



RHK

Chartered Accountants
and Business Advisers

: intelligence

Your business newsletter
Summer 2013

RHK guides marine broker in merger

Barbican Group Holdings Limited has acquired Seacurus Limited, a UK based specialist marine insurance broker.

RHK represented Seacurus Limited, clients of the firm for almost four years.

RHK's Tax Partner, Bradley Thomas, led the team at RHK in relation to tax advice. David Thompson, RHK's Senior Partner, supervised the accounting requirements.

Bradley commented: *"There were significant challenges throughout the process. There were tax implications in relation to the structure and these had to be considered and negotiated to ensure our clients received the maximum benefit on completion"*.

Thomas Brown, Managing Director at Seacurus, added: *"Becoming part of Barbican provides us with an excellent platform from which to further expand and enhance the comprehensive range of bespoke solutions we deliver to our clients in the shipping industry"*.

Seacurus will continue to operate under its current brand and we wish them the very best for the future.



The Gateshead Connection

Digital Union

RHK are delighted to announce that we have become sponsors of Digital Union and the Gateshead Business Network.

Built on the solid foundations established by Codeworks Connect and The Hub Gateshead when they joined forces; Digital Union is the largest digital and commercial creative network in the North East of England.

North East England has shown its strength in continual regeneration over the years. Today the region fosters a new generation of digital and commercial creative talent.

RHK specialise in supporting the digital and creative sector. But more than your traditional accountancy firm we provide expert support and advice on Enterprise Investment Schemes, Film Tax Credits and British Film Certificates.

RHK are looking forward to working with Digital Union in 2013 to deliver support, news, advice and workshops designed to help their members enhance the bottom line of their business.

To find out more about the exciting developments at Digital Union please visit www.digiunion.co.uk and for further information on this project please contact Bradley Thomas or Karen Whiting on 0191 4781513.



Gateshead Business Network

Gateshead Business is committed to helping businesses thrive and grow, which strengthens our belief at RHK.

Today Gateshead is one of Europe's most exciting places to live, do business and spend leisure time. Home to some 5,000 small businesses and another 6,600 self employed individuals Gateshead provides employment to over 90,000 people, 90% of whom work in businesses employing less than 20 people. Gateshead Business is a **FREE** service aimed at supporting small and medium sized businesses or those in self employment, providing benefits and services specifically designed to encourage business growth and business networking.

RHK will be in attendance of the Gateshead Business workshops and networking events, along with hosting master classes that allow business owners and entrepreneurs to share insights and information, tackle problems and challenges together. We are also delighted to be sponsors along side Swinburne & Jackson LLP Solicitors, to increase the support to the members.

If you would like further information on Gateshead Business please visit their website www.gatesheadbusiness.co.uk or contact Bradley Thomas or Karen Whiting at our office on 0191 4781513.



Benefits from your profits

The 'feel good' factor that arises from the glorious summer weather we have been having, could be likened to the satisfaction of getting the most out of your hard earned profits.

Whilst a key consideration might be maximising the cash at your disposal for the minimum tax cost - are you optimising the potential of tax free benefits or even making use of value for money taxable benefits?

From a cash perspective, dividend extraction as a means of providing cash to director shareholders continues to be generally tax efficient for all sizes of company under current tax rules and corporation tax rates. Its advantage over remuneration is that there is no national insurance cost. This fact currently outweighs the other key matter that dividends do not attract corporation tax relief. But what about the type of remuneration which benefits from obtaining tax relief for the business and has no national insurance cost?

The need to extract cash is always going to be an essential component of extracting profits for living requirements but the provision of tax free benefits by a company to directors and employees has certain merit, worthy of fresh consideration. Like dividends, tax free benefits are not subject to national insurance for either the employee or the employer.

Yet the company should obtain a tax deduction where provided as part of a commercial remuneration package. It also has flexibility as different types of benefit can be provided for different individuals.

Even where benefits are not income tax free and so attract employer national insurance there are still favourable reasons for considering their provision. Firstly, there is still no employee national insurance. Secondly, the cost to the employer of providing certain benefits to employees is cheaper than each individual employee buying the benefit out of 'net of tax' wages.

Clearly if the overall aim is to minimise tax and national insurance cost overall then the benefit provided needs to be tax free and some examples of such benefits include:

- A mobile phone for personal and business use (restricted to one per employee).
- Free car parking at/near place of work.
- Contributions to registered pension schemes, etc.

To obtain tax and national insurance favourable treatment on benefits, it is essential that their provision is structured correctly.

If this is an area of interest to you please contact us on 0191 478 1513 for further information.



It's a Boy!!!!

Congratulations to the Duke and Duchess of Cambridge on the arrival of their new Prince, George Alexander Louis.

An important consideration for every new parent is the provision (and often the expense!) of childcare.

New scheme for tax free childcare

The Government has announced a new scheme for tax free childcare for working families. Once fully up and running, the tax free childcare scheme will be worth up to £1,200 per child, and so will save a typical family with two children under 12 years old up to £2,400 a year.

The scheme will be phased in from autumn 2015 and will ultimately be open to around 2.5 million families with children under 12. For the first year of operation, all children under 5 will be eligible initially opening the scheme to 1.3 million families.

To be eligible, families will have to have all parents in work, with each earning less than £150,000 a year and not already receiving support through Tax Credits or Universal Credit. They will receive 20% of their yearly childcare costs up to £6,000 per child.

The Government will shortly consult on the detail of the new scheme, including details on how employers can continue to play a role in supporting their employees with childcare costs within the new system. We will keep you posted of key developments in the run up to when the new scheme is implemented.



Changes to RHK Terms of Business

Due to recent changes in legislation and updates from the Institute of Chartered Accountants RHK now have to issue updated Letters of Engagement and new Terms of Business to all existing clients.

These will be rolled out over the next few months.

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