



April 2014 Newsletter

Is there anybody still out there?

Those of you of a neurotic disposition will have concluded by now that I must have struck you off the mailing list. In fact, I just ran out of steam. So, plenty of stuff to catch up with.

Book of the month

"Touching the Void" by Joe Simpson.

The story (and later film) of a 1985 expedition to Peru which went horribly wrong, generated the famous "cutting the rope" decision by Simon Yates, and resulted in Joe crawling down a glacier for days (with a broken leg) to reach safety.

<http://touchingthevoid.com/>

I will explain the significance of this reference in due course.



Tax tips

As usual at this time of the year, I got Ms Whiplash to explain/list all the things that are changing in tax and then explain how this might be interesting. She failed with the explanation, but you should still read it.



Coffee + biscuit

If somebody comes to you for coffee and gets a little biscuit on the side, what do they think when you stop giving them the biscuit? This is the argument/analogy that finally persuaded me to produce a newsletter. But what is the answer?

Work life balance

As they used to say at Microsoft (allegedly), you can have a work life balance, but not in the same week. Current research draws the startling conclusion that you have to define what it means to you if you are to achieve it. So, 5 minutes with your children every night can qualify. I'm inclined to follow the (primarily) female measure which says that you've got it right if your children judge you to be a competent person. I'm not sure how old they have to be to qualify.

Lies, damned lies and the Office for National Statistics

I know this thinking was heavily featured in the Sunday papers, but it's so ridiculous that I'm going to bother the point again. By the middle of 2012, it was apparent to those on the ground that the recession was easing. Then the ONS published data showing that the economy had double dipped and everybody just gave up. Subsequent revision of the figures has shown that there was in fact a level of growth (albeit very small) and we could all have emerged happily into the sunlight over 12 months ago. Grrhh! Negative sentiment was encouraged by a superb article in Money Week suggesting that the Government would run out of cash fairly soon in a 1970s-style sprint to achieve Banana Republic status. Read it and weep. Of course, they could yet be right. The end of Britain?: <http://info.moneyweek.com/urgent-bulletins/the-end-of-britain/>

Star customers

The much delayed Edgar St Grid in Hereford has been the cause of serious traffic delays in Hereford for over 12 months with knock on direct damage to town centre retailers and indirect damage to the rest of us. Is there going to be a net gain to anybody local? James Gardner of the Coffee Cart is the local pin-up boy of the ESG. As one of the few resident businesses to actually get a slot in the complex, he is much in demand from politicians and (other) professional baby-kissers as local colour in photo opportunities. Go James!

Viral breach

The IT guys have been warning for years about the risks of viruses and nothing ever

happened. Then last week it did – we got the Cryptolocker. This works by encrypting all Word, Excel and Pdf files and the “owners” of the virus will sell you the unlock keys for \$400. Instead, we got Chris Aubury and Richard Zybert to restore the previous day's backup and over-write the lot. It was nerve wracking, but successful. And the best part of 2 days of production was lost. The virus came in as an attachment to what appeared to be an RTI acknowledgement e.mail from HMRC. The lesson is to be very careful of all attachments, even if they come from apparently reputable sources, as this route can circumvent anti-virus protection. Richard Zybert is still struggling with the “nobody ever got fired for buying Microsoft” principle, but his Gem and Spok systems still do exactly what they say they will with no fuss. Readable techletter too:

<http://zybertcomputing.co.uk/nettsales2lz/lz.aspx?p1=0599604253331&CC=&p=2&cID=16&cValue=5>

I did ask Richard to produce an article on the recent Heartbleed virus and he duly got quite excited, responding with lots of info, most of which I didn't quite understand. Suffice it to say that the Gem/Spok system isn't affected (infected?), but plenty of big players are. The result of an attack can be serious pain in your wallet.

Audit limits to rise

This is not very interesting, but could be important (mostly to accountants). We're expecting the turnover limit to rise to £10m (from the current £6.4m), which will save some companies some compliance costs. Simplified accounts for small companies (turnover less than £600k) are also coming in as part of the Government's anti-red tape initiative. It's not clear whether HMRC will see it quite the same way. To be fair to HMRC, they have embraced the concept of giving money back to companies where R&D claims are concerned.

Game of Thrones

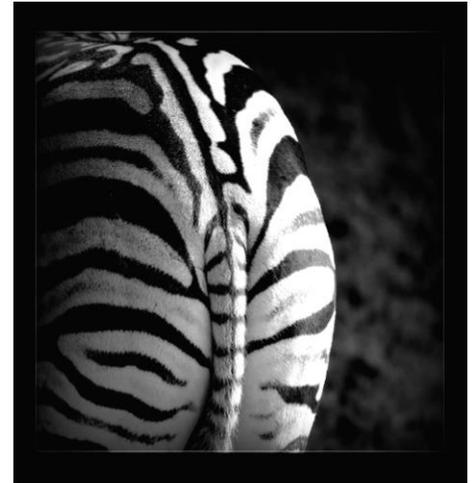
Opinion seems to be divided over this series, with the dragons coming in for particular derision. [As an aging pervert, I don't see what can be wrong with squirming, scantily clad lovelies and the plot line (with or without dragons) is no more outrageous/unlikely than the ONS pronouncements.] But the real fun is to be had in identifying character traits amongst people you know. I've definitely identified one Joffrey. Tyrion might be trickier.

