



# *Wright In Touch*

THE QUARTERLY PUBLICATION FROM WRIGHT & CO PARTNERSHIP LIMITED  
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

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## THE COST OF CARE HOMES

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For a number of years the subject of pensions and pension funds has been regarded, to use the common parlance, as toxic in that there is an increasing concern that with longer life expectancy the government will not be able to fund pensions solely through the State Pension. However, as many of our readers will be aware, a second toxic matter has emerged which some regard as equally, if not more, problematical as pensions – the funding of care for the elderly and the disabled.

As with pensions this problem has arisen, in the main, due to the fact that we are living longer and many more individuals will, in future, require care and assistance in their old age. But who is to pay? In reality, care for the elderly and the disabled is especially worrying in that at present there is virtually no government assistance at all, save for those with relatively modest capital or if there are serious medical conditions. Contrast this with the pension problem where at least there is some government assistance in the form of the State Pension.

The central problem when providing care for the elderly and the disabled centres around the ever-increasing cost of care homes and it is important that we understand what the government proposes to do and what we should be doing in relation to these costs.

### **The government's proposals**

The rules and regulations governing the funding of care homes for the elderly and the disabled are complex and advice should be sought from experts, including the various government departments, eg social services.

In relation to care homes the situation at present is that you have the right to choose whichever care home you want to live in. However, the funding of the care home fees by the government is dependent on a financial assessment which is carried out on each applicant.

The financial assessment works out how much you can afford to contribute towards the care home. Currently if you have more than £23,250 of capital you will be assessed as being able to meet the full cost of your care. If you have between £14,250 and £23,250 the capital between these amounts will be calculated as providing you with an income of £1 per week for every £250 of your savings. If you have £14,250 or under your capital will be ignored in calculating how much you have to contribute to the cost of your care. (Note that the figures are different in Wales.)

If you have a long term health condition then you will receive funding for the cost of nursing which will be paid for by the NHS.

From the above it will be seen that a large number of individuals (ie those who have more than £23,250 of capital) will have to provide their own funds for paying for a care home.

For this reason, the government has commissioned an independent report to consider the present system and, if necessary, to recommend changes. This report recommends that individuals should not have to pay more than the first £35,000 of their care costs during their remaining lifetimes. In addition, they should not have to pay even that if their assets, including their homes, are worth less than £100,000.

As can be seen, this is a material change to the present figures and it remains to be seen to what extent the government will accept the findings of the report and what action it will take, if any, to amend the present regulations.

### **Action by individuals**

The most important piece of advice that can be given is not to wait and see what the government will do following the recent recommendations. This could take a considerable amount of time and some individuals may need care sooner rather than later.

It is important that, wherever possible, funds are set aside as early as possible for the cost of caring for old age or disability. Sometimes, especially in the case of the young and healthy, this advice falls on deaf ears. To these individuals, old age seems light years away and they tend to put it out of their minds (as, indeed, have many when it comes to providing for retirement in the form of a pension). But time marches on and putting aside even a small amount over a number of years will go a long way to funding care when the time arrives.

There are a number of schemes on the market when it comes to saving for old age but it is important that you take expert, impartial advice when considering any scheme, as there have been a number of instances of mis-selling in the past.

A final piece of advice. Some of our readers will have read about and maybe considered taking out some form of equity release on their homes to fund their stay in a care home. Equity release schemes involve selling your house for a lump sum which can be used to fund a care home when the time arises. You are able to continue to live in your house until this time. We would strongly advise clients to approach us first before signing up to any equity release scheme. Whilst such schemes do have their advantages in some circumstances, there have been many reported instances of the mis-selling of these schemes.



#### ***Wright advice:***

***The funding of care for the elderly and the disabled, and in particular the costs of care homes, is a constant worry and will, undoubtedly, get worse as more and more people require this care. Please consider making provision now rather than waiting.***



## ASKED TO GIVE A REFERENCE – BE CAREFUL WHAT YOU SAY

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Picture this scenario. A company contacts your business and requests a reference from you about an ex-employee of yours who it is thinking of employing. All too often we give a general, bland response, without giving much thought about any potential liabilities there may be in relation to our reference.

An employer is not usually under a duty to provide a reference on a former employee, so if you don't want to respond for whatever reason, you don't have to. But bear in mind that you should be consistent in your response policy. If, for example you always respond, but in one particular instance you decide not to, you might expose yourself to a claim for discrimination, depending on the circumstances.

In spite of the above, there are a number of instances when an ex-employee is legally entitled to a reference. These are:

- Where the employee's contract of employment specifically states that a reference will be provided or this is implied in the contract because the employer has always, in the past, provided employees with references.
- Where you have given an assurance to the employee that you will provide a reference.
- Where an employee leaves because of a dispute and as part of the settlement agreement, you agree to supply a reference.
- If the law or other binding regulation specifically requires you to provide a reference.

Even if the scenario regarding your ex-employee does not fall into any of the above categories, it usually makes sense for you to give a reference as, if you refuse to do so, the employee might attempt to bring a claim for victimisation. However, if you are satisfied that you would be able to defend yourself against any such claim, you could refuse.

