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DUCKETTS
 TRUSTED ADVISORS

January
 2005
 Newsletter

Tax appreciation special.



Book of the month

“The Book of Luck” by Heather Summers & Anne Watson (not Anne Summers & Heather Watson). You may remember that natty book I recommended some while ago on the subject of randomness (“Fooled By Randomness: The Hidden Role of Chance in Life and the Markets”). That book was very analytical. Very hard. This book is nothing like that. All soft and fuzzy, but it comes to the same conclusion: fortune favours the brave. Only it takes a while to say this, stopping to define the following factors that influence luck along the way:

- Control-ability (be flexible)
- Stick-ability (finish off things)
- Risk-ability (throw caution to the wind)
- Sense-ability (gut feeling)
- Socia-ability (be nice to people)
- Percept-ability (half full or half empty?)
- Person-ability (know yourself)

And, of course, there is the obligatory web site test to determine your own levels of luck

www.switchtosuccess.co.uk

Inspiration in the stars

In a desperate attempt to recycle old news, I checked out my January 2003 and 2004 newsletters to see what I'd been saying; particularly on the subject of tax payable at the end of the month. Well, the 2003 newsletter was all an accountant's newsletter should be. Plenty of worthy warnings about 5% surcharges and the like. However, by 2004, I'd obviously lost the plot completely. In fact, the January newsletter was actually sent out in February; and even then it was mostly scandal and conjecture. So, this year, I'm making a return to official form => pay the tax on time. Don't complain: revel in the increased levels of NI. It's for your own good.



Blondes are not us

I'm sorry to have to announce that Nicki (the tall blonde one), has left us to pursue her career with the NHS. We were sorry to see her go. That makes the Boyscout the resident expert on deferred tax. Heaven help us.

Leaders got badges

A recent survey by Mori has concluded that 95% of business high flyers were prefects at school. It has been suggested that Mori has used a rather generous interpretation of the term "high flyer". True entrepreneurs tend to have dropped out of formal education (eg Anita Rodick, Bill Gates). Furthermore, Richard Branson suffered a gay seduction on his first day at school (according to the Times?) and Tony Blair was flogged. I suffered no such fate, but I was never made a prefect. I'm not bitter, but I will have my revenge.

The paranoid programmer

I recently passed a system issue across Richard Zybert, the guy who supports our server etc, confessing that my fear of loss of data verged on the paranoid. This was his response:

"First: PARANOID is good. It is a rational response to everybody being against you.

Seriously - what looks like paranoia is usually a response to lack of data - you simply cannot be 100% sure and - you would like to be 100% sure, not 99% - result: paranoia.

Two possible responses:

1) Follow the instinct - usually works but is always expensive (in money, energy, reputation, social life etc)

The real problem with this is that you always worry that there maybe something you didn't think about.

2) Invest some time to gain more information to see if some risks are not worth worrying about; consider whether 99.9% would be good enough. That ends up a cheaper option - also makes you feel better because you understand the risks better, so you KNOW you are covered."

I wonder what question he thought he was answering? www.zybert.co.uk



Corporate bonding

If all those go-carting and bridge-building days out (so dear to the heart of the sales director) fail to get your pulse racing, then stand by for the latest idea: get the team to direct their own porn video. Presumably, you can have the result playing on the new plasma screen in reception? Perhaps copies could be given to clients to persuade them to bring their records in on time? And the cost of the day would be allowable for tax. Gives a whole new meaning to "corporate branding".

www.xplicitpornschool.co.uk

Really.

Working too hard?

In a pointless attempt to convince the world that they have a sense of humour, accountants are now filling their newsletters with dodgy jokes. I found the following pathetic example in a competitors pre-Christmas offering:

"Three partners in an accounting firm go out to lunch. They are the audit partner, the tax partner and the senior partner. One of them sees a brass lamp lying in the gutter. Curious, they pick it up and give it a rub. Instantly, a genie appears. "You know the deal," says the genie.

"Three wishes. But seeing there are three of you, you can have one wish each." "Great," says the audit partner.

