



Is now the time for bargain hunters?

For some time now the media has been filled with doom and gloom and with good reason. Profitability of businesses has plummeted and world equity markets have followed as a result of the credit crunch. It has become more difficult to borrow money, the value of property has dropped dramatically and returns from savings have been decimated by the minimal interest rates on offer.

However there are signs that things may have reached the bottom. Estate agents report that they are busier than for some time and the general consensus amongst the top fund managers is that we have probably seen the bottom of the equity market. Indeed the FTSE 100 Index has regained some ground since its low point on 3rd March 2009.

Investors' fingers have been burned over the past 12 months and many are nervous of coming out of cash, but there is little value in staying put with interest rates so low. The first rule of investment is to buy when company stocks and shares are cheap, so making some considered decisions now could make a big contribution towards your long term investment returns.

There is a similar story to be told in terms of property and businesses. We see many of

our clients investing in buy-to-let property as the current prices are widely considered to be as low as they will go. And if you are thinking of buying a business, again with prices depressed, there could be many bargains to be had.

Despite the positive news, our view is that it will continue to be a challenging period for the economy and financial markets. Therefore we may well see some falls in the market over the summer due to the combination of "bad news" and profit taking. However if you can take a long-term view with regard to your investment planning, this could be the time to start drip feeding your cash back into other assets. We would of course also advise you to spread the risk by using all the major asset classes – property and fixed interest as well as stocks and shares – to ensure you have a balanced portfolio which is in line with your attitude to risk. Contact Monahans Financial Services Ltd for advice on investments generally and our Corporate Finance team for advice on buying a business.

CONTENTS



3 A new approach for a new world



5 Hospitality - threats and opportunities



6 Control your credit

Contact Monahans Financial Services Ltd on 01225 785570 or email invest@monahans-fsl.co.uk or the Corporate Finance team on 01225 472800 or email peter.lugg@monahans.co.uk for advice.



Four free ways to help yourself

Monahans Corporate Finance team has developed four free tools which could help you achieve your business goals.

1. Free Business Valuation

Our free online Business Valuation Model is quick and simple to use and will give an instant indication of what your business may be worth in the current marketplace. The real value of this is that we are also happy to meet with you (at no initial cost) to discuss ways of increasing the capital value of your business. Why not visit the "Buy or Sell a Business" section of our web site to try it out.

2. Free Succession Planning Aid

Our Succession Planning Questionnaire is an online tool which produces an indicator of where there are weaknesses in your Succession Planning. Again, the real value to you is that we can meet with you at no initial cost to go through the Questionnaire and help improve your succession planning. There may well be options that you are currently unaware of and we can explore these with you. Alternatively we

can provide a paper copy of the Questionnaire for completion and we will enter this onto our system and let you have a report on the results. Visit the "Corporate Finance" section of our web site to try it out.

3. Selling your business

As a business owner you may have reached the decision that now is the right time to look at selling-up or planning for a future sale. We are very happy to meet with you on a no-commitment basis to discuss the selling process and to give an initial market assessment of your business.

Our new online Business Transfer Agency service provides an alternative way to help you to sell your business quickly and cost effectively. Visit the "Buy or Sell a Business" section of our web site to find out more about this service.

4. Help sheets

Finally, on our website there is a wide variety of Help Sheets that can be downloaded at no cost. These Help Sheets cover a diversity of business topics including "Selling Your Business" and "Grooming Your Business for Sale".

"discover our four valuable free tools for businesses online at www.monahans.co.uk"

- 1 [FREE Business Valuation](#)
- 2 [FREE Succession Planning Aid](#)
- 3 [FREE Business Transfer Agency Service](#)
- 4 [FREE Help Sheets](#)

Please feel free to contact Peter Lugg to discuss any of these free services by phoning him on **01225 472800** or emailing peter.lugg@monahans.co.uk

Employee involvement & engagement

gaining an advantage by using all the skills, knowledge and experience within your business.

The news is still not good for UK plc and employees are still worried about losing their job, but forward looking businesses are investing time and energy in ensuring that their most talented people are engaged and involved in the organisation, thus making them less likely to leave now or when the upturn eventually comes.

Peta Fry, HR Director at Monahans explores ways of achieving this.

