



We are pleased to attach our Spring 09 newsletter.

Economic Climate

Autumn 2008 has been a difficult time for many Businesses as the banking crisis and the credit crunch start to bite. Credit still continues to be difficult to find although high street banks are lending again but with more restrictions. This is primarily due to the withdrawal of foreign and shadow banks who have largely withdrawn from the market. This has left a credit gap that UK banks have been unable to fill.

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To ease the crunch the government is planning to pump another £50bn into the banking system. The government have also made 4 cuts to the UK bank rate since October 2008 and it now stands at just 1.5% - the lowest level since the bank was founded in 1694! Unfortunately, interest rates take approximately a year to work their way through the economy and therefore most businesses would not have benefited so far from the reduced base rates. Indeed those with cash reserves would have seen interest rates fall to near zero whilst interest being charged on their loans are around last years level.

Those clients who are concerned about holding too much money with one institution or want to know the interest rates currently available can contact our office and we will explain the options available to them to ensure that, to the extent possible, they can protect their cash while maximising their returns.

Tax update

As the time limit for filing under self assessments comes to an end on 31st January, it is now a good time to plan for the tax year end at 5th April 2009. In the attached tax newsletter we set out the matters which should be included in a "year- end tax review". This year, while some actions stay the same as last year there are a number of new areas to consider. So please review the points and suggested actions for the ones that apply to you.

Some of the tax matters covered in this issue include dealing with VAT changes, avoiding paying too much National Insurance, changes to the penalty regime, whether to incorporate your business, children's income, making gifts, paying family bonuses, capital gains tax changes, allowances and a number of other tax related articles.

If you are likely to be impacted by any of these changes then our office for advice to minimise their impact on your business and personal tax liability.

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

<http://www.amitra.co.uk/news/090123%20A%20Mitra%20winter%2009s.pdf>

Credit Crunch

Now more than ever, sound financial and risk management is essential if you are to stand a chance to survive and even prosper in the current economic climate. It is certainly not inevitable that these things will only get worse and there is

nothing that can be done. In fact at times like this those with the knowledge and support can find the best opportunities. However, in order to do this it is necessary to take proactive action yourself. Through our consultancy firm CJM Consultants we have consultants who have worked in and helped to run blue chip organizations through a number of recessions and have the experience and the know how to help you in these difficult times.

See <http://www.amitra.co.uk/credcrunch.html> to read about our tips on surviving the credit crunch and what is likely to happen next. We saw this crunch coming long before it hit the headlines. Over the last two years we have advised clients to reduce borrowings, exposure to properties and spread their cash with a number of financial institutions. We have also helped a number of clients to survive and avoid insolvency by refinancing, working with creditors, managing their business risks and improving their profitability. Our experience suggests that a lot of businesses that fail would have survived had they sought help earlier and received the correct proactive prompt action.

In our next business newsletter will look at what is likely to happen next beyond the crunch and how to benefit from it.

If you have any questions or concerns about how the credit crunch might impact on you or your business and wish to discuss this matter then please contact me for an initial free consultation.

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