

Chris' Marathon Raises £879 For Guide Dogs

Chris Annis has raised £879 in sponsorship for Guide Dogs for the Blind by running the Berlin Marathon. Chris, one of our Colchester-based directors, completed the gruelling 26 mile course in just four hours, 21 minutes.

Chris has his sights set on a faster time – and more fundraising – at the London Marathon in the spring. The money raised by his marathon has been donated to the Ipswich Evening Star Guide Dog appeal.



About us

Established in the 1960s LB Group has offices in Colchester, Chelmsford and Stratford, and so is well placed to look after the financial affairs of businesses and private individuals from London, through Essex, into East Anglia and beyond. Experienced teams offer great breadth and depth of expertise and experience with a practical no-nonsense, jargon-free approach. Most directors of LB Group have worked for international firms of chartered accountants, and in commerce and industry. They are widely experienced in finance, far beyond traditional accountancy. Directors, individually, take overall charge of each client, working through team managers.

Specialist divisions include LB Business Solutions, LB Wealth Management, LB Insolvency Services and LB Corporate Finance

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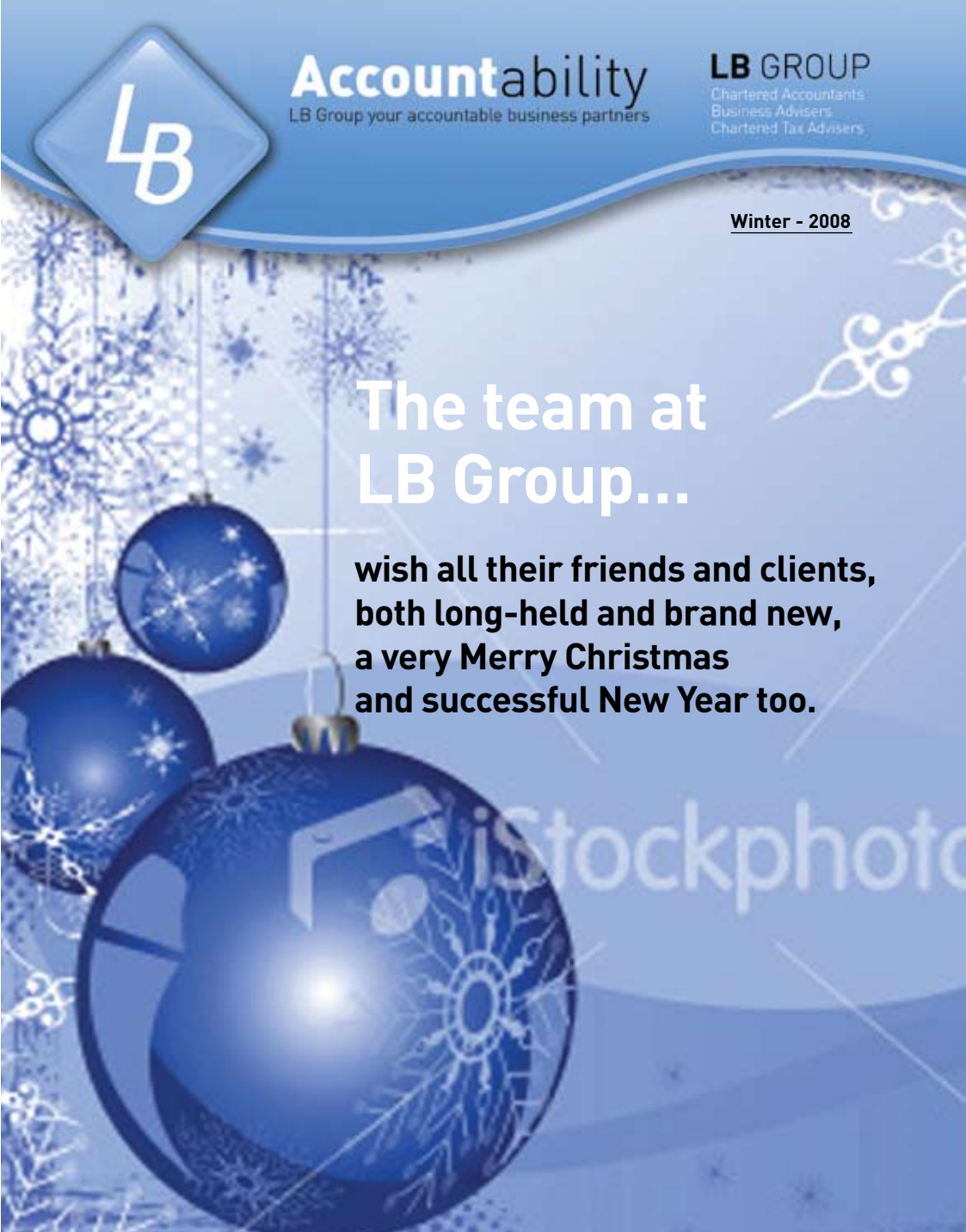
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Winter - 2008

The team at LB Group...

wish all their friends and clients,
both long-held and brand new,
a very Merry Christmas
and successful New Year too.