Encourage staff to take on new challenges and fully use their skills, have them train others in the organisation and share their knowledge. If you can offer opportunities in a different role or different part of the organisation, it could broaden your knowledge and skills base leading to new ideas, creative approaches to problem solving and new avenues for your products or services.

Be honest and transparent with employees

about the business situation, have an open door policy and answer questions - communication and feedback should be top of your agenda. Employees respond favourably to recognition and this is even more important now to keep them on your side.

Think about how you can reward employees. It may be difficult to increase salary, but non-cash or salary sacrifice benefit schemes may be an option. Think about how you can reward success - a meal out, bunch of flowers, saying thank you - it doesn't have

to cost much financially but can have a lasting effect.

Involve employees in decision making, encourage their input and value what they have to say. They may have more knowledge than you on your day to day processes, procedures and even customers, and this could make all the difference in saving time, money and energy.

Research suggests that commitment to employees is fundamental to organisational success, but this can be diluted in the face of pressing operational activity and requirements. However it should be recognised that those organisations that look longer term will be in a better position to profit when the upturn does come.



A new approach for a new world

At Monahans Financial Services Ltd we have recognised that the service and investment proposition we offered our clients needed to change to reflect the unprecedented times we have found ourselves in.

We have therefore introduced an online service that allows us, as your Independent Financial Adviser (IFA), to help you manage your entire portfolio of investments, regardless of where these investments are held. We have access to a range of “tax wrappers” which we can draw upon for your ongoing financial planning needs, including Pensions, Individual Savings Accounts, Onshore and Offshore Bonds as well as Mutual Funds.

We should point out that this is not a “magic” investment solution for the current difficult times, but a proposition that offers significant added value over traditional services offered by other IFAs. The new service provides the following benefits:

1. Providing answers

When you need them, to the questions you most want to ask eg. How much is my portfolio worth? How well is my portfolio performing? What do I need to do next?

2. Maximising tax efficiency

We have access to a range of tax efficient ‘wrappers’ to help you make the most of your allowances and avoid paying unnecessary tax.

3. Securing a better deal

We can negotiate excellent discounts on both initial charges and annual management charges for many funds and there is no

charge for switching. Your existing investments can also be added onto the platform so that you have a full picture of all your investments, including cash deposits.

4. Achieving your investment potential

By focussing on asset allocation, investment selection and risk management across your portfolio, as well as regular rebalancing, we are able to maximise your investment returns while taking into consideration your attitude to risk. We have a portfolio rebalancing tool that allows us to sell high and buy low and thus more effectively secure profits.

An alternative to the traditional investment manager

Our new service is an alternative to traditional investment management services offered by banks and stockbrokers.

We are being approached by an increasing number of clients who have been using their services for some years and who are now asking us to give a second opinion on their portfolio.

Why is this? We are finding that after a long period of providing good service and



5. Guiding you through change

Once set up, via this service we can continually adapt your portfolio to suit your changing needs and develop a plan tailored to your personal financial goals quickly and efficiently.

6. Knowing what you have in your portfolio

You will receive consolidated reports containing details of all your investments, no matter where they are held. We can also provide instant valuations on any of your investments as well as providing you with online access to valuations if you wish.

7. Knowing how you are doing against your goals

We can provide reports on how your portfolio has performed over specific time periods.

8. Making changes quickly and efficiently

We are able to implement changes quickly and efficiently as everything is held together in one web-based service.

9. Provide consolidated tax reports

We can provide reports detailing the income and gains within your various portfolios to make completion of your tax return easier.

For further information on either of these services call your usual Monahans Financial Services Limited contact or email us at invest@monahans-fsl.co.uk



The Monahans Elite Payroll team discusses the addition of two exciting new services to their portfolio.

Payroll without the paper

Monahans Payroll team is now able to provide an exciting new service called ePayslips which gives the highest level of service 24 hours a day, 365 days a year.

Each year 400 million payslips are produced in the UK and ePayslips is a solution to reduce the amount of paper used and the administration that goes along with this.

ePayslips allows your employees to see and print their own individual payslips from a secure web site, via the internet, anywhere they have access to a computer. They will be able to see both current and historic payslips, without having to refer to your payroll department. Of course, those employees with no internet access or otherwise preferring traditional payslips can continue to have theirs produced in the traditional manner.

