

## THE IMPORTANCE OF SOCIAL MEDIA TO SMALL COMPANIES



The presence of social media in modern life cannot be underestimated when it comes to Business. The platform's most useful tools for small business are free, widespread advertisement. According to a 2016 Social Media Marketing Industry report, in which participants were asked if social media was important to their business, 90% of marketers agreed with the statement, only 2% didn't agree. Most importantly for small Businesses the majority of Social Media advertisement is free and therefore offers a large reach for no investment. Setting up regular scheduled posts on FaceBook, Twitter and Pinterest keeps your followers (customers and potential customers) updated with your activities, talking about your business and ultimately spreading the word about your services.

### JOIN THE SHOTTERMILL & HASLEMERE FC TEAM!



Shottermill & Haslemere FC are looking for new Team members! With the departure of the club's long serving Club Secretary this summer, we are looking for two keen and dedicated people to spare a couple of hours a week to fill the roles of League Liaison Secretary and Fixture Secretary. As well as this, the club needs a new Reserve Team Manager for the upcoming 2019/2020

Season. As always the club is looking for new players of any ability to improve the strength of both teams, and sponsors to support our growing effort to improve local grass roots football! For more information please contact Jozef Cole via email at [jozefcole15@outlook.com](mailto:jozefcole15@outlook.com).

## *Oakwood Reminder*



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Business is great but we are always looking for more.  
Please pass on this newsletter to any one you feel may benefit.  
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## EDITORIAL

Here at Oakwood we are really busy but believe it or not, we are ahead of where we were this time last year! We seem to be turning out end of year accounts and tax returns in very good time but perhaps this is the calm before the storm!

I think this must be as a result of the work that Joe, Claire and Angela have added to the process, so the work is being done quicker. We have always said accounts take between 6 and 8 weeks to compile and get back out to you and hopefully that will be shorter this year, we will have to wait and see.

In this edition of the Reminder, we remind you about taking on employees and the various things you must do but above all, please do remember we are here to help. We don't charge you every time you call, only where projects or research is requested, or fees are notified to you before work begins.

We are into a new tax year so we have also given you details of allowances and various facts and figures that may be useful to you.

We have recently merged with another practice 'inheriting' around 20 new personal clients. David Rangeley will continue to be available for reference and background and intricate situations, but otherwise we welcome those of you that join the Oakwood Family. We will endeavour to meet as many of you as possible in the coming months. Do feel you can come and see us at any time. I've put a photograph of our offices on the front cover so you can recognise where we are when you come.

Have a great summer and we'll send you the next Reminder in September.

**Jane Briggs**



One of the key attractions of pensions is the tax breaks they give savers. Generally, when you put money into a pension, the government tops up your contribution with tax relief. Basic-rate taxpayers receive 20% tax relief on their pension contributions. Higher-rate taxpayers can get up to 40% relief - or up to 45% for top-rate taxpayers - though they need to claim the additional relief through their tax returns.

If you're not a taxpayer, you'll still have the tax saving added to your contributions up to a certain amount. You'll be given an extra £20 for every £80 you pay into a pension up until you've contributed £2,880. This means the Government tops up your pension to £3,600.

Generally, you can put as much as you earn each tax year into your pension and receive tax relief, up to an annual contribution limit of £40,000. However, for high earners with incomes over £150,000, the £40,000 annual allowance is reduced.

Pension Contributions Limits	
Annual tax-free contributions limit	£40,000
Lifetime tax-free contributions limit	£1,055,000

The allowance for tax-free dividends is unchanged at £2,000 for the 2019/20 tax year and there's no change for dividend tax. Any dividends received above this allowance are taxed at the rates shown below, unless your shares are held in a [stocks & shares ISA](#) (where dividends are always tax-free).

Dividend Tax 2019/2020	
TAX BRACKET	RATE
Basic Rate	7.5%
Higher rate	32.5%
Additional rate	38.1%



## PERSONAL TAX ALLOWANCES



Each of us has a 'personal allowance'. This is the amount we can earn without paying any income tax.

What is my personal tax allowance?	
EARNING BRACKET	PERSONAL ALLOWANCE
Under £100,000	£12, 500
£100,000 to £125, 000	Decreases from £12,500 by £1 for every £2 you earn above £100,000, until it reaches £0
Over £125,000	£0

Once you know your personal allowance, anything extra earned above that will be subject to income tax. For the 2019/20 tax year, there are three marginal income tax bands – the 20% basic rate, the 40% higher rate and the 45% additional rate (also remember your personal allowance starts to shrink once earnings hit £100,000).

