

CHANGES THAT MAY AFFECT YOU: CONFIRMATION STATEMENT

Companies House have informed us that from 30th June 2016, the “Confirmation Statement” replaces the “Annual Return” (AR01).

The Confirmation Statement is intended to serve the same purpose as the Annual Return, that is for companies to provide up-to-date information for inclusion on the public register.

However, on submission of the first Confirmation Statement, it will be necessary to include the information held in your “People with Significant control (PSC) Register”. Once this information is submitted to Companies House, it will be necessary to check annually that the information held is accurate or to update the entry with any changes that have taken place within the company since the last submission.

All companies must keep a register of people with significant control (PSC) from April this year and inform Companies House of who they are. For most companies, these will be people who:

- Hold more than 25% of a company’s shares
- Hold more than 25% of a company’s voting rights
- Have the right to appoint or remove the majority of directors.

There are two further, less common, options. These are:

- Any individuals who have the right to exercise or actually exercise significant influence or control are PSCs
- Where a trust or a firm meets one of the three statements above, any individuals with significant control or influence over that trust or firm are PSCs.

The PSC register will help to increase transparency over who owns and controls UK companies and will help inform investors when they are considering investing in a company. It will also support law enforcement agencies in money laundering investigations.

Please note that the 28 day grace period which was held for the submission of the Annual Returns has changed to 14 days for the submission of the confirmation statement.

In view of the requirements above, it may be necessary for us to contact you for further, more detailed information, in order for us to submit the confirmation statement on your behalf.

Oakwood Reminder



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Business is great but we are always looking for more.

Please pass on this newsletter to anyone you feel may benefit.

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EDITORIAL

Welcome to the Autumn- it is officially here, the leaves are falling and the temperatures are tumbling. Brexit continues to rumble on and we have two articles in here to leave you informed but possibly cold! We did think the article on the new fivers may be a hoax- we have checked and it is not so please be prepared that getting change from self service checkouts may just get harder!

Our biggest news this month is the Macmillan Coffee morning we are having in Sycamore House (offices of the Challenger) next to the village hall on Friday 30th September between 10 and midday. We then come back to the office where we will continue the coffee and cakes into the afternoon and we welcome any of you to join us in raising money for Macmillan Cancer Care and enjoying our company with coffee/tea and plenty of cake at either or both venues. They did a wonderful job in supporting our family during and after losing my son Tom to cancer on 12 February, so please come down and support this very worthwhile charity.



to recognise the new notes, although the Bank of England has provided free training materials to assist with this. Retailers have been advised to identify and check the new security features on £5 polymer notes to ensure that the image of Big Ben is gold on the front and silver on the back, that the foil patch changes from 'five' to 'pounds', and the coronation crown appears in 3D.

WHAT DOES YOUR STRATEGY SAY TO YOUR CUSTOMERS?

Your business's strategy says a lot about what you and your firm believe in and where you are going to invest your resources. But what does your strategy say about your firm from your customer's perspective?

Your customers want to know that you and your business care about them. They want to feel important and that they are at the centre of your universe. **Without your customers, your business wouldn't exist.** As such, it is important to build your firm's strategy around your customers.

The very best businesses build every process and interaction around creating a great experience for their customers. Businesses such as Amazon and Netflix are well known for their customer centric business strategies, but you don't need to be a global enterprise in order to create a strategy that puts customers first.

The next time you sit down to review your strategy, start with your customers. Think about who they are, the problems they face and what your business can do to help them. Maybe they are time poor so your strategy could be to save them time by offering the most efficient service in your market sector. Perhaps your customers want better value for money so maybe a strategy that focuses on delivering a low cost product or service would be more relevant to them.

Regardless of the strategy that you choose to implement, make sure that it sends the right message to your target audience. That message should be bold and it should tell your customers (and target customers) that they are at the centre of everything your business does.

the UK will in future have more freedom to set VAT rates. On the plus side, more zero-rating may emerge, whereas on the downside VAT may be raised above 20%, to cope with a possible recession and to generate additional revenue.

The biggest VAT impact will be the change to Intra-EU trade. At the moment B2B transactions are zero rated for VAT purposes. In future such sales will be imports into the EU and subject to EU VAT, which has a number of potential consequences. On the plus side, there will be no more Intrastat or European Sales Lists (ESLs) for UK business to complete.

However, businesses and their advisers will need to consider the following points:

- Will a local EU VAT registration be required?
- There will be increased freight agent costs of arranging imports and exports. There will be a requirement to “enter and clear goods”;
- Whilst UK businesses should still be able to recover VAT on overseas expenses, the system is paper based and is a more onerous and lengthy procedure.

NEW FIVERS SET FOR RELEASE

The Bank of England has published guidance for retailers to help them prepare for the introduction of the new £5 bank notes, which will enter circulation on 13 September 2016. By January 2017 almost half of the £5 paper notes currently in circulation will have been replaced by polymer notes, meaning that retailers need to prepare for their introduction, as paper notes will be fully withdrawn from circulation in May 2017.