Likewise this fast efficient service also means that you, the Employer, can view any or all of your employee payslips including past periods. There is even the facility to post your company logo on the payslip so they are personalised to your business.

ePayslips uses the same type of security systems as banks and other organisations handling confidential financial data. All uploading and downloading of data is encrypted

and meaningless to hackers and each employee can only see his/her own payslip using a login unique to them.

When you start using the ePayslips service we will agree a publication date for each payslip run (probably the pay date). You will be able to review the payslips as soon as we have posted them to the web page, but your employees will only be able to see their new payslips from the publication date.

Should you have any employees who do not have access to an internet PC it will be possible to exclude these people from ePayslips and print a paper payslip as normal.

There is also the option to upload your employees End of Year Statements P60 each year to the web page.

- Introducing a paper & time saving service which is fast, efficient and secure
- ePayslips allows employees to see & print their payslips via the internet

If you would like further information on ePayslips then please contact Margaret Chittock on **01793 818300** or e-mail margaretc@monahans.co.uk

“Each year 400 million payslips are produced in the UK save time and paper with ePayslips”

Payroll package for smaller businesses

“... freeing up your time to allow you to concentrate on running your business”

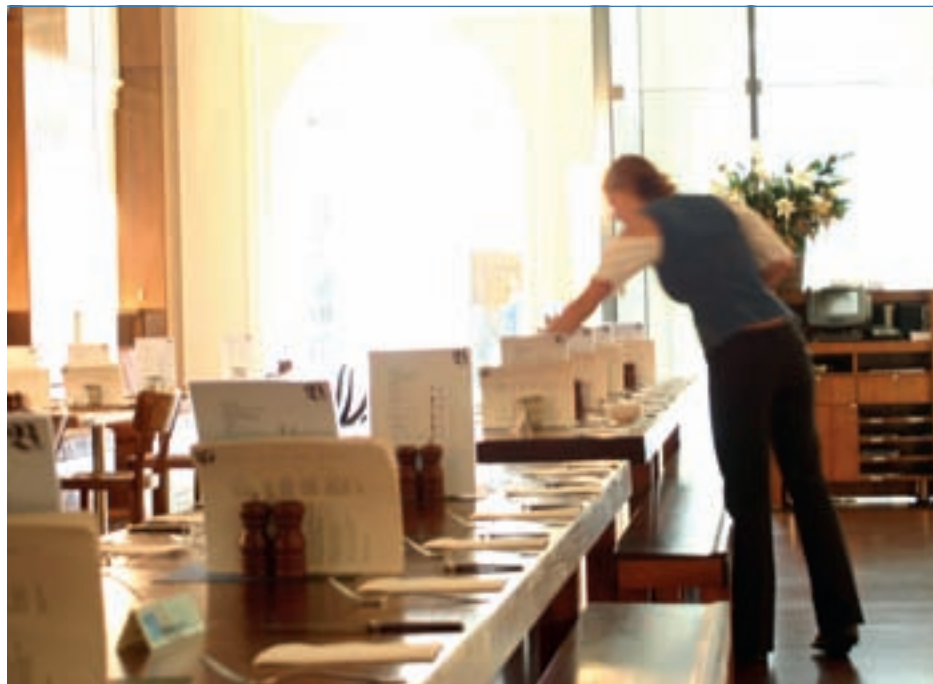
For further information contact our Payroll team on **01793 818300** or email margaretc@monahans.co.uk to discover more about how our Small Payroll Package could benefit your business.



Monahans Elite Payroll team has recently introduced a new Small Payroll Package which has been designed for businesses with 1 to 5 employees.

This will allow you to outsource your payroll function at a low cost and eliminate the administration which goes along with this important function. If you have a small workforce, whose monthly salary has limited variation then this could be the ideal solution for you, freeing up your time to allow you to concentrate on running your business.

On a monthly basis we will produce a heat sealed payslip for each of your employees summarising the detail. You will receive a gross to net payment report and a schedule detailing the PAYE/NIC due.



Hospitality – threats & opportunities

Businesses in the hospitality sector are facing tough conditions at present and Simon Cooper, Monahans Hospitality Specialist explains more.

The recession is still biting and consumers are spending less and expecting more for their money. On top of these pressures, the Government has recently announced measures that could cause more problems.

From 1 October 2009, new legislation will

be introduced regarding tips which could significantly increase the wage bill of a business in the hospitality sector. The change effectively prevents the payment of tips from counting as part of the National Minimum wage. This change coincides with an increase of the rate from £5.73 to £5.80 per hour (for adults over 22 years of age).