HMRC scans facebook

Tweeting about a trip to the Maldives and then asking for time to pay is not wise. HMRC have said that they will be using every legal method to close the tax gap.

In the US (and we generally follow) the IRS is using data mining and pattern recognition software to check credit card transactions and other sources to build up profiles of taxpayers which can then be used to identify possible investigation targets.

You need to think about the impact of casual remarks about what you've been doing and where you've been doing it. After all Big Brother is watching, especially as Joe Public (at least those under 40) is broadcasting his every move.



New players

As it's so long since the last Newsletter, I've got to announce 3 new employees:

- Tamsin – PA to the Light Side
- Mark – Sue's apprentice
- Gavin – Kate's player

And Sue is still promising to retire at the end of October

We've had the most fun trying to replace Grace in the PA role. She left last August (due to ill health) and the Boyscout saw off 3 replacements in quick succession. One of them lasted less than 2 days. He blames me (for being too miserable). Everybody else blames him (for being too earnest). Anybody wishing to give Tamsin advice should come to the Any Questions event. I also stand by for suggestions as to a suitable stage name for her. Just don't upset her: I can't face any more interviews.

The other internal news is that, after 14 years of PWC blue (nobody in accountancy ever got fired for choosing blue), we're decorating and reorganising the main office. The upheaval should be over by mid-May. Thereafter, sightseers welcome: second only to the Mappa Mundi.

Random ideas:

Just how keen should a good salesman be?:

<http://www.rainsalestraining.com/blog/building-business-relationships-its-not-stalking-if-you-do-it-right/>

The Sage of Bishopswood says:

<http://www.hiscox.co.uk/business-blog/features/five-minutes-with-an-entrepreneur/friday-5/#>

Microsoft does social media at last:

<http://blogs.adobe.com/digitaleurope/2013/09/11/marketing-minutes-phillipa-snare-microsoft-uk/?scid=social11827634>

Tax courts misinterpret the law

Where an individual should have registered for VAT but doesn't, the VAT is to be calculated based on the gross sales. So, under the current rules, this would be 1/6 of the total. HMRC took a case to Tribunal where they calculated the VAT on top of the sales.

So, say the sales were £300k, the VAT should have been £50k: HMRC calculated it to be £60k. There will have been interest and penalties, so the individual has been overcharged by over £10k

AND THE JUDGE DID NOT NOTICE

50 years on: plus ça change plus c'est la même chose

50 years ago, on 22 November 1963, President Kennedy was assassinated. [I can't actually remember this, although I was alive at the time.] His life, the manner of his death and his presidency have remained of consuming interest ever since. Most folk don't realise that he was instrumental in setting up the OECD in September 1961. Tax has always been one of the core activities of the OECD and President Kennedy said:

"Recently, more and more enterprises organized abroad by American firms have arranged their corporate structures-aided by artificial arrangements between parent and subsidiary regarding inter-company pricing, the transfer of patent licensing rights, the shifting of management fees, and similar practices which maximize the accumulation of profits in the tax haven-so as to exploit the multiplicity of foreign tax systems and international agreements in order to reduce sharply or eliminate completely their tax liabilities both at home and abroad."

Google, Starbucks & Apple - please step forward.

Seth Godin says

Just for once, I'm not going to cut this article to fit. This is Seth in his unabridged glory:

"Who gets your best work?

If you reserve your best effort for the irritable boss, the never-pleased client and the bully of a customer, then you've bought into a system that rewards the very people who are driving you nuts. It's no wonder you have clients like that--they get your best work.

On the other hand, when you make it clear (and then deliver) on the promise that your best work goes to those that are clear, respectful and patient, you become a specialist in having customers just like that.

One of the largest turning points of my career was firing the client who accounted for a third of my company's work. We were becoming really good at tolerating the stress that came from this engagement, and it became clear to me that we were about to sign up for a lifetime of clients like that.

Set free to work for those that we believed deserved our best work, we replaced the lost business in less than six months.

Years ago, I heard the story of a large retail financial services company that did the math and discovered that fewer than 5% of their customers were accounting for more than 80% of their customer service calls--and less than 1% of their profit. They sent these customers a nice note, let them know that they wouldn't be able to service them properly going forward, and offered to help them transfer their accounts to a competitor. With the time freed up, they could then have their customer service people double down on the customers that actually mattered to them... grease, but without the squeaky wheel part.

No, you can't always fire those that are imperious or bullies. But yes, you can figure out how to dig even deeper for those that aren't. That means you won't take advantage of their good nature, or settle for giving them merely what they will accept. Instead, you treat the good guys with even more effort and care and grace than you ever would have exerted for the tyrants.

The word will spread.

[The other alternative is a fine one, if you're up for it... specialize in the worst possible clients and bosses, the least gratifying assignments. You'll stand out in an uncrowded field! The mistake is thinking you're doing one and actually doing neither by doing both.]

http://sethgodin.typepad.com/seths_blog/2013/09/unreasonable-clients.html

Disclaimer

Whiplash offers advice to her daughter on simultaneously finishing university and attaining the age of 21:

"Funs over, sunshine: time to board the shit train."

Harsh, but accurate?



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