There are a number of basic considerations, should you decide to give reference, as follows:

- Make sure that you mark any reference "Strictly private & confidential. For the attention of the addressee only". In addition, ensure that you do not breach the Data Protection Act 1998 in any way by the misuse of personal information about the employee.
- Make sure that you use reasonable skill and care that the facts you state in the reference are true and accurate.

- Ensure that any opinions you state are fair and reasonable.
- You must give a balanced view, even if the information you give is accurate. For example, if your reference contains nothing but negative points which are accurate but you have failed to set out any positive points, you could have a problem if it transpires that there were a number of positive points.
- You do not have to provide detailed information in your reference if you don't want to. Provided that any summary you give is true, accurate and fair, this is acceptable. Indeed, it is quite acceptable merely to limit the information in your reference to facts such as the date the employment commenced and ended and the position the employee held in the business.
- If you only have a limited knowledge of your employee, state this fact.
- If, during the course of their employment, the employee has been the subject of disciplinary action, be careful how you refer to the facts. Only state the facts relating to the action if you believe they are true and you have fully investigated the facts relating to the action.

Be aware of the dangers if you get things wrong in relation to your reference. If you have been misleading or unreasonable in what you say, you may expose yourself to a claim by the employee. In addition, you may find yourself facing a claim from the new employer if any details in your reference are factually incorrect.

Two final points to bear in mind. Firstly, do not be tempted to give informal, off the record, information over the telephone in the mistaken belief that no one could prove what you said. In a climate where it is quite common for telephone conversations to be recorded, you could be exposing yourself to a claim either by the employee or the new employer. Secondly, be aware that under the Data Protection Act, the employee is entitled to obtain a copy of any reference you submit by making a subject access request.



***Wright advice:***

***Think carefully before you give a reference and remember that you may be asked for a reference in a personal capacity and not through your business.***

## DIFFICULT TIME FOR RETAILERS – SAFEGUARDS WHEN MAKING PAYMENT



In today's economic climate, with an increasing number of businesses failing, it is important that consumers attempt to safeguard themselves when dealing with a business that might fail. In particular, there are two methods of payment which should be considered when making payment to suppliers for goods or services.

### **Payment of annual transactions**

Individuals may enter into agreements with suppliers which cover a period of time. For, example, you may join your local gym at an annual fee or pay for house or car insurance for a period of time. It might be worth thinking about making payment by direct debit on, say, a monthly basis if you have any doubts about the financial stability of the organisation supplying the service. If the organisation fails part way through the period then you simply stop your direct debit.

Obviously you must consider whether this is worthwhile if the supplier or your bank charges you an additional fee for making payment in this way, but if it doesn't then there is nothing to lose.

### **Payment by credit card**

If you make a purchase using a credit card (but note – not a debit or charge cards such a Switch or Delta) the card company is “jointly and severally liable” under the Consumer Credit Act. This means that the card company is equally responsible, with the supplier, for any breaches of contract or misrepresentations. Of course, if the supplier goes bankrupt, this would usually be regarded as a breach of contract.

This protection is only available for goods or services which cost between £100 and £30,000.

In addition, the credit card company is also liable even though you make only part of the payment, for example a deposit using your card.



### ***Wright advice:***

***It makes sense to bear the above points in mind, especially in view of the number of instances we hear about of suppliers going bankrupt.***



## CORRECTION OF DOCUMENTS FILED AT COMPANIES HOUSE

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On occasions, a company document will be filed at Companies House which it later transpires was inaccurate. In the past Companies House adopted the practice of accepting “Amending” forms which corrected the error.

Companies House has recently announced as follows:

“As of 6th April 2011 Companies House will provide a new service which will enable customers to submit another form (known as a ‘Second Filing’), of certain forms delivered under the Companies Act 2006 (where the original had been delivered on or after 1 October 2009) which contained inaccuracies. For example, if an incorrect date of birth had previously been registered on a ‘notice of an appointment as a director’ (Form AP01) then another AP01 could be ‘Second Filed’ with the correct date of birth on it. However the Second Filed form must be accompanied by either a form RP04 [for companies] or LL RP04 [for limited liability partnerships].

Companies House’ existing practice of accepting ‘Amending’ forms will continue in respect of Companies Act 1985 and Companies (Northern Ireland) Order 1986 documents and those delivered prior to 1 October 2009. Both ‘Second Filings’ and ‘Amending’ documents can only be delivered on paper.

A ‘Second Filing’ of a form may **only** be filed if the original form had been properly delivered and registered and where inaccuracies remain on the form and register. Where the original form was not properly delivered a replacement document may possibly be filed if accompanied by form RP01.

*NB* – If a ‘Second Filing’ is registered it does **not** enable the original form (or inaccurate information contained within it) to be administratively removed by Companies House.”



### ***Wright advice:***

*This new system is to be welcomed and will greatly assist those companies that have filed documents that contain inaccuracies. Note, however, that you will only be able to submit a “Second Filing” for certain types of form, a list of which is given on the Companies House website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk). Please consult us if you require assistance in filing a “Second Filing” form.*



## THE BRIBERY ACT 2010

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The Bribery Act 2010 (the Act) came into force on 1 July 2011.

