines are doubled!

It’s not all bad news, though. Some provisions of the Act have been brought in to better protect the privacy of company directors. All company directors are now required to file a Service Address with Companies House.

While the normal residential address must still be filed with the Registrar of Companies, the Service Address is the address that will appear on the public register.

The Service Address must be changed when the Annual Return is filed, and we will be including the necessary forms with our letter when your Annual Return is due.

In the meantime, if you have any queries regarding the effect of the Companies Act 2006 on your business, please contact us.



Focus on Communication

Always keen to keep clients informed, TTR Barnes makes a point of holding seminars when we become aware of issues or information we think may be important to clients, and that may need more explanation than can be contained on the website, or in an article in our newsletter. Particularly with tax issues, which can be complicated and confusing at the best of times, you just need someone to explain it to you.

At TTR Barnes, we hold seminars that are written and presented in-house by people you know and deal with every day; however, if an area falls outside our immediate area of expertise, we

will ask those closer to the subject to provide presentations. So far this year we have held presentations specifically geared towards issues facing solicitors in the area, and this included an outside presentation by an expert on equity release. Recently, we hosted a seminar for private landlords that focused not only on the tax issues and reliefs available, with a presentation from Tax Manager Katie Buckley, in addition to presentations regarding the current state of the property market, and the availability of funding, by Chris Stonock, Chartered Surveyor, and Simon Robinson from Lloyds TSB Banking Group respectively. We have also featured HR and Health & Safety

experts in previous seminars, keen to give you access to expert advice across all areas of your business.

If you are interested in attending one of our seminars, keep an eye on the Events page of our website for further information. www.trbarnes.com.

In The Spotlight



from left: David Barnes, of TTR Barnes, Carol and Brian Walker, Lianne Walker, and Mark Welsh of Walker Filtration.

In the spotlight this issue is Walker Filtration Ltd, a family run business which TTR Barnes has had the pleasure of working with since the Company’s formation in 1983. Serving a global market, Walker Filtration manufacture an extensive range of filtration equipment for compressed air, compressed gas, vacuum and medical applications with 86% of products exported worldwide, making it a world leader in its field.

Walker Filtration has come a long way since its formation back in 1983 by husband and wife team, Brian and Carol Walker. In 2009, twenty six years later, the Company has grown from a staff of four operating from a small industrial unit to a purpose built factory and a number of international divisions employing one hundred and sixty staff worldwide. In 2005 Lianne Walker, Brian and Carol’s daughter, took over the day to day running of the Company and has continued to drive forward the rapid expansion and increase sales growth.

TTR Barnes has been able to witness this expansion first hand as it has handled all Company accountancy requirements from the very beginning. In 1983 Brian Walker was looking to recruit a reliable accountancy firm to provide a first class accountancy service for Walker Filtration, step forward local Chartered Accountant, David Barnes. As well as dealing with all Walker Filtration accountancy needs

including payroll and Company taxes, TTR Barnes has over the years been on hand to offer invaluable financial and business advice and support to the Company.

David Barnes, Consultant at TTR Barnes and Non Executive Director of Walker Filtration commented, “It is testimony to Walker Filtration’s commitment to establishing long term working relationships that twenty six years later we are still able to offer advice on all accountancy matters.”

As well as showing a dedication to maintaining strong working relationships, Walker Filtration is also a shining example of British excellence in design, manufacturing and service. It is the only Company to have won the Queen’s Award for Export for International trade three times. Walker Filtration Ltd’s commitment to export was further recognised in the 2009 New Year Honours list with Lianne Walker, Director, Group General Manager of Walker Filtration Ltd receiving an MBE for her services to Manufacturing and International Trade. This is the second generation of recognition for the Walker family as Lianne’s father and founder of Walker Filtration, Brian Walker was likewise awarded an MBE for his services to International Trade in 2001. Further accolades for Walker Filtration came in January 2009 when it was named Durham and Wearside Company of the Year 2008 at the North East Business Awards. If this was not

enough, they were also a finalist in the Export Category which is a remarkable achievement.

Walker Filtration is a progressive Company committed to expansion and has continued to support the local economy at their Head Office in Washington with significant investment of over £1 million in its premises and additional staff. This comes at a time when the majority of companies are downsizing due to the current economic downturn or moving production overseas in search of more cost effective labour. During this time in particular it is vital to make sound financial decisions. TTR Barnes has remained committed to Walker Filtration not only during the current worldwide recession but also throughout the Company’s twenty six year history, ensuring that they are on hand to offer financial advice whenever called upon.

Lianne Walker, Director, Group General Manager added, “TTR Barnes has been an invaluable support system to Walker Filtration since 1983. We are proud to be associated with the Company and hope to continue our great working relationship for many years to come.”

For more information on Walker Filtration and their product range contact www.walkerfiltration.co.uk



FINANCIAL FOCUS

'It's a Fair Cop!'

New Disclosure Opportunity (NDO)

The New Disclosure Opportunity, allowing people with unpaid taxes linked to offshore accounts or assets to settle their tax liabilities at a favourable penalty rate, started on 1 September 2009 and will run until 12 March 2010. If you have unpaid tax linked to an offshore account or asset to declare you will need to notify the HM Revenue & Customs AND disclose the details of the undeclared income to benefit from the terms of NDO.

HM Revenue & Customs (HMRC) is providing this opportunity on favourable terms for customers with an offshore account or asset, linked directly or indirectly to a loss of United Kingdom tax. The disclosure opportunity means that you can come forward voluntarily and put your affairs in order.

HMRC has announced that it will not offer these preferential terms to offshore account and asset holders again.

