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# Business Matters

## Making a loss? Take action now...

Remaining profitable in the current economic climate can be difficult, particularly for small and medium-sized enterprises. Indeed, if sales have slipped and your commodity costs have risen, you may have made a trading loss in the current period.

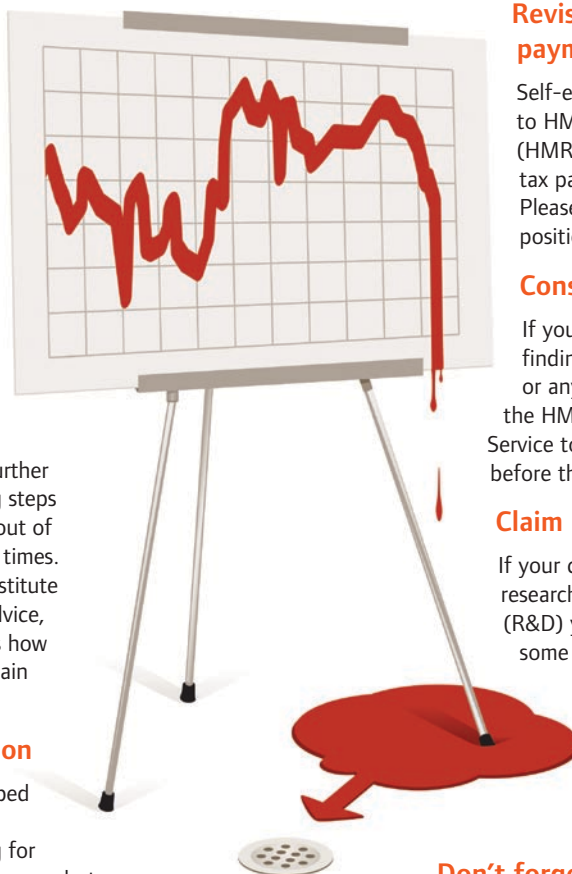
However, taking immediate action can help to prevent a further decline in profit. The following steps may help your business climb out of the red, even in these difficult times. But remember; there is no substitute for one-to-one professional advice, so please contact us to discuss how we can help your business remain profitable.

### Review your VAT position

Where your turnover has dropped below £65,000 for the last 12 months, consider deregistering for VAT. This will not suit all businesses, but those who sell directly to the public may well gain a competitive advantage by being outside the VAT net.

### Finalise your accounts

Quantify the loss as soon as possible by finalising your accounts for the loss-making period. Once you have a definite loss figure we can set this against your profits for the previous accounting period to generate a tax repayment or tax reduction. If the loss exceeds the previous year's profits we may be able to carry the excess back a further two years. However, this does depend on exactly when the loss-making period ended. You may need to change your accounting period slightly to accelerate the tax relief available for your loss.



### Revise your income tax payments

Self-employed traders should apply to HM Revenue and Customs (HMRC) to reduce the next income tax payment, due on 31 July, to nil. Please contact us to check your loss position before you do this.

### Consider a payment plan

If you are experiencing difficulties in finding the cash to pay PAYE, VAT or any other business tax, contact the HMRC Business Payment Support Service to arrange a payment plan before the tax becomes overdue.

### Claim R&D tax credits

If your company is undertaking research and development projects (R&D) you could get HMRC to repay some or all of the PAYE and NI you have paid for your loss-making period. You will need to submit a claim for R&D tax credits, but we can assist you in this matter.

### Don't forget capital allowances

Some companies may also be able to claim a repayment of PAYE and NI where the loss is due to the purchase of energy-saving equipment that qualifies for a first year 100% capital allowance.

However your trading loss arose, the best policy is to act quickly to reduce your business tax payments and generate tax refunds. We can help you identify and eliminate areas where your business may be leaking profits, so contact us today to help put your firm back on the road to recovery!

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