In practice, the Act will only affect a minority of businesses, mainly those who trade in overseas countries where the incidence of bribery is more likely, but the Act could affect companies that only trade in the United Kingdom.

Those businesses that are likely to come across bribery in some shape or form should note that the Ministry of Justice has issued guidance in relation to bribery and this can be found at <http://www.justice.gov.uk/guidance/bribery>. Those businesses that are most at risk in relation to bribery within their organisation are advised to read this guidance, together with the Quick Start Guide to the Bribery Act which can also be found on the Ministry of Justice website. The Ministry has commented as follows on its guidance:

“The Bribery Act 2010 creates a new offence under section 7 which can be committed by commercial organisations which fail to prevent persons associated with them from bribing another person on their behalf.

An organisation that can prove it has adequate procedures in place to prevent persons associated with it from bribing will have a defence to the section 7 offence.

The guidance, published here under section 9 of the Act, will help commercial organisations of all sizes and sectors understand what sorts of procedures they can put in place to prevent bribery, as mentioned in section 7.”

It is important that businesses, when dealing with third parties in areas where bribery might be more likely, carry out satisfactory due diligence procedures on any third party who might be susceptible to bribery, either receiving or making.

In addition, the organisation should have adequate training and internal control procedures for sales agents and other third parties carrying out services for the organisation.

The Quick Start Guide referred to above is especially useful and covers topics such as:

- What is covered by the Act?
- When could my organisation be liable?
- How do I assess risk?
- Do I need complex procedures in place?
- Can I provide hospitality?

# DOES YOUR BUSINESS HAVE AN IT POLICY DOCUMENT?



The vast majority of businesses use computers for their day-to-day functions. As has been extensively reported over the years, there are numerous instances of the misuse of computers and related software by employees. For this reason businesses should give serious consideration to having a written IT policy in place so that all employees are aware as to what they are and what they are not permitted to do when using the business's computer equipment. Set out below is suggested wording for such a policy.

"This IT policy assumes that the business is a company and will have to be adapted if the business was a partnership or sole trader.

## **1. Purpose**

The purpose of this IT policy document is to establish a code of conduct for employees in their use of IT resources. This policy applies to any person who makes use of this company's IT systems. Acceptance of these terms is required before an Authority to Access is given. Any employee who is in breach of the terms of this policy document may be liable to disciplinary action.

## **2. Security**

Unauthorised access to the company's IT systems can lead to breaches of confidentiality and, at worst, the possibility of corruption of our data or fraud. Every person who has access to the IT system is individually responsible for ensuring that the system's integrity is not breached.

## **3. Internet use**

Internet browsing and downloading of documents may be carried out by employees for the purpose of their job roles.

Employees are permitted to browse the Internet for private purposes outside normal business hours or during their lunch break, or, if use is made of the Internet during business hours, they have the permission of a director on each occasion, subject to the following provisions:

- Employees are prohibited from accessing sexually-oriented material, viewing sexually explicit material or posting messages in sexually explicit newsgroups and from any participation in chat activities, whether sexually-oriented or not.
- Employees are prohibited from accessing any sites which encourage criminal activity.
- An employee is prohibited from making any on-line statement about the company or its position on any issue without explicit approval from a director.
- Employees are prohibited from downloading or printing any item from websites without first consulting a director. Work-related items may be downloaded or printed, if required.

- Financial transactions of any kind must not be carried out over the Internet.
- Use of the Internet may be monitored. The records will show which sites have been visited, at what time and for how long. On request, a director may see details of an individual's Internet activity.
- Individual members of staff are responsible for all Internet usage made by them.

#### **4. Use of electronic communications**

Every effort is made to protect the system from unauthorised access, but there is no such thing as a completely secure or private e-mail system. An external e-mail system is part of the Internet and therefore to some extent beyond our control.

- External e-mail may be available to all employees for the sole purpose of their job roles.
- All e-mails sent using the company's IT system leave a calling card, indicating that the e-mail originated from us.
- E-mails sent externally must not contain sexually or racially offensive material or derogatory comments about other individuals or groups. Note that the law of libel does apply to e-mails.
- Employees are prohibited from setting up any private e-mail address on the company's system or any third party system or sending or receiving any private e-mails or distributing unsolicited advertising, including junk mailings and chain letters.
- All e-mails sent over the Internet could potentially be read by other people. Any information considered confidential should therefore not be sent by e-mail.

#### **5. Virus protection**

- All servers and desktops should have virus protection. When disks come into the building, it is your responsibility to virus-check the disks. Any disks failing the virus check must be removed from the PC and reported to a director immediately. Do not use the PC again until authorised by a director.
- If you receive an e-mail containing any offer or an e-mail where the sender is unknown to you, leave the e-mail unopened and report to a director immediately.
- If you receive an e-mail (even if the sender is known to you) warning about a new virus, do not forward it or print out the e-mail but immediately report this matter to a director. The best way to spread a virus is to pass it to as many people as possible and these e-mails may have viruses attached to them.

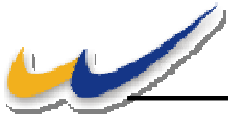
#### **6. PC software**

- No software of any sort (including games, wallpaper and screen savers) may be used on the company's network, or on networked PCs without permission of a director.
- The directors are responsible for the safekeeping of all PC software and licences. All original disks, and the licences themselves, will be held by a director.
- No additional software must be loaded onto the PC without consultation with a director."



