



September
2004
Newsletter

LEADERSHIP/REAL MEN SPECIAL. MORE TAX THAN I'D LIKE.

Book of the month

I have to admit to cheating this month. I haven't read this book at all, so I'm relying on the impeccable judgement of the Sage of Bishopswood:

"Business people often like to learn lessons from sport," said Clive Woodward, the former England Rugby Coach. "But I like to learn lessons from business and apply them to sport." There are some great take-away lessons in his book called *Winning*. The book is thick, over 450 pages, and contains some very detailed ideas and diagrams.

One of Woodward's recommended approaches is to build a team of Energisers with no Energy-Sappers. He believes one energy-sapper can destroy the work of 50 Energisers. After the 1999 debacle, he returned to the Royal Marine camp where the squad had done some pre-tournament training. He asked the trainers about his team members. They looked at each other, then asked if he really wanted to know the truth. The trainers then named several players who they would not include in the

team. He was shocked, because the names matched exactly with people who he intuitively had doubts about. The trainers explained that the named players would perform well when things were okay, but complain in difficult situations. They would then spread negativity across the team, thus draining its strength. Woodward began greeting players to training camps by explaining the difference between Energisers and Energy-Sappers. He said: "If you are an Energiser, you will have every chance in the team. If you are an Energy-Sapper, you will not be invited back again." Absolutely no Demeters. It seems to have worked?



Electronic document of the month

"The World Business Forum 2004 Trip Report". It's a pdf document assessing the collective wisdom of various US business speakers (like Michael Porter & Jim Collins). I would suggest it's required reading, but people tell me I need to get out more.

Copy on request from
reports@chrisduckett.co.uk

Technical newsflash

The decision on the settlement/bounty case is out. The Revenue has won round one.

Looks like we will have to go to appeal. More details next month.

Managers step forward

Tim Kidson is running his course for newly promoted managers and supervisors in November on Wednesdays 3rd, 10th, 17th and 24th November

This should dovetail beautifully with the BD event on 21st October.

Details from Tim on kidson@growth-for-business.com

Dividend procedures

As part of the general clamp down to get more tax out of small companies, the Revenue has decided to take the view that dividend documentation must be prepared in accordance with the Companies Act rules. Not slotted in as an afterthought by the accountants to get the loan account straight. This means having minutes of the meeting when the dividend was voted, issuing dividend vouchers and actually paying the dividend across. Particular care is needed with waivers. Remember, interim dividends can be voted by the directors, but final dividends must be approved by the shareholders in General Meeting. So, another hoop to jump through.

TAS gets XP

We've been big fans of TAS accounting software since time began. Sage were obviously impressed too, as they bought TAS and the whole company went into suspended animation. The impact of being kissed by a frog? Anyway, TAS now seem to have woken up again and launched a Windows XP series of packages. This doesn't sound particularly significant, but the view from the techies is that XP is the best thing ever from Microsoft. In other words, it works (mostly). So I've decided to upgrade our system, which means that everybody else will have to follow suit, at least if they want support. From a marketing perspective, TAS is clearly selling the software cheaply, with a view to charging lots for support and upgrades. Support from us (by Sue) is effectively thrown in with the accounts fee. I stand by for comment.

Award winners

Clients of ours occasionally win national awards, so congratulations are in order for Colin and Cheryl Spencer-Brown who operate as fire and flood damage limitation experts in the locality. They have just won "Restorer of the year" at the annual Rainbow awards ceremony. Just hope you don't need their services.

More loopholes closing?

The latest scare is that the Revenue is going to drag out a clause from some old Capital Gains Tax legislation to allow it to tax serial house movers. I suspect that by the time they've got into gear, negative equity will be back.

Solicitors are heroes

There's been a fair amount of press coverage on the advertising campaign by the Law Society to encourage people to believe that "solicitors are heroes". I feel that the old joke that "experimental psychologists are now using solicitors for experiments, as there are some things that even rats won't do" is far more appropriate.

Letters from the Inland Revenue

In recent weeks, some clients will have received circular letters from the Inland Revenue. At first glance they have a 'we are on to you' tone, which appears quite threatening. However, it appears that these cases have been selected centrally and that the reasons for selection are not known by local offices.

