



March 2017 Newsletter

First of the Year: Navel Gazing Special.



Forthcoming events

The current plan is as follows:

24th May – hopefully, Jamie from Hello telling really interesting stories about marketing
Then a rest till September.

Book of the Month/Quarter

Homo Deus: A Brief History of Tomorrow by Yuval Noah Harari

Having read his previous book, I couldn't resist the follow up, particularly as it looks to the future. It takes a while to get to the central idea and its not much fun when you have: the liberal agenda (free markets/democratic elections/human rights) is the only show in town, but liberalism can't cope with the coming changes in technology which will make the majority of humans irrelevant. And we're sleep-walking towards this situation. The piece on Making Tax Digital highlights this in our everyday interactions with bureaucracy. Nobody voted for it, but it will happen as it suits the system and is justified on the grounds that "If you've done nothing wrong, you've got nothing to fear".

All very Brave New World/1984

<http://www.ynharari.com/book/homo-deus/>



Boyscout retires

Despite my best efforts to persuade him otherwise, the Boyscout is determined to retire this month after 16 years at the coal face. We'll all be very sorry to see him go, but he's absolutely had enough. I can't argue with that. I'm not sure whose leg I'm going to pull now, but I'm working on it.

We've been trying to bring Mark Vickress across to replace(?) the Boyscout, but we can't find anybody to do his job. Are there any (competent) accountants out there?

Finally, Phil Brace is joining the BD team with a view to extending our abilities in the world of sales. Phil does sales process, target setting and corporate accountability.

Business growth, in other words. I'm actually excited about this as sales has always been a bit of a blind spot for us. Probably something to do with the accounting view of salesmen as flash gits who make a mess.



The Budget

Was a complete non-event. NFW.

Making tax digital #95 (quarterly tax returns)

I'm sorry, but this continues to trundle-on in fairly predictable ways.

The Treasury Select Committee reviewed it and concluded it would never work without testing and education and a phased start. HMRC shuffled a few limits and concluded it was now OK. On the bright side, the time limit for the catch-up return (the one that counts) was moved from 9 to 10 months, ensuring that the January panic remains indefinitely.

I think I may have got to the bottom of why HMRC thinks all this data transfer is going to help. After all, if cash was the issue, they could simply have bolted quarterly (or monthly) payments onto the old system. In the short run, the quarterly returns will simply transmit summarised data (as we currently do). However, as computer capacity grows, systems will be able to handle individual transactions. The end game is that the HMRC computer will be able to interrogate your accounting data in real time and with the usual capacity for drawing the wrong conclusions. This may be enough to get me diagnosed as clinically paranoid, but it doesn't make me wrong. Anyway, I hope I've retired by then.

We're all partnerships now

I talked about this in the November Newsletter, but nobody really took the point. There is a proposal out to treat small Co.s as "transparent" and effectively tax the Co profits to income tax in the hands of the shareholders.

Or another proposal to tax undistributed reserves to force full distribution. There's a Francis Clark blog post to explain this more clearly

<http://www.fctc.co.uk/news-views/blog/tax-erosion-due-to-incorporation/>

This all sounds crazy to me. Capitalism works because spare profits are re-invested. If we ignore the proposals, will they go away?

K2 does performance reviews and ritual flagellation

"For many, it's performance review time. Though for most, it's not really. It's more a historical results review with hardly any focus on learning or forward looking performance.

Start with a big dollop of infrequency. Add in money, status & power (that always works well). Finish off with a limited bonus pot that means you can't afford too many high performers.

Good luck with that."

<http://www.theperformanceroom.co.uk/blog/the-clue-is-in-the-name/>

Unspoken water?:

<https://vimeo.com/166036113?ref=em-share>



NHS Networks Weekly News (courtesy of Mr Rumney)

Better news came from the 2016 Likelihood Survey, which found more things likely to happen in future than were happening now. Little happened as a result of the 2015 survey, but a Department of Health spokesman said he was confident that the NHS would make up for lost ground in 2017 thanks to a strongly worded preface by a junior minister planned for next year's survey.

The King's Fund's Most Important Things Review reveals that integration, transformation and sustainability are now the most important things, pushing innovation, efficiency and compassion off the top three spots for the first time in more than 12 months. The review stressed that all important things are important, though some are more important than others. The King's Fund promised that next year's review would be slightly different.

The Peter Principal

In 1969 (look - no new ideas), a guy called Laurence J Peter developed the observation that people in organisations get promoted until they reach the point where they can't actually do the job and then rise no further. Taken to its logical conclusion, this means that any business is run by the incompetent. This may or may not have been satirical. The classic example of this is super-salesmen who get promoted to sales directors, despite the fact that selling is not the same as managing. Accountants have a similar problem with the step from FD (a technical job) to MD (a leadership job). The recommended solution is for those in technical jobs to learn soft skills, but I suspect it's a bit harder than that in practice.

HBR takes it all very seriously:

<https://hbr.org/2014/12/overcoming-the-peter-principle>



Institute visit (bit like Ofsted)

We've had one (it was scheduled). We survived. I can't comment further (cause I'm not allowed to), but I didn't enjoy the experience. Details on application.



Beware – company register fee scam

We have received a large number of communications addressed to companies that use our offices as their registered office from an organisation calling itself the Central Register of Companies and Businesses. The communications use some official sounding language and legislative references and request a fee for inclusion of the company in "the Register".

This is a scam. The sharp-eyed will notice the document includes the word "optional", but that won't help companies recover monies if they return the payment slip with a cheque or make a payment online using the web link quoted in the letter.

We have put the requests in the shredder; that's the best place for them. If you receive such a request electronically, delete it and don't click on the weblink.



Tax Tips

This is Whiplash's roundup of the changes that take place in the new tax year.

It's a bit on the dry side this year, but still required reading. Basically, everything gets harder and more complicated and the Revenue fine you if you get it even slightly wrong. No change there then.

Link <http://chrisduckett.co.uk/tax-tips-2017>

And stand by for the Fee Protection bills which will be out in April.

Disclaimer

I was given a book of classic insults for Christmas (by my children?). I particularly like:

"Your stupidity is our greatest threat". Obviously, aimed at the BD team



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