**Wright advice:**

*It is important that employees who use a business's computer equipment and systems do so sensibly and the above guidance may prove useful to those businesses that wish to draw up an IT policy document. This document could be cross-reference to an employee's contract of employment.*



## VAT ON SALES MADE TO INDIVIDUALS LIVING ABROAD

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If your business is registered for VAT in the United Kingdom and it sells items to private retail customers living abroad, it is important that you are aware of and adhere to the rules regarding such sales. At times these rules can be complex, but we set out a summary below:

### **Customers living in other EU countries**

- Sales made to private retail customers living in other EU countries are liable to UK VAT.
- Your business must keep records to monitor the sales to individual countries and if these reach what is called the individual country's "distance selling" threshold, your business must then register for VAT in that country and future sales will be liable to that country's VAT instead of UK VAT.
- The thresholds are set by each country and vary between 35,000 Euro and 100,000 Euro per calendar year.

### **Customers living outside the EU**

- Sales on these items are zero rated for VAT.
- It is important to comply with the "evidence of export" detailed requirements. (See VAT Notice 703 and paragraphs 3 and 6 in particular.)

### **Invoices and publication of prices**

- For retail sales to private retail customers there is no requirement to issue VAT invoices and no requirement to refer to VAT at all in correspondence or other documentation issued to potential and actual customers.
- Prices advertised to private retail customers can be stated without indicating whether VAT is included or not.

- Your business must maintain and retain clear internal records to identify the sales on which it has to account for VAT and to cross reference to the evidence of export for the zero rated sales.

Anomalies can, and do, arise in the case of retail sales made to private individuals living outside the UK. For example, if your business sells items to an individual living in the USA then no VAT will be charged, whereas if an identical item is sold to an individual living in France, then the item will be subject to UK VAT. So, if the item was sold for £100 plus VAT at 20%, the selling price to the customer in France will be £120 and £20 must be accounted for to HM Customs and Excise. However, if the same item was sold to the individual in the USA the business could either decide to adopt the same gross selling price of £120 and no VAT is due or it could reduce the gross selling price to £100. In the first case, of course, the business will make an additional profit of £20, but may run the risk of alienating its USA customers who realise that the additional profit is due to the differences in the VAT regulations.



***Wright advice:***

*The rules relating to VAT on exports are complex. Please consult us for further advice if necessary.*



## EMPLOYING STUDENTS

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Many businesses employ students, either during their school, college or university holidays or on a part time basis during term time, eg as bar or restaurant staff. It is important that those who employ students in this way adhere to the requirements regarding the accounting for and, if necessary, the deduction of tax and National Insurance contributions.

Set out below is a brief summary of the requirements, but employers are advised to consult us before they make any payments to students should they require further advice or guidance.

### **Employment outside holiday periods**

If the student is employed at any time other than their normal holiday periods (or if the student works both during his or her holidays and at other times), then the employer must operate the normal PAYE procedures used for any other employee.

### **Employment during holidays**

If a student is employed solely during their normal holidays, eg summer or Easter, the employer may be able to pay the student without having to deduct PAYE, as long as their earnings remain below their Personal Allowance for the tax year

However, in the majority of cases, National Insurance contributions will still have to be deducted from the student's earnings.

In order to pay a student without deducting PAYE, the employer must obtain a form P38(S) and the student must fill in the declaration on the form as soon as they begin working.

There is an employer's statement on the form P38(S) which should be completed either when the student's period of employment ends, or at the end of the tax year if that date falls during the Easter holidays and the student continues working beyond it.

A new form P38(S) must be completed for each tax year that a student works.

### **If a student's earnings exceed their Personal Allowance**

As soon as the student's earnings exceed their Personal Allowance, the employer must start deducting PAYE from any payments made to the student.

As soon as this happens, the employer must complete and submit a form P46 which shows the date when the student employee started work.

### **If a student's earnings do not exceed their Personal Allowance**

Even if the student's earnings have not exceeded their personal allowance and so no PAYE has been deducted, (see above) a form P11 must be completed for any student whose pay has exceeded the National Insurance lower earnings limit.

### **Students who have a student loan**

If an employee has a student loan to repay (a situation which is becoming more and more common), in the majority of cases the employer will have to make the necessary deductions from the student's pay.

### **End-of-year forms P14 and P35**

At the end of the tax year, the employer must file a P14 for any student for whom it had to complete a P11 or equivalent record during the year, and include the relevant details on the form P35.



### *Wright advice:*

*Whilst employing students is often an attractive proposition to a number of businesses, there are still a number of important regulations to adhere to, some of which have been summarised in this article. If you require further advice or guidance, please consult us.*

*HM Revenue & Customs provide a free P11 Calculator which can be downloaded from the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and which provide tools such as:*

- an employer database on which you can record your employees' details*
- a range of other calculators that work out, for example, statutory payments*
- interactive forms such as P11D working sheets*
- a Learning Zone – including interactive learning material on how to use the Basic PAYE Tools*



## **NEW RIGHTS FOR AGENCY WORKERS?**

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From 1 October 2011, under the Agency Workers Regulations, agency workers will be entitled to new employment rights. When an agency worker is on an assignment he or she will get some of the new rights from 1 October and the remaining rights after 12 weeks in the same job.