"Take me to the Whitsunday Islands, give me a blonde and an endless supply of XXXX and leave me there for ever." Pouf! There is a flash of light, a puff of smoke and he is gone.

"Now me," says the tax partner. "Take me to the Cook Islands, give me two blondes and an endless supply of offshore tax schemes and leave me there for ever." Pouf!

There is a flash of light, a puff of smoke and he is gone. The genie turns to the senior partner. "And what do you want?" "I want those two back in the office straight after lunch.""

Clearly preposterous. Whoever heard of a tax partner going out for lunch?

On line filing for PAYE

Miss Sparkle thinks this is important. But then she is suffering from tax return overload. If you send in your PAYE year-end returns via the internet, you will get a £250 refund over the next 5 years.

ET phone France

It appears that BT has been beaten hard by the OFT and is now doing what it was supposed to and giving (nearly) everybody a chance to get a broadband service. However, the data transmission speeds are likely to be fairly modest and the chances of being able to download films (VOD – video on demand) are remote unless you live in a big city. Compare this situation with the French experience where high-speed broadband is a reality for a significant part of the population. Apparently, new homes in this country are now built with fibre-optic cable as standard, but everybody else will have to make do with copper cable (or aluminium in Hereford). If VOD seems of marginal benefit, it is possible to make phone calls over the internet (VoIP?) at very low cost. Try www.skype.com, if you dare?

VAT - recovering the vat on fuel mileage claims

This is hard work, but I get asked the question a lot.

At present UK employers are able to recover the deemed vat included in mileage claims made by employees. The amount of vat is determined by applying a standard rate per mile for the fuel element to the usual vat fraction. This recovery may be under threat. Our government and the EU are "discussing" the issue in the European Courts.

The EU position is that vat can only be recovered by the person who makes the purchase. In the case of employees' fuel this is obviously the employee, not the employer.

The UK government is arguing the opposite, that employees stand in the place of their employers when they fill up their cars with fuel to use partly or wholly on work related journeys. We should stress that this matter is still unresolved, and we will return to the subject when a final ruling is made.

Delighted customers

We have our occasional customer service failure (particularly in January), but, unlike solicitors, at least we know that there is such a concept. Out in the big bad world, you get to deal with all sorts of strange people and you don't have the luxury of refusing to work for them if you get fed up. So, helping big companies to deal with customer problems is a real issue. The traditional approach is to set up a call centre (somewhere exotic) and hope that the language barrier creates such a high level of frustration that customers simply give up. A rather more positive approach can be found in the Sage of Bishopswood's latest e.zine. An article by Alison Fulford describes how she set up a service centre for a large retailer; and it worked. As ever, the secrets of success are:

- Find out what matters to your customers (the Boyscout can help?)
- Craft your picture of perfection which describes your vision
- Recruit people who can fulfil your vision

I suggest that the last point is the hard bit www.paradisementors.com Anybody wanting a copy of the e.zine => let me know.

Know thyself

We're all familiar with the idea that people see information in different ways. That's why the Boyscout insists on colour graphs when everybody knows that numbers are in black & white (and occasionally red). So, I was bemused by an old article, by Peter Drucker, splitting the world into "readers" and "listeners". Very few people can do both, it seems. The example that proves the rule is the case of the US presidents. JFK was a reader. He assembled a brilliant group of writers as his assistants and they wrote long reports to him, before he discussed the issues with them. When LBJ took over, he kept the same staff. They kept on writing to him, but he, as a listener, never understood a word. As far as I know (and I'm a little shaky on US history), the LBJ presidency was a disaster, but does anybody know what happened to him? Where did Tricky Dicky fit in? Am I a reader or a listener? Does anybody care?

Disclaimer

The most important primary activities in life are, in descending order, loving, dying and producing great works of the imagination. The most important secondary activity is creating the conditions in which these can most effectively be pursued – in other words, leadership.

I found this in the Sunday Times. It didn't mention paying tax.



Chris Duckett Limited

Network House , Thorn
Office Centre
Rotherwas
Hereford
HR2 6JT



Telephone [01432 370 572](tel:01432370572)

Email: clients@chrisduckett.co.uk

Website www.chrisduckett.co.uk