Insights

IN THIS ISSUE

CORINTHIAN

For now. For the future.

Hello, I hope you, your family and colleagues are safe and well.

As I write this, we've just passed one whole year since the start of the pandemic and I distinctly remember the 'just for three weeks' line, how little we knew!

The occasional visit to a pub garden will certainly be a welcome treat in April.

We've recently celebrated International Women's Day, and I was struck by the fact that the number of female directors at FTSE-100 firms has increased by 50% in the last five years. Significant progress!

In the 2021 Budget, the positive news was that the economy is forecast to return to pre-Covid levels by middle of 2022.

At Corinthian, we've been focussing on how we can make it easier for our clients to interact with us, with a new brand, website, increased marketing activity and the development of a new employee app.

I am delighted to share some interesting articles provided by our friends at Bryden Johnson, Clarke Williams, SITK and Beaufort Financial, which I'd love you to read over a cuppa.

We're looking forward to seeing you in person soon.

Natasha

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Safety Briefing – Workplace First Aid During Covid 19

As an employer, have you refreshed your first aid at work needs assessment due to COVID?

Ask your first aiders if there are any factors that should be taken into account as part of your risk assessment, for example, vulnerable workers with first aid responsibilities.

You should discuss the risk assessment with your first aiders so they are confident about providing the right assistance. This includes knowing what equipment they can use to minimise the risk of infection transmission, as explained below.

Guidance for first aiders

Try to assist at a safe distance from the casualty as much as you can and minimise the time you share a breathing zone. If they are capable, tell them to do things for you, but treating the casualty properly should be your first concern. Remember the 3P model:

- Preserve life,
- Prevent worsening,
- Promote recovery.

Preserve life: CPR

- Call 999 immediately – tell the call handler if the patient has any COVID-19 symptoms
- Ask for help. If a portable defibrillator is available, ask for it
- Before starting CPR, to minimise transmission risk, use a cloth or towel to cover the patient's mouth and nose, while still permitting breathing to restart following successful resuscitation

If available, use:

- A fluid-repellent surgical mask
- Disposable gloves
- Eye protection
- Apron or other suitable covering
- Only deliver CPR by chest compressions and use a defibrillator (if available) – don't do rescue breaths

Prevent worsening, promote recovery: all other injuries or illnesses

- If you suspect a serious illness or injury, call 999 immediately – tell the call handler if the patient has any COVID-19 symptoms
- If giving first aid to someone, you should use the recommended equipment listed above if it is available
- You should minimise the time you share a breathing zone with the casualty and direct them to do things for you where possible

After delivering any first aid

- Ensure you safely discard disposable items and clean reusable ones thoroughly
- Wash your hands thoroughly with soap and water or an alcohol-based hand sanitiser as soon as possible

Share first aid cover with another business

You could share the first aiders of another business, but be sure that they have the knowledge, experience and availability to cover the first aid needs of your business.

Want to save a life?
Call 0800 612 4874 or book your staff First Aid At Work Courses here: **www.firstaid4staff.co.uk**

If you need any workplace COVID-19 health and safety advice or assistance, please email **shabbir@safetyisthekey.co.uk**

The Benefit of Compound Interest

Compound interest is the principle that when you save money, as well as earning interest on the savings, you also earn interest on the interest itself.

You Put £100 into an account paying 5% per year.

- Year 1 the account is worth £100 + 5% = £105
- Year 2 the account is worth £105 + 5% = £110.25 and so on and so on
- Your account is growing without doing anything

Let's look at an example

3 People want to Invest for their future and each believe they have 30 years where they can afford to invest money annually. They each want to invest £10,000 per year and receive the same growth rate (5%) but with different starting dates:

- Person A wants to start immediately
- Person B wants to wait 5 years
- Person C wants to wait 10 years.

Who will have the Biggest Investment Pot in 30 Years?

- Person A - £664,388
- Person B - £477,271
- Person C - £330,660

Person A has more than double that of Person C and £187,067 more than Person B.

For Person B to reach the same value of Person A they would have to contribute £13,500 per year. For Person C to reach the same value of Person A they would have to contribute £20,000 per year.