### **The new Agency Workers Regulations**

The Agency Workers Regulations (the Regulations) will give agency workers an entitlement to the same basic employment and working conditions as if they had been recruited directly.

The Regulations mean that from the commencement of an assignment the agency worker will be entitled to use the workplace's facilities, and get information on job vacancies.

### **Entitlements from day one**

From the commencement of each assignment, the agency worker will be entitled to access any shared facilities and other amenities or services which are provided by the person or organisation hiring the worker. Examples of shared facilities will include access to a canteen, a workplace crèche, toilet facilities and car parking.

In addition, the worker will be entitled to information about relevant job vacancies, but only in relation to the organisation where the worker is working.

### **Entitlements after 12 weeks employment**

When the agency worker has been employed for 12 weeks in the same job with the same hirer, he or she will be entitled to equal treatment in relation to:

- pay
- holidays
- night work
- rest periods and breaks
- duration of working time

However, this does not mean that the agency worker will become a permanent employee of the hirer after 12 weeks.

Note that the Regulations are not retrospective and so any time spent on an assignment before 1 October 2011 will not count towards the 12 week qualifying period.

### **Pregnant agency workers**

After completing the 12 week qualifying period, pregnant agency workers will be allowed paid time off for ante-natal appointments during an assignment.



#### ***Wright advice:***

***The new Regulations contain many important rights which will affect agency workers and hirers and it is therefore important that those employed or hiring are aware of these rights. Please consult us if you require further advice or guidance.***



## COMPANY NAMES – THE NEW LEGISLATION CAUSES CONFUSION

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The Companies Act 2006 introduced a number of new measures intended to clarify, simplify and bring up to date the rules and regulations relating to company names and, specifically, the control over names of companies which were regarded as too like existing names.

Unfortunately the new legislation has, in some regard, made the law even more confusing and this is especially so in relation to changing the names of companies.

Consider the following scenario:

Two companies were registered many years ago (and before the 2006 Act came into being) with the names Blogg Limited and White Limited.

Both these companies are owned by the same shareholders.

There are also three companies on the company register in the names of:

- Blogg Holdings Limited
- Blogg Group Limited
- Bloggs Limited

None of these three companies are owned by the shareholders of Blogg Limited or White Limited and have nothing to do with these two companies.

Let us assume that there are no other companies on the company register that incorporate the word “white” in their name.

For various commercial reasons Blogg Limited and White Limited want to carry out what is sometimes referred to as a “simultaneous change of name”. In other words Blogg Limited will change its name to White Limited and, at the same time, White Limited will change its name to Blogg Limited.

In the case of Blogg limited changing its name to White limited there is no problem as obviously White Limited will not object as it is owned by the same people and there are no other companies on the register which incorporate the word “white” in their name.

However, White Limited will not be able to change its name to Blogg Limited, even though Blogg Limited will obviously not object.

Why not? Quite simply because the law states that in deciding whether a name of a company is identical to another company name, the registrar of companies must ignore certain words

in a company's name. These include "Holdings" and "Group". So the registrar looks at Blogg Holdings Limited and will ignore the word "Holdings", so the name effectively becomes "Blogg Limited" which is the same as the name which White wants to change to. The same will apply to the word "Group".

But the law also states that the registrar must ignore the plural of a name, so this also rules out the change of name as the "s" at the end of "Bloggs" in Bloggs Limited means that the word effectively becomes "Blogg" which is the same as the name which White wants to change to.

So we have a situation where the simultaneous change of name cannot be carried out even if both White Limited and Blogg Limited agree to the change.



***Wright advice:***

*The new name regulations introduced by the Companies Act 2006 have caused confusion and careful thought should be given when selecting a name for a new company or changing the name of an existing company.*

## CHILD BENEFIT – CHILDREN IN FURTHER EDUCATION



With many children over the age of 16 carrying on with their education, it is important that parents who have been receiving Child Benefit in relation to their children are aware of the rules regarding the entitlement to continued Child Benefit in certain situations.

The basic rule is that Child Benefit ceases after a child has attained the age of 16. However, parents are still able to claim this benefit after the age of 16 if the child is in certain types of education or training.

With regard to education, this must be full time "non-advanced" education and with regard to training, this must be "approved training". Both these terms are explained below.

### **Education**

The following must apply in relation to education for Child Benefit to be claimed:

- The child must have started or been accepted for this type of education before their 19<sup>th</sup> birthday.
- It must be full-time education which is defined as, on average, more than 12 hours a week in term time.
- The education must relate to:
  - Tuition
  - Practical work
  - Supervised study
  - Taking exams

Not included in the 12 hours referred to above are breaks for meals or homework.

- The education must be “non-advanced” education, which will include:
  - GCSEs
  - A levels
  - NVQ/SVQ level 1, 2 or 3
  - BTEC National Diploma, National Certificate and 1<sup>st</sup> Diploma
  - SCE higher grade or similar

(Note that the above is not an exhaustive list and you should contact the Child Benefit Office to obtain further advice.)