What is my income tax rate for 2019/2020?	
EARNINGS	RATE
Under personal allowance (PA) <i>For most £12,500</i>	No income tax payable
Between PA and PA + £37, 500 (basic rate) <i>For most, over £12,500 to £50,000</i>	20%
Between PA +£37,500 and £150, 000 (higher rate) <i>For most, over £50,000 to £150,000</i>	40%
Over £150,000 (additional rate)	45%



## THE IMPORTANCE OF PAYING ON TIME



How important is it to you that your sales invoices are paid on time?

Hugely I should think and it is the same for the people you owe money to as well! It makes the world go round and we should all be mindful of not getting work done or overstretching ourselves that results in the bill being paid late. Ways to plan for this would be to ask for a deposit when the work or services are ordered and issue the balancing invoice before you have finally finished the work so you have a lever if payment is delayed. After all, you pay up front for your glasses, you don't get them until you have paid for them so adopting a similar attitude to your customers is beneficial. The customer knows where they stand before they place their order if they know you expect full payment by the time the goods or services are ready for delivery.

Here at Oakwood, we sometimes ask for a deposit and yes we do expect full payment in the fourteen days between delivering the services to you and submitting the tax return/ accounts etc., We have found in the last six months we have not been paid before the deadline for a tax return or accounts submission. We will never let a client miss a deadline for the sake of being paid but we would very much appreciate it if all clients are aware that we should be paid in full before the expiry of 14 days from the date of the invoice. One way of avoiding having to pay a sizeable bill would be to set up a monthly standing order and we are finding more clients are opting for this method to spread the cost over the year. This current year's fees need to be paid in full and then a monthly standing order will result in a small balancing invoice when the next set of accounts or tax return is to be submitted. Please do contact Jane if you are interested in exploring this method of payment.



## SMALL BUSINESSES

**A third of small business staff call in sick due to stress** – According to a recent report ‘Causes and implications of workplace stress in SMEs’, a third of all employees working in small businesses in the UK have called into work sick because of work-related stress. As well as this, almost half of all employees in small businesses left their jobs because of work-related frustration not properly addressed by management.

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**Open Banking** – Many small business owners may not be aware of changes in financial services: the launch of open banking early last year. Open banking means account holders, including businesses, should find it easier to find better deals for financial services. Businesses can also use open banking to streamline the accounting process, connecting banks to accounting software and reconciling transactions in real time, as we do with some of our clients and Xero. For more information visit, [www.openbanking.org.uk/customers/regulated-providers](http://www.openbanking.org.uk/customers/regulated-providers).

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**Protecting your Companies Identity: Copyright:** Copyright protection is awarded automatically, without having to pay any fee. However whenever you commission someone to photograph or write something for your business that copyright rests with them.

**Trademarks:** Trademarks apply to your company’s branding, the logo, tagline, colours and name. Trademarks cost £100 to initially set-up but once registered, legal action can rightfully be taken against anyone using your brand without permission.

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**Hiring your first Employee** – There are multiple legal duties and requirements that need to be fulfilled before you can hire an employee. We recommend talking to us for more in depth information but the main steps are as follows.

- We register you with HMRC as an employer
  - Consider the National Minimum Wage requirements. Depending on age and employment position the NMW varies.
  - Offer employees a pension scheme. It is vital to check if you need to automatically enrol an employee onto a workplace pension.
  - Right-to-work checks. Not checking employees have the right to work in the UK can lead to a hefty fine of up to £20,000 per employee.
  - Insurance – as an employer you are legally required to have employer liability insurance to safeguard your employees.
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**Employment Offer and Contract**— When recruiting new staff, ensure you do take up references where you can, issue a letter of conditional offer whilst you enquire about the prospective employee. When you confirm the offer in writing, make sure you ask them to bring ID with them, P45 from previous employment and complete a form for emergency contacts, bank details, who to report to and hours of work. You would be surprised how many people walk off a job on the first day because the hours don’t suit them!

Finally, for now, you are required by law to produce the terms and conditions of employment within eight weeks of starting. This is the employment contract and we can certainly help with this. It is complicated and difficult to explain in this article so in the next edition, I’ll go into more detail.