Summary

Time is your friend with investing and makes compound interest effective. The key is to start now to help build your wealth and achieve your financial goals.

"The best time to invest was 20 years ago, the second best time is today"

Pre Year Tax Planning

BRYDEN JOHNSON
CHARTERED ACCOUNTANTS • BUSINESS ADVISERS

As part of your business pre-year-end planning it is important to think about the following areas.

Consider making pension contributions to reduce corporation tax

A limited company can contribute pre-taxed income to your pension, this is in addition to the standard pension contributions made via payroll. These contributions can potentially reduce your company's taxable profits therefore reducing the company's tax liability. Due to the complexity of many pension schemes, it is important to take advice from your financial adviser before making any such contributions.

Accelerating capital expenditure to make use of the company's Annual Investment Allowance

Your business year end, not 5 April, is relevant for capital allowances purposes. If, however, you are running a business and making up accounts to 31 March or 5 April you should consider buying plant and machinery to take advantage of the £1 million Annual Investment Allowance (AIA).

The AIA provides a 100% tax write off for equipment used in your business. This tax relief extends to fixtures and fittings within business premises such as electrical, water and heating systems. AIA does not apply to motor cars but there is a special 100% tax relief if you buy a new car that emits no more than 50g CO_2 per kilometer. Note however that from April 2021 100% tax relief will only apply where there are zero emissions.

Reviewing trade debtors for recoverability and making an appropriate bad debt provision

Your customer ledger should be reviewed regularly through-out the year and invoices should be written off for those invoices you know won't be paid.   At your company year end, you should also critically assess your debtors and identify any slow payers or customers you have concerns with. At your year-end you can make provision for doubtful debts, these should be specific and should not include VAT as this will be recovered in the event of non-payment.

Considering accruing for staff bonuses

You may be considering paying staff bonuses for the year. These can be provided for in the year end accounts and tax relief obtained provided they are paid within 9 months of the year end.

Reviewing year end stock to identify slow moving stock provisions

Depending on your type of business there may be large sums of money tied up in stock.
If this is the case its worth taking a physical stock count to make sure your stock control system reflects the stock you hold. Any issues, such as low moving stock, differences and incorrect pricing of stock should be identified and investigated. This will then have an impact on your year-end tax provision.

5 Common Mistakes When Purchasing Small Business Insurance.

1. Not reading the terms and conditions

Reading through the terms and conditions is something that most people don't want to do as can sometimes seem long winded. Make sure to read through any endorsements applied to the policy to ensure that these don't negatively impact your ability to conduct business and that you can comply with any conditions that apply such as alarm requirements.

2. Purchasing policies purely on price

The main aim of every business is to cut down expenses and maximize profits, most people find cheap insurance policies very enticing. As much as price is a concern, it is vital that you research on the efficiency of the insurance company first. For instance, check their security rating, how effective their claim service is, and how prompt they are in reimbursing. Checking through online reviews can be a good starting point in your research.

3. Incorrect business description

This problem mainly occurs with online insurance quotes because most businesses fail to capture the exact value of what they want to insure. It's good to ensure that your description captures all the business property and activities as required by the insurance company. Omitting essential information can lead to under insurance or even worse a claim not being paid at all due to incorrect information being presented.

4. Not fully understanding what insurances you need

Now more than ever it is important to know what insurances you actually require and this is where a competent insurance broker comes in. They can explain exactly what policies you require, why you need them and how they would act in the event of a claim. The best example of this is Business Interruption where lots of businesses expected to be covered but due to how this is intended to work the vast majority had no cover.

5. Not reviewing your business insurance

A regular review of your business insurance helps you to make the right adjustments as your business grows. For instance, if you have moved your business to a new location or acquired some new assets, it's essential to capture all the changes. We recommend a bi annual review with your insurance broker and on more complex cases a quarterly review may be offered.

Avoiding these simple mistakes can improve your business. If you need insurance on your new business or existing, please call **01732 252898** or contact us via email **info@clarkewilliams.co.uk**