It has been conservatively estimated that this could cost the industry over £100 million a year in increased wages and national insurance.

When 2009 is over, the hospitality sector will then have the challenge of coping with the VAT rate changing back to 17.5%. Currently, this is due to go ahead at midnight on New Years Eve – traditionally one of the busiest times of the year!

On a more positive and long term note, the Olympics are coming. It is expected that this will benefit many businesses in the region including the hospitality sector. In order to be involved as a supplier to the Olympics, businesses must register on www.competefor.com where they will receive information about opportunities open to them.

Penalties for getting it wrong

For tax returns due to be filed on or after 1 April 2009, the Finance Act 2007 clarified the penalties for errors on future returns and set the scene for a new approach from HM Revenue & Customs to this subject.

The new structure of penalties applies to all of the main taxes and charges an amount determined by the tax lost and the seriousness of the behaviour of the tax payer. This means that there will be no penalties where an error is made in all innocence and an appropriate level of care has been applied. However HMRC will come down hard on anyone seeking an unfair advantage through non-compliance.

The standard levels of penalty are:

- Mistake despite taking reasonable care = no penalty
- Mistake due to not taking adequate care = 30% of the potential lost revenue
- If a person deliberately enters an inaccuracy but does not make arrangements to conceal it = 70% of the potential lost revenue
- If the inaccuracy is deliberate and arrangements are made to conceal it = 100% of the potential lost revenue

Discounts from these figures will be available if the individual discloses information to HMRC and helps them to assess the correct amount. HMRC may also suspend the penalty in certain circumstances, for example where a system failure caused the error and steps are taken to

fix the fault.

If an accountant, or equivalent, is used to complete the tax return, the taxpayer is still liable for any errors unless 'reasonable care' is taken by them to avoid inaccuracies. Although this is a somewhat vague phrase, taxpayers can protect themselves by appointing someone who is competent to advise them, providing them with complete information and checking the adviser's work as far as they are able.

These changes hold good and bad news depending on whether errors are genuine or deliberate. There are real advantages in trying to be as accurate as possible and using a competent accountant to complete your tax return for you.

Contact Dominic Bourquin on **01225 472800** or email dominicb2@monahans.co.uk for more information.

Contact
our tax
team



Kieran Thomas, of Check-Tek talks about the latest additions to their service.

Control your credit

Check-Tek has recently introduced Credit Guardian™, a brand new approach to managing risk in your business and is a software application that can help you keep on top of your cashflow. It downloads credit risk and other company information from Experian, merging it with data from your accounting system.

Created by Draycir and powered by Experian, Credit Guardian™ gives small and mid-sized businesses affordable, year round access to business intelligence, helping them make better and more informed choices about managing customer credit.

Designed to sit alongside Draycir's award winning existing products, Credit Guardian™ is an innovative software solution that provides information at a glance, in a straightforward, colour-coded, on-screen view. The cost-effective product allows the user to track and monitor



Credit
GUARDIAN

a number of businesses at the same time, for an annual, all-inclusive fee. It offers:

- Protection from bad debt
- The ability to benchmark how quickly you are being paid
- Credit risk and company financial information
- The ability to merge data with your accounting information
- Easy to understand graphs and charts
- Ease of use for non-credit professionals
- Desktop convenience whenever you need it.



Check-Tek
creating IT solutions

“For your enhanced free trial visit www.check-tek.co.uk/cg follow the link and enter CHEC8286”

IT Support for small businesses Only £4.95 per computer per week

Check-Tek has just introduced Reach Lite, a new IT Support service designed specifically for smaller businesses which is ideal if you use only a single computer, have a small network or something in between. If you choose this package:

- We will access your computer remotely and securely to diagnose and solve any problems
- You can access our local technical support help desk during normal office hours
- Problems or queries can be logged via phone, email or our website
- We will provide advice on getting the best from your computer and minimising the chance of problems arising
- If any hardware needs replacing, we will provide a fixed price for parts and installation.

Our team of highly trained support specialists can usually fix any issues in a few minutes, leaving you to concentrate on running your business.

Check-Tek are Microsoft Certified Partners, Microsoft Small Business Specialists, Sage Business Partners and a Dell Registered Partner. So whether you have a problem that can be fixed remotely or you simply need some advice on an IT issue, you can enjoy complete peace of mind at a low fixed cost.

