



When did you join the company?
September 2010

What are the best and worst aspects of the job?

Best: No days' work is ever the same. Worst: Brewing Up!

Hobbies and interests?

Watching and playing football, listening to music, eating out and generally spending time with my family.

Any vices?

Eating too many biscuits.

Your greatest achievement to date?

My daughter Libby. I also had trials with Lancashire County Cricket Club at 13 and 15.

What is your pet hate?

I have two....rising fuel prices and benefit scroungers.

What is in your CD player?

Massive Attack – Blue Lines.

If you were stuck on a desert island, what are the two things you could not do without?

My bed and Sky Sports.

If you did not work here, what would your ideal job be?

Travel Writer – Getting paid to go on holiday...what a job!

Plans for the future?

Pass my exams as quickly as possible and move house!



EXAM SUCCESS

Claire Challinor has now completed the professional stage of ACA by recently passing **Financial Reporting and Financial Management**. The next step steers her towards the advanced stage and when completed she will be qualified. Meanwhile Rebecca Stanyer has passed all modules of the first stage of ACA.

Partner **Paul Mellor** has passed his next stage of the IFA exam- **CF2 Investment and Risk** with an impressive 96%.



ADDITIONS TO THE TEAM

Clarke Nicklin has further extended its team with the appointment of two employees. David Kennon has joined the audit and accountancy team, whilst Coleena McKiernan has joined as the Group's event coordinator, overseeing a series of seminars and networking.

A HUGE CONGRATULATIONS TO...

Partner Brian Bradley, who has been appointed as governor at Stockport College.

The prestigious role will see Brian becoming an integral part of the monitoring and control of the financial governance at the College and assist with strategic plans at the College.



Keen cyclists Graham Travis, Gareth Jones and Jon Nield bravely entered the **100 mile 'Wiggle Cheshire Cat 2011'**.

Riders set off from Crewe which take in the contrast between lush Cheshire Plain and rugged moorland of Staffordshire and the Peak District, including the 'mow cop' killer climb. Brave, mad, brilliant?? You decide!



Promotion for Paul Mellor

Former director Paul Mellor has recently been promoted to partner.



Paul will be Clarke Nicklin's ninth partner across the advisory group. He has been with the firm since 2004 when he became the first recruit of managing partners Andrew Baggott and Steve Humphries who took charge of the business that year.

He is tasked with the running of Clarke Nicklin's Business Services department, leading a team that offers specialist advice to companies with a turnover of less than £1million. Chartered Accountant Paul is also undertaking financial advisory qualifications to further enhance his knowledge to service the needs of clients in this arena.

Speaking of the news, Paul said: "I've been with Clarke Nicklin for a number of years now and am incredibly honoured to have been offered this opportunity and the challenges it will bring. My role is hugely rewarding; adding value to my clients' operations and providing advice which will help them in reaching their business objectives. I'm very much looking forward to taking on this next phase of my career with them."

Added Andrew Baggott: "Paul is very much part of the fabric of Clarke Nicklin. He is a hugely respected member of the team and delivers excellent results for us and for our clients. It is also important that the Group maintains a strong senior team, something which has been instrumental in assisting with the growth of the practice in recent years."

Vince Cable visit

Clarke Nicklin hosted an important business debate mid April, with the help of the business secretary The Rt Hon Vince Cable MP.

The meeting was attended by a team including Cable, fellow MP and business minister Andrew Stunell, Clarke Nicklin senior partners Andrew Baggott and Steve Humphries, Greater Manchester Chamber of Commerce Stockport President Ben Poland and a select representatives from other businesses around the region including Hughes Safety Showers, MAN Diesel, Jacobs, Stockport College and RBS Poynton.



The team worked through a Q&A on the region's main business issues, with valuable input attained from Cable and his views on business development and enterprise in the UK. One of the main topics of discussion was access to funding for SMEs and how this can be addressed at a Government level.

Partner Andrew Baggott said: "It goes without saying that we were honoured to host this meeting. It was a pleasure to take part in an important

business debate and to attain the opinions and views from Mr Cable and Mr Stunell. Their insight into the Government's commitment to business was invaluable to us all."

Ben Poland, Hughes Safety Showers and MAN Diesel worked in conjunction to bring the meeting to Clarke Nicklin. Together they selected a team of participants who they felt would best reflect the breadth of business in the area.

ReThink Recruitment

ReThink rethought the financial aspects of their business back in 2008 when an employee at the company suggested they talk to Clarke Nicklin.

The timing was opportune as ReThink, a specialist recruitment company based in Manchester, was at a pivotal point in its development. The directors were laying plans to list the company, something that ultimately happened in summer 2008, and were expanding into the Middle East. All of this brought a point in time for the company to assess its employee benefits programme.

Andy Lord, one of the company's founders, said: "We had grown so quickly in the six years since we formed the business so it was absolutely imperative that our team shared in our vision and were motivated to join us through pivotal points such as the stock market listing."

The team in question was ReThink's team of recruiters, helping national companies like Marks and Spencer, Boots, ASOS and Superdry find strategic level candidates.

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Relaxed association

Companies that make small profits – up to £300,000pa – pay a lower rate of corporation tax. From 1 April 2011, it will be 20% compared to 26% for a company making over £1.5m. Profits between £300,000 and £1.5m are taxed at an effective rate of 27.5%.