- There are certain courses which are not regarded as “advanced” and these will include degrees, Diploma and Higher Education (DHE) and teacher training but, once again you should contact the Child Benefit Office if you are not sure whether the course is advanced or not.
- Correspondence courses will not usually be eligible courses, as the majority of such courses will not include 12 hours a week of supervised study.
- If the child is on a college-based sandwich course, Child Benefit may be claimed, provided that the education provided is full-time and non-advanced (see above).
- You are not able to claim Child Benefit if the child is on a work-based sandwich course, ie if the child is employed as a trainee or apprentice.

### **Education and training breaks**

Should there be a break in a child’s education or training, the parent must inform the Child Benefit Office. If there is a good reason for the break, Child Benefit can usually still be paid for a period of up to six months. Good reasons for a break could include:

- The child is ill
- The child is moving from one college to another
- Someone is ill or has died who is close to the child
- The child is pregnant

Remember that if the child takes a break and does not return to education or training, the parent may have to repay any Child Benefit received during the break period.

### **Contacting the Child Benefit Office**

If there are any changes to a child's education or training that may affect Child Benefit, you should inform the Child Benefit Office as soon as possible. Changes could include:

- Stopping one course and starting another
- Starting a course of advance education
- Receiving less than an average of 12 hours education a week during term time.



#### ***Wright advice:***

***It is important that parents don't lose out on claiming Child Benefit simply because they are unaware of the regulations. If in doubt contact us or, alternatively, contact the Child Benefit Helpline. The contact details for the Helpline are as follows:***

#### ***Hours of opening:***

***8.00 am to 8.00 pm, Monday to Friday***

***8.00 am to 4.00 pm Saturday***

***Closed Sundays, Christmas Day, Boxing Day, and New Year's Day***

***Telephone: 0845 302 1444***



## SELF ASSESSMENT PENALTIES

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HM Revenue & Customs (HMRC) is reminding individuals and businesses about changes which have been made to the Self Assessment penalties for late returns and late payments, which come into effect this autumn. Set out below is an extract from the HMRC website:

“The changes will affect Self Assessment returns for 2010/11, and all future financial years.

The new penalties for late Self Assessment returns are:

- an initial £100 fixed penalty, which will now apply even if there is no tax to pay, or if the tax due is paid on time;
- after 3 months, additional daily penalties of £10 per day, up to a maximum of £900;
- after 6 months, a further penalty of 5% of the tax due or £300, whichever is greater; and
- after 12 months, another 5% or £300 charge, whichever is greater. In serious cases, the penalty after 12 months can be up to 100% of the tax due.

New penalties for paying late are 5% of the tax unpaid at:

- 30 days;
- 6 months; and
- 12 months.

Interest will also be charged on top of these penalties.

The tax return deadlines remain unchanged – 31 October for paper and 31 January for online returns. The deadline for paying any tax due also remains the same at 31 January.”



### ***Wright advice:***

***Please make sure that you adhere to the above deadlines, as the fines can be extremely heavy. You should also ensure that all information provided to us for the preparation and submission of Self Assessment returns are provided in good time for us to prepare these returns and for raising any queries with you.***



## FEE PROTECTION INSURANCE

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Most of our clients will be aware of our Fee Protection scheme in conjunction with CCH. We are fast approaching the renewal date and will shortly be sending out correspondence to enable you to take on the cover for a further year.

For those of our clients that have joined the scheme in previous years, you will already be aware that HMRC have changed the way they investigate tax compliance. 'Aspect enquiries' – investigations into a part of a tax return – still remain the most popular form of HMRC investigation due to their efficiency, and we have yet again seen a rise in such enquires during the past year.

If you are chosen for an investigation, we will do our utmost to ensure that the outcome is as favourable for you as it can be. In most cases, we will be able to reach a settlement with HMRC that is considerably lower than their original demand; in some cases we can convince them to withdraw their claim altogether. However, this can take a considerable amount of time and, even if no additional tax or penalty payment is due, we will still have to charge you for the professional fees incurred in dealing with HMRC on your behalf; such fees could amount to a substantial cost, so we therefore strongly recommend that you renew your subscription or join our fee protection scheme.

Once you receive the renewal documents please send them back as soon as possible so that you can be included on the scheme and cover will be in place should an enquiry arise.



Please do not hesitate to contact Niki, Chris or Jodie if you have any queries relating to the renewal or would like to take up cover for the first time at our Wednesbury office on **0121 556 1072**

Alternatively you could email them on [info@wright-co.com](mailto:info@wright-co.com)

# (NMW)

## National Minimum Wage

**THE GOVERNMENT HAS ACCEPTED A LOW PAY COMMISSION RECOMMENDATION THAT THE MAIN RATE OF NMW WILL BE PAYABLE TO WORKERS AGED 21 AND OVER FROM 1<sup>ST</sup> OCTOBER 2011. REVISED BANDS WILL THEN BE 16-17 YEARS, 18-20 YEARS AND 21 YEARS OLD AND OVER**