And if this support package isn't right for you, we have a range of other solutions which could fit the bill.

“Our team of highly trained support specialists can usually fix any issues in a few minutes, leaving you to concentrate on running your business.”



Contact us for more information and full terms and conditions, email us on solutions@check-tek.co.uk telephone us on 01793 480022 or visit our web site at www.check-tek.co.uk/reachlite

Monahans tax roundup

For more information contact Tax Partner, Dominic Bourquin on **01225 472800** or email **dominicb2@monahans.co.uk**

Monahans Tax Partner, Dominic Bourquin, gives a quick round up of some of the latest tax news.

The Budget in April announced some significant changes to a number of areas and these are outlined below. If any of them are likely to affect you, please seek advice from your usual Monahans contact as with all things tax, the devil is in the detail!

Income Tax

From 6 April 2010, taxable income over £150,000 will be subject to income tax at a rate of 50% which will apply to all income, including dividends. Clients should consider paying dividends of any excess cash prior to 5 April 2010, to ensure the lower tax rate is applied to the dividend receipt.

From 6 April 2010 individuals with an income in excess of £100,000 will see their personal allowance tapered away by £1 for every £2 of income they have in excess of £100,000. Once an individual has an excess of (approx) £112,000 of income in a tax year, they will no longer receive a personal allowance. This means that there will be an effective tax rate of in excess of the current higher rate of 40% for income received between £100,000 and £112,000 after 5 April 2010 and clients should consider drawing additional income before this date to minimise the effect of the change.

Annual Investment Allowance

For 12 months from 1 April 2009, for companies – and from 6 April 2009 for individuals – plant and machinery expenditure in excess of the annual investment allowance of £50,000 will attract first year allowances at 40%, rather than at 20%. If in the current and subsequent year you are planning to exceed the £50,000 per annum annual investment allowance, it may be worth bringing some of that capital expenditure forward to take advantage of the first year allowance regime.

“... clients should consider paying dividends of any excess cash prior to 5 April 2010 ...”

Capital allowances on cars

Where a business incurs expenditure on cars with emissions in excess of 160 g/km after 1 April 2009 for companies or 6 April 2009 for individuals, those assets will attract capital allowances at 10% per annum only. Expenditure on such cars prior to 1 April 2009 for companies and 6 April 2009 for individuals will continue to be subject to the

“old” expensive car rules for a transitional period of 5 years. When each car is disposed of from the special rate pool, the proceeds are credited to the pool. Therefore, no balancing allowance or charge arises as proceeds are just credited to the pool, like a standard plant and machinery disposal.

New rules also apply from 1 April 2009 for companies and from 6 April 2009 for individuals in respect of leased cars. Any new leases of cars with in excess of 160g/km emissions, will be subject to new special rules whereby there will be a flat rate of disallowance of 15% in respect of the leasing payments. Existing car leases will run under the old rules until the lease comes to an end.

“Any new leases of cars with in excess of 160g/km emissions, will be subject to new special rules ...”

Pensions

From 6 April 2011, individuals with income in excess of £150,000 per tax year who make pension payments, or whose employer makes pension payments, will not receive full 40% (or 50% by then) tax relief in respect of those payments. Where the individual has income between £150,000 per annum and £180,000 per annum the 40/50% tax relief will be tapered down to 20%. Contributions made where individuals earn in excess of £180,000 per year will only receive tax relief at 20%.

On 22 April 2009 the government also announced anti-forestalling provisions to prevent individuals putting significant contributions into their pension funds prior to 6 April 2011. Where an individual has earned in excess of £150,000 in either the 2007/08 or the 2008/09 tax year, these anti-forestalling provisions will apply to them. Where an individual has earned in excess of £150,000 and has made pension contributions less regularly than quarterly, those contributions will be limited to a maximum of £20,000 per annum. This includes both employer and employee contributions. Any contributions in excess of the £20,000 limit will be taxed at 20% on

the individual. Where the individual or employer has made regular contributions that are either quarterly or monthly, and those quarterly or monthly contributions are in excess of £20,000 per annum, the anti-forestalling provisions will not apply, and those contributions can continue to be made.

STOP PRESS • STOP PRESS • STOP PRESS

The Government has tabled an amendment to the anti-forestalling rules. Contact Dominic Bourquin for an update if this is likely to affect you.