The letter also comes with a standard set of questions and answers. The questions covered are of a most basic nature and are clearly aimed at the taxpayer and not the agent. Some of the answers we disagree with, but you may want to read these to see just what 'advice' the Inland Revenue is giving out.

Anybody feel left out?

Yet more tax

Just to complete the regulatory bias of this newsletter, I must tell you that the government is planning a fundamental review of the taxation of small business in the November pre-budget review. Goodness knows what this means, but it sounds pretty ominous, especially as the IOD seems to be on the case

http://www.iod.com/intershoproot/eCS/Store/en/images/IOD_Images/pdf/loDGovPerformanceReview.pdf

Whilst ferreting about, I found this little saying:

"A well run tax loss farming enterprise can support an average of 6 accountants, 2 off-shore investment analysts and a free range chancery lawyer per acre." A 1982 classic that holds up well today.

Grey (but not pink) merge

I'm struggling for the justification in advising you of this fact, but The Institute is merging with CIMA & CIPFA to create a super-body for accountants. No wonder solicitors think they are superior?

What's more, the government has moved a step closer to making some companies unauditible by refusing to consider a liability cap. Banks, insurance companies and solicitors are all candidates for this effect. Oh, dear?

The Bezos rules

Jeff Bezos, the founder of Amazon, and probably the only person to make any real money out of internet shopping, has given a long interview to FastCompany, culminating in the following rules:

- Hire very carefully – you're creating an enduring culture
- Be stubborn and flexible
- Obsess about customers not colleagues
- Know when to throw away the organisation chart
- Get good advice – and be prepared to ignore it
- Don't chase the quick buck

Suitably enigmatic, I feel, but the interview makes more sense

www.fastcompany.com/magazine/85/bezos_1.html

ZI Gem

I'VE BEEN ENTHUSING ABOUT THE Z1 SERVER SYSTEM FOR AGES NOW, BUT NOBODY TAKES ANY NOTICE. IT'S HARD TO GET EXCITED ABOUT SOMETHING THAT DOES WHAT IT'S SUPPOSED TO. HOWEVER, RICHARD ZYBERT HAS NOW BOUGHT OUT A CUT DOWN VERSION OF THE Z1, CALLED THE GEM. APPARENTLY, IT IS MOST SUITABLE AS A SERVER FOR NETWORKS OF BETWEEN 2 AND 10 PCS. CHECK OUT WWW.ZYBERT.CO.UK/GEM AND RICHARD WILL PUT YOU IN TOUCH WITH THE RELEVANT RESELLER.

On a slightly different note, Richard also tells me that he has now developed encrypted disks. In other words, if somebody actually steals your hard drive, they still won't be able to read the data. Despite all the fuss about viruses, physical theft of kit is a real possibility.

Live long and prosper?

Allegedly, you will live longer (and pay more tax) if you do the following:

- Lift weights – muscle burns calories
- Skip the odd lunch – it boosts your disease defenses
- Floss your teeth – teeth bugs cause inflammation
- Be successful (relative to others) – being held in high esteem by your peer group boosts your immune system
- Learn to be optimistic – optimists live 19% longer than the rest
- Take the right supplements – if only we knew which ones

Try www.authentic happiness.com again.

Definitions galore

It looks like the brave new world of management has given us some new definitions. Not sure where they came from:

- Testiculating - waving your arms around and talking Bollocks
- Blamestorming - sitting around in a group, discussing why a deadline was missed or a project failed, and who was responsible
- Assmosis - the process by which people seem to absorb success and advancement by sucking up to the boss rather than working hard
- Stress puppy - a person who seems to thrive on being stressed out and whiny
- Percussive maintenance - the fine art of whacking the crap out of an electronic device to get it to work again

Bil on board

Belinda Mitcham joined the firm in September. Her primary role is to assist Sue with work on accounting systems. She needs a character name. Tall. Dynamic. Not to be argued with. Ideas to bullybroads@chrisduckett.co.uk

Disclaimer

Pragmatic courage: Courage is essential to great leadership, but timing is everything. We prefer that executives display courage only in the face of certain success. The demonstration of courage at other times has been deemed "high risk" by Legal.



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