The new £5 notes will be printed on polymer, which is a thin flexible plastic material, and will be smaller than the current £5 note. Polymer notes last longer and stay cleaner than traditional £5 notes, and also have advanced security features that make them more difficult to counterfeit. New polymer £10 notes will be introduced from summer 2017 and similar £20 notes by 2020.

Cash machines will also have to be updated and staff will need to be trained



BREXIT: THE PROCESS AND OUR APPROACH TO HELPING CLIENTS

Key milestones in the BREXIT process are:

- UK notification to the European Council of its intention to withdraw from the EU under Article 50 of the Treaty on European Union. This is not expected to take place in 2016 but, once Article 50 is triggered, the UK will leave the EU two years later (unless all other EU member states agree to an extension of that period).
- European Council's adoption by consensus of the guidelines for the EU mandate to negotiate and complete the Withdrawal Agreement. The timescale for the negotiation is not set and may well take longer than the original two year Article 50 timeframe.
- Trade deals with EU and non-EU countries as they fall due. Non-EU country trade deals are already being discussed now but Germany and France have publicly stated that the EU trade deal negotiation will not commence until Article 50 is triggered by the UK. It is expected that the negotiations will take place during the post Article 50 notification, thus allowing quicker resolution post the conclusion of the Withdrawal Agreement. If new trade deals are not negotiated in the two year period (and any extension) then the UK could potentially have to fall back on World Trade Organisation trade principles until the trade deals are finalized (which impose tariffs on certain goods and services etc).

Next steps

We will continue to monitor the situation, and provide insight and updates as set out above. You can expect timely information, advice and solutions to best place you to manage the risks your business will face.

WHAT IS YOUR USP?

Most good marketing campaigns will focus on communicating a firm's Unique Selling Point (USP). In today's crowded market, customers have more choice than ever before. This increase in competition makes finding, defining and communicating your USP more important than ever before.

So what is your firm's USP? Do you offer the faster or better or cheaper product or service? Maybe your people are regarded as the best or most efficient? What is it that is truly unique about your business?

When it comes to your product or service, you will know how it works and so you should understand exactly what it is that you do cheaper/ better / faster than your competitors. The problem is that your customers are trying to decide between choosing your product / service or one from your competitor. They don't know as much about your product line as you do. Getting them to choose your firm can therefore be a real challenge.

The problem with most marketing campaigns that focus on a USP is that they try to communicate the "What" rather than the "Why". Most businesses will talk about what it is that they do. They probably won't talk about why it is that they do it. However to really stand out, you need to differentiate your firm. Maybe you should think about using the "Why" as your USP.

Apple focuses on "Why" rather than "What". What is it that Apple makes? They make electronics. They make tablets, laptops, desktops, portable music players and watches that have a nice design. They make nice software. That isn't any different to any other electronics manufacturer. However, Apple builds its core marketing message on "Why".

The core marketing message from Apple would likely be something along the lines of "With everything we do, we aim to challenge the status quo. We aim to think differently. Our products are user friendly, beautifully designed, and easy to use. We just happen to make great computers."

Taking this as an example you can create a USP and associated marketing message for your business which communicates "Why" it is that you do what you do and how this is of benefit to your customers (and potential customers).

BREXIT – WHAT ARE THE TAX IMPLICATIONS?

One of the main reasons that individuals voted "leave" was to restore fiscal sovereignty to the UK so that we are able to set our own laws, in particular tax law, without interference from Brussels.

Significant tax changes currently require "State Aid" approval and we have seen many recent tax changes forced on us by the EU such as the extension of Furnished Holiday Letting treatment to EU properties and the extension of EIS and EMI to companies with a Permanent Establishment in the UK instead of trading wholly or mainly in the UK.

New Chancellor, a new tax strategy?

George Osborne, a leading member of the "remain" campaign, pledged to cut corporation tax to encourage investment in the UK in response to the referendum result. In an interview with the Financial Times, the former chancellor said he would reduce the rate to below 15%, although he did not mention any timescale and may not remain chancellor post Brexit. It will be interesting to find out whether the new chancellor Phillip Hammond will adopt a similar approach to corporation tax.

VAT is the one tax that is likely to see the most significant changes as a result of leaving the EU. So until then, businesses will trade as normal, with business to business trade ("B2B") in the EU being largely VAT and Duty free.

Possible VAT changes

VAT is a European tax. Withdrawal from the EU means that UK VAT law will



no longer be governed by the EU VAT Directive.

In Budget 2016 it was announced that VAT would raise £138bn revenue for the UK Treasury in 2016/17, second only to income tax and about £100 bn more than corporation tax. Therefore, it is expected that VAT or something equivalent will remain in place as an important revenue raiser for the UK, but