



We are pleased to attach our Autumn 09 newsletter.

Economic Climate

Although the news media is currently dominated by the £6bn being paid out in city bank bonuses and strong recovery in the stock market, in reality the economy continues to be difficult for many businesses as the credit crunch continues.

Much of the recovery in the financial markets has been driven by low interest rates, high levels of liquidity and bail out money being pumped in by central banks around the world. In the UK quantitative easing (creating money) has been used by the bank of England to buy back government debt and this has made a good contribution to bringing down funding cost for banks. However, small businesses may not have noticed as they continue pay a high price for their borrowings.

Given that many of the world's economies are coming out of recession it is disappointing to see that the UK still remains in a recession. That said, the economist and our government still predict a recovery in the last quarter of 2009 and stronger growth in 2010. Let us hope that they are right.

Whilst we recognise that the world economic indicators are moving in the right direction it would be wise to take a more cautious stance when planning for the long term. We would refer you back to our article in our business network newsletter "[Beyond the Crunch](#)" in which it is explained why markets are recovering and why they could fall again even harder. We have yet to see convincing evidence to suggest that history will not repeat itself again. Our next business network newsletter is due out in November 2009 where we will provide a more detailed update.

Controlling Costs

One of the biggest costs businesses face is occupation costs. In this regard, those businesses coming up to rent review need to be vigilant to ensure that Landlords do not try to hike rents too high in these current markets. We are getting anecdotal evidence that some landlords are trying to do this. Landlords know that most SME's are unlikely to engage professionals to negotiate rent reviews and are therefore trying their luck. If you need some advice on rent reviews or controlling your costs contact Alok Mitra for an initial free discussion.

Another way of keeping costs down and increase productivity is to use IT in a more effective way. With the falling cost of hardware and software it is much more affordable to deploy technology in a very cost effective way. So don't miss out and allow your competitors to steal a march on you. If you want a informal free discussion on using IT to improve productivity then contact Alok Mitra.

Business Health Check

Through our consultancy firm CJM Consultants Ltd we have developed a health check package that is flexible and allows our clients to choose those areas of their business that they feel would benefit from a business review. The review is designed to focus on business risks and identify practical cost effective solutions. Our experience shows that a lot of improvements can be made at a low or nil incremental cost. Contact Alok Mitra to discuss the options available to you. There is no charge for the initial discussions.

Make the most of your spare cash

Those clients who are fortunate enough to have cash deposits would have seen deposit rates slashed to almost zero. However, it is now possible to get around 4% on cash deposits if you are prepared to shop around. If you want to know the interest rates currently available or are concerned about holding too much money with one institution, you can contact our office. We will explain the options available to you to ensure that, to the extent possible, you can protect your cash while maximising your returns.

Tax update

As the recession bites and the government's tax take falls, we are finding that the HMRC are beginning to use their new extra powers to ensure that they maximise their tax collection. Some of these are covered in our tax newsletter attached. Clients should also note that most fines and penalties levied for failure to file returns on time (see our last newsletter at <http://www.amitra.co.uk/news/>) or for errors and omissions have increased. Please make sure that you get your tax returns in on time.

Tax matters covered in this edition include:

- New powers for the Revenue to check up on tax returns and make unannounced visits.
- If you are unfortunate enough to lose your job, it is well known that £30,000 of golden handshake is supposed to be tax free. But HMRC may not always accept this exemption. Read our articles any find out why.
- As a VAT registered business if you are selling goods to VAT registered businesses in the EU without charging VAT on the sales, ensure that you meet HMRC's conditions otherwise you could lose out.
- From September 2009 there will be a new "opportunity to disclose" past undeclared income and avoid the higher penalties levied if they are discovered by HMRC later.
- Many other topical tax briefings.

If you are likely to be impacted by any of these tax matters or need further information then call Jenny at our office for further information and advice.

If you can't see the attachment to this email then you can download it from our website:

http://www.amitra.co.uk/news/News%20%20Autumn%20NL%2009%20_s.pdf

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