1 April 2011 saw an important change to these rules. Up to now, an individual has been treated as owning shares of close relatives and partners. If the companies had nothing else to do with each other you could ignore some relationships, but two companies separately owned by a married couple would always have to split the limit. From 1 April, relatives' shares will only be counted if there is 'commercial interdependence' between the companies. That's a welcome change: it means a small business won't be penalised because of a random connection.

Meanwhile, a case has highlighted the rule that 'control' isn't just about shareholding – it includes being entitled to more than half the assets. Someone who holds less than 50% of the shares, but has made a large loan to the company, is likely to be treated as controlling it. If they also control another company, the two will divide the profits limits, even if they are completely separate businesses.

If you have shares in more than one company, it's important to think about the tax rates that they will pay. We can help you count the associations and tell you what the rule change means.

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As Andy continued: "When we launched our business we were very much focused on placing IT specialists in companies around the UK. As we've grown we've also established ourselves as a recruitment company who can place strategic candidates, candidates who operate in business advisory roles such as finance directors or risk assessment managers.

"It was because of this and a bid to reward employee efforts further that we invited Scott Herbert from Clarke Nicklin to come in and present his pensions and benefit packages to our staff. The relationship grew from there.

"Our people are our product so their welfare and wellbeing is of optimum importance to the business. The recruitment industry is awash with transience, with many companies suffering from a high staff turnover. We wanted to break that trend and create a great team of people who embrace what ReThink and our clients are all about."

ReThink now operates in three countries, its UK base where the business began in 2004 now boasts 130 employees with further staff



in both Dubai and Singapore, as Andy concluded: "Our business continues to grow at a rapid rate so we have to have complete confidence in the motivation and satisfaction of the people representing us, particularly when they're operating in different parts of the world. That's the reason that our relationship with Clarke Nicklin is so important and will remain to be in the future."

Holiday entitlement

Rent is usually treated as investment income, which has some tax disadvantages compared with a trade. Traders get better tax relief for losses, and usually pay a lower rate of CGT when they sell business assets at a gain. For many years, the rules on 'furnished holiday lettings' have allowed people who run short-term rental businesses to be taxed as if they were trading. Recently HMRC realised that properties anywhere in Europe had to be accepted as eligible – it wasn't possible to restrict the relief to the UK.

The last government decided to abolish the special treatment of FHL, but Mr Osborne has decided instead to keep it with some restrictions. It will still be necessary for most lettings to be no more than 30 days, but the time the property has to be available for letting will increase from 140 to 210 days a year, and the time it is actually let will go up from 70 to 105 days. To give people a chance to adjust, these new limits will come in on 6 April 2012. There will be a 2-year period of grace for those who can't increase the actual letting immediately but are clearly making an effort to do so.

It has been possible to claim FHL losses to get a tax reduction on other income. That's going from 6 April 2011 – any rental loss will only be relieved against rental income on other properties.

One of the big benefits of FHL is the ability to claim Entrepreneurs' Relief on a gain – an effective CGT rate of 10% rather than 18% or 28%. If you own a FHL property which won't qualify under the new rules, it will be important to think about the potential increase in the CGT liability.

We'll be happy to advise you about the consequences of these changes.

A tax on houses

'An Englishman's home is his castle', as the old saying goes. There are plenty of people who think the portcullis and battlements should keep out the taxman. It can be a shock to find that HMRC want capital gains tax on the sale of your bricks and mortar.

In three recent cases, the tax tribunal found no evidence that the taxpayers had lived in the properties in a settled way – they hadn't made it their home, even if they had lived in it briefly. The CGT exemption is only for a 'residence', and that means you have to have an intention to live there for a while. How long, no-one knows – but if you intend to move on as soon as you move in, you don't qualify.

Using part of your house exclusively for business, or renting it out, can also upset the CGT exemption.

If you are expecting the sale of a house to be tax exempt, it's worth checking that you aren't in for a nasty surprise.

We can advise you.



Cold calling

HMRC have issued more warnings about people ringing or sending e-mails claiming to be from them. If someone tells you they need your bank details to process a tax refund, don't believe them – HMRC say they'd never ring you up to tell you that.

It's just a variation on the old fax from someone who claimed to have a few million pounds left over from a government contract and was willing to give you 10% if you'd just pass the money through your account... only a bit more believable.

If you are in any doubt about the genuineness of any contact from the taxman, don't give any information at all.

Check their website www.hmrc.gov.uk/security/index.htm for advice about how to identify the real inspector.



Older age pension

One of the biggest changes Mr Osborne is introducing to private pensions is the abolition of the requirement to buy an annuity no later than your 75th birthday. With annuity rates unattractive, having to give your pension pot to an insurance company is something many people have resented. In his first Budget last June, the new Chancellor announced that new rules would be brought in, and in the meantime no-one would have to buy an annuity before their 77th birthday.

What you do with your pension pot is something that can make a big difference to your old age, and it's important to take proper investment advice about it. Giving people more choice about what they do with their savings is a welcome change.

File under 'e'

E-filing is here: from April, corporation tax returns and accounts will have to go to HMRC electronically, and so will most PAYE forms such as starters and leavers.

In many cases, the new system turns out to be better, easier and quicker than the old one, but there is some initial learning – and a few procedures – to go through first.

Everyone needs to be ready for the new systems. If you want to know what these changes will mean to you and your business, we can advise you.