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<b>NMW RATE</b>	<b>CURRENT HOURLY RATE FROM 1<sup>ST</sup> OCTOBER 2010</b>	<b>NEW HOURLY RATE FROM 1<sup>ST</sup> OCTOBER 2011</b>
MAIN RATE FOR WORKERS 21 YEARS OLD AND ABOVE	£5.93	£6.08
RATE FOR WORKERS AGED 18 - 20 YEARS INCLUSIVE	£4.92 *	£4.98
RATE FOR WORKERS UNDER 18 YEARS AND ABOVE COMPULSORY SCHOOL AGE	£3.64	£3.68

### NEW APPRENTICE RATE

A NEW APPRENTICE RATE OF £2.60 PER HOUR WILL BE INTRODUCED FOR REFERENCE PERIODS STARTING ON OR AFTER 1<sup>ST</sup> OCTOBER 2011. THIS WILL APPLY TO APPRENTICES WHO ARE WORKERS, AND

- AGED UNDER 19
- AGED 19 AND OVER, AND IN THE FIRST YEAR OF THEIR APPRENTICESHIP



Please do not hesitate to contact Dot Carter for queries on NMW and indeed any payroll issues at our Wednesbury office on **0121 556 1072**.

\* CURRENTLY FOR WORKERS AGED 18 - 21 YEARS.

Alternatively you could email her [dotcarter@wright-co.com](mailto:dotcarter@wright-co.com).

**UNTIL OCTOBER 2010, 21 YEAR OLDS REMAIN IN THE 18-21 YEAR OLD RATE BAND**

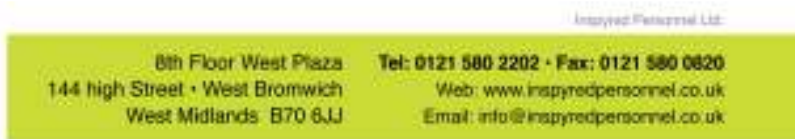


Businesses often have gaps within their workforce for a variety of reasons, some are planned and some are unexpected which can result in costly delays in productivity and service provision. In today's world a recruitment partner such as Inspyred Personnel that can respond quickly and effectively is a valued resource.

Hiring temporary workers has become more and more appealing in today's uncertain economic climate, as it allows businesses the flexibility and the opportunity to "try out" employees without making a serious commitment and becoming embroiled with employment contracts and law.

In the past, being hired as a contract worker was seen as a temporary position at best. However, recent changes in the marketplace have led an increasing number of businesses to look to these temporary employees when considering expansion or an increase in business levels occurs. Inspyred Personnel handles, manages and tailor makes your labour hire and temporary staff which allows you to focus on sustaining your business fundamentals. All of our temporary staff have been screened, assessed and reference checked as part of our recruitment processes ensuring Inspyred Personnel temporary staff are of a high calibre to meet your business needs. Inspyred Personnel excels in the delivery of temporary labour requirements for employers. With our database of over three thousand CVs and one thousand registered candidates ready to work both temporary and permanently in a variety of positions including:

- Clerical
- Administration
- Payroll
- Reception
- Call Centre
- Accounts
- Industrial
- Engineering
- Process Workers
- Production Workers
- Warehousing
- Skills & Trades



WMT Reg No: 372,811000 • Company Reg No: 0660416

Employees drive the performance and productivity of your businesses but it is the **culture** of our businesses which drives our people. It is your **shared values and practices** that make the difference.

My employees believe in my values and practices and in still them into our Temporary workers when representing Inspyred Personnel, we adopt the attitude that these workers are our ambassadors and we ensure they receive the same levels of service and attention as our clients.

Incorporating my 20 years recruitment industry experience, Inspyred Personnel have forged excellent working partnerships with our clients and workers alike providing them both with a personal high quality cost effective recruitment service.

Inspyred Personnel not only provides an excellent service with top quality local candidates but we will undoubtedly also save your company money.

For further information of the services we can provide you and your company please don't hesitate to contact us on 0121 580 2202 or log an enquiry at [www.inspyredpersonnel.co.uk](http://www.inspyredpersonnel.co.uk)

Alternatively you can email me directly at [spencer@inspyredpersonnel.co.uk](mailto:spencer@inspyredpersonnel.co.uk)

We look forward to speaking with you soon.

**Spencer Weston F.I.R.P**  
**Managing Director**



8th Floor West Plaza  
144 high Street • West Bromwich  
West Midlands B70 6JJ

**Tel: 0121 580 2202 • Fax: 0121 580 0820**  
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Email: [info@inspyredpersonnel.co.uk](mailto:info@inspyredpersonnel.co.uk)

VAT Reg No: 872 811000 • Company Reg No: 06600416



## Advanced Electronics & Logistics

Albert House  
High Street  
Princess End  
Tipton  
DY4 9HG

Tel: 0121 522 6666

To Whom It May Concern

We needed to recruit up to 20 people at one point and the response to the different level of personnel we required was very effective.

We have found the service and quality of staff provided to be of high standards and very competitively priced.

Overall I would recommend Spencer and his agency as very effective and efficient to use for the recruitment of Temporary & Permanent personnel.