INSIDE:

Pre Budget Statement: The Main Changes

Welcome!

It seems like only yesterday that we were wishing you well for the coming year – 2008. And what a year that has turned out to be: from the small seeds of concern that were sown by that now infamous phrase “sub-prime mortgage”, to where we find ourselves today. It has all changed so fast.

And we find ourselves facing increasingly turbulent waters. Now more than ever, it is important to plan and forecast, to fully understand current market conditions and to be ready to react quickly when circumstances require. Please be assured, that through good times and bad, we are here to help you through.

But enough of that! The main message of this newsletter is to wish you a very happy festive season. It's a time to celebrate the good things in life, to share good times with friends, family (and maybe even colleagues!)

At LB Group, we wish you all the very best for a very merry Christmas and for a healthy, happy and prosperous New Year.

WHAT'S NEW?

Managed Service Companies

With the introduction of the Finance Act 2007, HMRC has announced a plan to penalise managed service companies (MSCs). It means that some businesses will face an unexpected tax liability! A managed service company is a form of intermediary company through which workers provide their services to end clients. A scheme provider promotes the use of these companies and provides the structure to workers.

The legislation defines all payments received by a worker, contracted through a MSC to be “employment income”. It means that PAYE and Class 1 NI contributions must be applied to all income received by individuals in relation to their services. And it applies regardless of payment method.

Where an MSC is unable to pay its PAYE and NIC liability, the debt can be transferred to a third party: a company director, the MSC provider and sometimes to other parties.

If you believe you could be affected, seek advice from your usual LB contact.

LB Group Sponsors The Suffolk FA Premier Cup

LB Group is sponsoring The Premier Cup, Suffolk Football Association's top competition, for the 2008/9 season. The LB Group Premier Cup is hotly contested by teams including Ipswich Town Reserves, AFC Sudbury and Bury Town, and clubs from across the Eastern Counties Premier division.

A full fixture list can be found by visiting www.suffolkfa.com.



Landmark Ruling Indicates HMRC Crackdown On Employee/Contractor Confusion

The line between who is a contractor - and who is not - was reviewed in a landmark ruling in the High Court recently.

An appeal, lodged by Dragonfly Consultancy Ltd, was overturned. According to Stuart Sheldrick, a director at our Chelmsford office, this signals that HM Revenue & Customs is cracking down what it deems “employees” with consultant status.

Stuart explained that IR35 is a complex piece of legislation, which often leads to confusion. “It sets out to clarify the situation for contractors working for just one customer. In the case of Dragonfly Consultancy Limited, it highlighted the fact, on the one hand, that the contractor had control over Mr Bessell's working hours and he was unable to provide substitution.”

So whilst that indicated that he was an employee, the defence claimed that he provided his own equipment, did not receive sick pay and did work for another client. The High Court felt that these were comparatively weak arguments and ruled in favour of HMRC.

“This is a very difficult area of the law, which really needs to be looked at by tax specialists on a case by case basis. Only then can employers – and contractors – be sure that they are staying the right side of the law,” Stuart added.

Beat Bad Debt



With current market conditions, it is more important than ever to manage cash-flow and exercise tight credit control.

- The customer's credit period - 30 days is the default under the Late Payment of Commercial Debts (Interest) Act 1998.

Encourage prompt settlement by:

- Requesting up-front payment
- Requesting payments on account
- Offering discounts for prompt payment
- Issuing invoices promptly
- Chasing half way through the credit term to ensure the invoice has been received and details are agreed
- Chasing payment as soon as the credit period is exceeded

If problems persist, consider credit insurance or debt factoring. Both have associated charges, but may still be advisable. Take legal action as a last resort.

For further advice on credit control, please speak to your usual LB Group contact.

Mark Haddock of our Colchester office recommends that when beginning work with a new customer, you should:

- Carry out credit checks, focusing on CCJs for evidence of liquidity issues
- Obtain references from the customer's bank and other suppliers
- Set agreed credit limits so customers cannot run up huge bills
- Obtain third party guarantees
- Add very clear terms and conditions to order forms. Include:
 - A Retention of Title clause where the supplier is entitled to reclaim the goods if payment is not made; and/or