To take advantage of the New Disclosure Opportunity (NDO) individuals must notify HMRC by 30 November 2009 of their intention to make a disclosure. This is a simple process and at this stage you do not need to provide any details of the tax you believe you owe.

If you would like any further guidance concerning the 'New Disclosure Opportunity', please contact our Tax Department on 567 0304 or email Katie Buckley, the Tax Manager at katie.buckley@ttrbarnes.com.

The Early Bird Catches the Worm

The Government Actuary's estimates put life expectancy at 91 for a female born today.

As we are living longer, it therefore makes sense to maximize your pension, and the earlier you start saving, the more money you're likely to have. Indeed, the money saved into pension between the ages of 25 and 35 can account for up to half your final amount.

The main reason is the effect of compound interest, where the interest on money you save earns interest on itself over time. Start a pension at 25, say, and at 6% pa, £50 per month would provide £100,000 at retirement (age 65). Delay the start until the age of 35 and that same £50 per month produces just £50,000.

For more information regarding pension arrangements, please contact Graeme Wake.

Where there's a Will, there's a way...

Where a person dies intestate (ie without having left a Will) the law states how the estate of the deceased is to be divided. The rules are different around the UK with England & Wales, Scotland and Northern Ireland all having different provisions.

For deaths on or after 1 February 2009 the limits to be used in England & Wales have changed. Under the new limits where the deceased leaves a spouse (or registered civil partner) and children, the surviving spouse will receive everything up to £250,000 plus all personal possessions. Anything remaining is divided equally with one half going to any children of the deceased and the other half being left so that the surviving spouse receives the income and on their death the capital passes to the children.

Where the deceased leaves a spouse but no children, the spouse will now receive the first £450,000 plus personal possessions.

Anything above that will be split equally with one half to the spouse and the other half to the parents. If there are no parents there is a specified order of relatives to consider. If there are no relatives still alive the surviving spouse will take the whole estate.

If there is no surviving spouse (or registered civil partner) but a surviving unmarried (unregistered) partner, they are entitled to absolutely nothing under the intestacy rules. Where the deceased has children they would take the whole estate. If there are no children the estate would pass to the parents etc of the deceased.

It is vital for a valid Will to be in place to ensure that an estate is distributed according to the deceased wishes.

For further information, please contact us at info@ttrbarnes.com.

Why it pays to be over 50!

In the 2009 Budget it was announced that the ISA Allowance would increase on 6 October, 2009 for those over 50 and on 6 April, 2010 for everyone else.

What has changed?

Up to 6 October, 2009 the annual ISA allowance for all savers was £7,200; £3,600 of which could be saved as cash. However, this has now increased for those over 50 to a total of £10,200; £5,100 of which can be saved as cash.

This means that if you are over 50 years old you will now be able to save an extra £1,500 in a cash ISA and up to £10,200 in an Investment ISA (less any amount you contribute to a cash ISA per tax year).

As any interest earned on money saved in an ISA is tax-free, this means that those over 50 can now save up to £5,100 in cash each tax year without the 20% tax deduction on interest (40% for higher-rate taxpayers). As such you will be able to keep more of your money away from the taxman from October 2009 onwards.

What about those under 50?

If you are under 50 you will also see your ISA limit increase, but not until the new tax year begins on the 6th April, 2010. At this point you will be able to save a total of £10,200 tax-free, £5,100 of which can be saved as cash. If you are due to turn 50 before the end of this tax year (5th April, 2010), your ISA allowance will increase on the day that you turn 50. For example if your 50th birthday is on 22 December 2009, you'll be able to invest up to £10,200 (£5,100 in cash) as of 22 December 2009.

What if I've already opened an ISA this year?

If you are over 50 and have already contributed to an ISA this tax year, you will be able to increase your ISA savings and investments up to the new £10,200 limit. However, as you can only contribute to one cash ISA and one investment ISA per tax year, you will only be able to top up your current ISA rather than open a new one.

It's also worth noting that if your cash ISA is a fixed-rate account you may not be able to top it up to the new limit because of restrictions on access - for example, you may only be able to make one deposit during the fixed term. Some providers may permit extra deposits to reflect the increase to the ISA limit, but not all, so this is something worth checking with your ISA provider.

It may also be worth checking interest rates with your cash ISA provider. Some will pay the standard interest rate on any amount you use to top up your ISA, whereas others may pay a lower rate on this additional contribution, so this is worth looking into. However it is possible to transfer your cash ISA to a more competitive provider.

For further information, please contact Shaun Hasson, or Graeme Wake on 0191 567 0304. shaun.hasson@ttrbarnes.com, graeme.wake@ttrbarnes.com.

A Time to Buy?

Land Registry figures suggest house prices have risen just over 2.0% from June to August 2009. There have also been positive indications from the widely-watched Nationwide and Halifax data - with the Nationwide, for example, suggesting positive returns for the last four months in a row. Have we reached a turning point in the UK housing markets?

The statistics have constantly wrong-footed economists. Few predicted the severity of the initial downturn - the Land Registry suggests prices are still nearly 10.0% lower than a year ago. But, equally, few predicted the recovery to develop as quickly as it appears. But now, experts are in a quandary. There are some encouraging economic figures, but unemployment is still rising. Mortgage rates are low, but the availability of mortgage finance remains tight. This means there is as yet no clear picture emerging. Pessimists put the recent surge in price down to seasonal variation and believe that there may be more properties hitting the market, which could depress prices. The optimists, however, suggest supply is still limited (despite a small shift upwards) and that mortgage finance is cheap enough for those who carry a deposit and clean credit.

However, much is going to depend on whether this positive news can be sustained and whether there are any signs of organic growth - as opposed to this simply being a response to the stimulus package.

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