Ryan Gregory  
Operations Manager



**Harada Industries  
(Europe) Ltd**

Bell Heath Way  
Woodgate Business Park  
Clapgate Lane  
Birmingham  
B32 3BZ

**Telephone**  
**+44 (0) 121 423 2222**

**Facsimile**  
**+44 (0) 121 423 2121**

To Whom It May Concern.

Harada Industries (Europe) Limited have requisitioned the us of temporary labour for 7 years and during this time I have used the services of Spencer Weston to assist us with our recruitment.

I would like to thank Spencer and state that I have found his performance and that of his staff has been one hundred percent efficient, honest, supportive and overall very friendly with whom I have built a very good rapport.

I would therefore give my full recommendation in support of Spencer and his agency.

Marianne Davies  
Human Resources Manager

recruitment  
that really  
WORKS



8th Floor West Plaza  
144 high Street • West Bromwich  
West Midlands B70 6JJ

Tel: 0121 580 2202 • Fax: 0121 580 0820

Web: [www.inspyredpersonnel.co.uk](http://www.inspyredpersonnel.co.uk)

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# CONTACT US

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**Telephone - 0121 556 1072**  
**Fax - 0121 505 1557**  
**9 Stafford Street, Brewood, Stafford, ST19 9DX**  
**Telephone - 01902 850828**  
**Fax - 01902 850331**

## SAGE PACKAGES FOR YOUR BUSINESS

Feature	Instant Accounts	Instant Accounts Plus	Sage 50 Accounts	Sage 50 Accounts Plus	Sage 50 Accounts Professional
Business Diary	■	■	■	■	■
Business Overview (Basic)	■	■	■	■	■
Database	■	■	■	■	■
Sales, Purchase, Nominal Ledger	■	■	■	■	■
Credit Control	Basic	Basic	Advanced	Advanced	Advanced
Online VAT submissions			■	■	■
VAT Returns and workings	Standard, VAT Cash Accounting, Irish Cash Accounting				
Bank (Cash book) & reconciliations	■	■	■	■	■
Invoicing	■	■	■	Advanced	Advanced
Quotations	■	■	■	■	■
Full integration with MS Office	■	■	■	■	■
E-Banking Payments & Reconciliations	■	■	■	■	■
Financial Reports – Trial Balance, Profit & Loss, Balance Sheet	■	■	Advanced	Advanced	Advanced
Budget Management	Basic	Basic	Advanced	Advance	Advanced
Email reports, Invoices, Credit Notes, Statements & Remittance Advice(PDF)	■	■	■	■	■
Euro currency calculator & invoices	■	■	■	■	■
Discounts	■	■	■	■	■
Stock Control		Basic	Advanced	Advance	Advance
Cash flow planner			■	■	■
Historical data analysis			■	■	■
Project costing				■	■
Individual Customer & Supplier Price Lists				■	■
Stock allocations reserves				■	■
Delivery notes					■
Purchase order processing					■
Cash sales					■
Intrastat Support					■
Support	Additional Charge				
Network Capability Option	Single	2 user*	2 user*	2 user*	10 user*

Companies	Single	Multi*	Multi*	Multi*	Multi*
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## Train Your Business Brain

### Sage Accounts Packages:

Current Version: 17 (Released August 2010)

#### Sage Instant

Instant Accounts	RRP £ 120.00
Instant Accounts Plus	RRP £ 200.00

#### Sage 50 Accounts

Sage 50 Accounts	RRP £ 560.00
Sage 50 Accounts Plus	RRP £ 810.00
Sage 50 Accounts Professional	RRP £1,095.00

*Prices exclude VAT & Discounts available.*

*Contact Wright & Co for further details*

### Sage Training Courses:

#### **Class room courses include:**

- Sage Instant Accounts
- Sage 50 Accounts
- Sage 50 Accounts Report Design
- Linking Sage 50 Accounts to Microsoft® Office
- ACT! by Sage
- Microsoft® Excel

Various locations throughout the UK  
(Local Venue - Birmingham)

#### **Self Study Courses include:**

- Sage Instant Accounts
- Sage 50 Accounts

### Already Using an Old version of Sage?

Sage packages are always being improved with additional and more user friendly features added.

Many of the older versions are no longer supported by Sage. Data from older versions is not easily converted to new versions, so it is vital for any upgrades to be done as soon as possible. If you are currently using an old version of Sage contact Wright & Co for details of how to upgrade.

There has never been a better time to upgrade because discounts are available from Wright & Co.

#### Contact Details:

For a full list of the packages available and to book your Sage training and support contact Gerry.

email

[gerrytrapani@wright-co.com](mailto:gerrytrapani@wright-co.com)

**Tel: 0121 556 1072**

### Sage training, system implementation and support by Wright & Co

At Wright & Co we will not just sell you any Sage Package. We will evaluate your needs and requirements and advise accordingly.

After the initial installation of Sage we will work with you (onsite) and provide a step-by-step training programme, only moving on to the next stage when you feel comfortable and ready to do so.

We will input all opening balances from your accounts so that your system starts on a solid basis. As your accountants we already have a good understanding of your business and therefore can help and advise according to your needs.

We provide tips and best practice procedures to enable you to use Sage to run your business effectively and efficiently.

The support does not stop when the training ends but we will maintain contact with you to ensure that any issues are resolved quickly.