Company Accounts

Company accounting periods ending between November 2008 and November 2010 and income tax years ending in the 2008/2009 or 2009/10 tax year will qualify for extended loss carry backs for three years. The normal carry back rules will apply to the previous accounting period, in that unlimited loss carry backs are allowed for 12 months, however there is an extension for the previous two years of a maximum of £50,000 of loss carry back for those two years in total.

Dates For Your Diary

8th October 2009

Brain of Wessex

Trowbridge Civic Hall. Corporate quiz sponsored by Monahans in aid of Julian House and starring Lady Margaret as the quiz master.

22nd September

Developing a Flexible Workforce Seminar

Angel Hotel, Chippenham

Various dates and venues

A Series of Seminars

from Monahans Financial Services Ltd which will help you to manage your investments more effectively.

Visit our web site www.monahans.co.uk for more information on all of these events.

Monahans news

Our charities for 2009 are Prospect Hospice in Swindon, Dorothy House near Bath and St Margaret's Hospice in Taunton

20 years of fundraising

This year marks Monahans twentieth anniversary of fundraising in your local community

Each year everyone who works here nominates a charity and throughout that period organise a number of events to raise vital funds for their chosen cause. Previous recipients have included The Wiltshire Air Ambulance, NSPCC and Hearing Dogs for Deaf People.



Employees who took part in the Great Monahans Bike Ride.

Being the 20th anniversary, we are hoping to raise significantly more than usual through a range of activities over the year. And we have chosen three local hospices, close to Monahans offices, to receive the money raised; these are Prospect Hospice in Swindon, Dorothy House near Bath and St Margaret's Hospice in Taunton.

The first major event was a general knowledge quiz taking place on the same time in three venues in Bath, Swindon and Glastonbury. There were local winners and an overall winner, Motorola, with 76 teams battling for the top slot and raising £2,722 in the process.

David Roblin said "This was the first time we had organised a quiz in three different locations on the same night. Everything went without a hitch thanks to the efforts of all the staff involved and all three quizzes finished within a

few minutes of each other. The amount raised was a great start to the fundraising for our 20th year and we would like to thank everybody who took part."

Further events are planned including the infamous Great Monahans Bike Ride, where a group of Monahans employees cycled 85 miles from Glastonbury to Swindon via our offices in Bath, Trowbridge and Chippenham.

We hope that as many people and organisations as possible will be able to support our efforts through the year to make a significant difference to the hospices and their valuable work.

Contact Monahans Marketing team for more information on how you could help us by emailing marketing@monahans.co.uk or phoning us on 01225 785520

The choice is yours

We aim to produce our newsletter three times a year to keep you informed of news about Monahans and general changes in legislation etc. that we feel you should be aware of.

Monahans has recently introduced an Environmental Policy and is looking at various ways of reducing our impact on the environment. This has included switching to low energy light bulbs, using recycled paper where possible and having switch off campaigns across our offices. As part of this initiative, we could send you an email version of our newsletter in future and thereby save a considerable amount of paper.

If this is something you would like to take up, please return the tear off section of the covering letter to this newsletter to our marketing team at Clarks Mill, Stallard Street, Trowbridge, Wiltshire, BA14 8HH. Alternatively email the relevant information to marketing@monahans.co.uk or fax it to **01225 785521**.

We realise that not everyone wants email brochures, or even necessarily has a computer, so we plan to continue with paper newsletters for the foreseeable future, however we would like to give you the choice on how you receive your copy.

To request the email version of future Monahans newsletters, return the tear off section of the covering letter to:

- Clarks Mill, Stallard Street, Trowbridge, Wiltshire, BA14 8HH
- OR email the relevant information to marketing@monahans.co.uk
- OR fax it to **01225 785521**



Monahans
integrated financial support

www.monahans.co.uk

For further information on any subject please email marketing@monahans.co.uk or call your local office.

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Monahans Financial Services Limited

Swindon	Tel: (01793) 818370
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Check-Tek Limited

Swindon	Tel: (01793) 480022
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INDEMNITY CLAUSE

This newsletter is prepared jointly by Monahans Chartered Accountants and Monahans Financial Services Ltd. It highlights certain planning points and contains general information. Specific advice should be obtained from us before any action is taken regarding matters covered by this newsletter.

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