

VETERINARY NEWSLETTER SUMMER 2015



P11D FORMS AND SETTLEMENT AGREEMENTS

All employers should by now have completed the annual task of supplying staff with their P60 forms for the 2014/15 year – the deadline was 31st May. There is however one further hurdle which is easy to overlook, which is the preparation of form P11D for each employee who received a taxable benefit or expense payment in the year.

The deadline for submitting the forms to HMRC is the 6th July, with the Employer's NI (broadly, 13.8% of the benefit value) to be paid by 22nd July. Albert Goodman can prepare these on your behalf, if we do not already do so.

If the majority of taxable benefits are relatively minor, it may be worth entering into a PAYE settlement agreement (PSA) with HMRC. Under a PSA the employer pays over the tax and NI on the benefit, and in turn the benefit doesn't get reported on a P11D.

Although the cash cost to the employer is increased, this may be more than offset by the time cost saving in not having to file a P11D for some, or perhaps any staff. HMRC does not define "minor" but benefits such as taxable staff entertainment, gym memberships, small gifts and personal telephone bills would all qualify. The provision of a company car would not. The number of staff you have is not relevant – it is the *value per employee* which should be considered when looking at whether a benefit is minor.

One last thought: if a benefit can be considered "trivial" then it does not need reporting at all. This could include small seasonal gifts given to staff, a round of drinks after work and so on. Anything which is readily convertible to cash or goods (i.e. gift vouchers) can never be trivial.

Please get in touch if you would like any help or advice in completing your P11D forms on time, or to find out if you would benefit from a PSA.

BUDGET 2015 (AGAIN!)

The chancellor has announced his intention to present a second budget for the 2015/16 tax year on 8th July. There is much speculation about what will or won't be included, but the only thing we can be certain of at this stage is the importance of reviewing your plans for the rest of this tax year, and also further ahead.

This is especially crucial with regards to purchases of plant and machinery, as any change in the Annual Investment Allowance (currently £500K and expected to fall to £25K after 31st December) may mean delaying, bringing forward or staggering such purchases to obtain the greatest tax relief.

Immediately after the budget we will be preparing a summary of the changes, and how these may affect you and your business. If you would like a copy to be sent to you, please let us know.

IDENTIFYING AREAS FOR IMPROVEMENT

External benchmarking is used by many practices to see how they stack up against the rest of the industry. Its aim is to give a real insight to how the practice is performing. Unfortunately, publicly available data is often too high-level and aggregated to aid day-to-day decision making. Industry reports are published infrequently, so a lot of data is obsolete or no longer relevant. They make an interesting read if you want to see how the professional is evolving, where the growth areas are and the long-term outlook, but are less useful in identifying specific areas in which you are under- or out-performing the rest.

Clearly you and your competitors will guard their own performance data fiercely – and rightly so – which makes any form of regional comparison tricky. Accountants can position themselves as a conduit for external benchmarking, aggregating data from their own clients who wish to ‘opt in’, and providing anonymised data to all participating clients. However there is a cost to all parties involved – not least to the practices who need to take the time to extract data from their practice management software on a regular basis.

The launch of Vet Viewer’s web-based software last year could be the answer many practices are looking for, and is now available UK-wide. The system talks directly to your PMS and extracts detailed data on a regular basis. It then aggregates this with all other participating practices, and allows you to compare your performance against UK practices as a whole, against some very detailed data. We have been assured that once the software has a ‘critical mass’ of practices, there will be a further option to drill down into regional comparisons. At this point, we feel the finesse of such a system will become a very powerful tool for all our clients in considering what they do best, and what they can improve on.

The current dataset allows to you to see monthly, quarterly and YTD comparisons against the industry. These include the headline income per vet/fee per visit/animals seen and split of sales per category, as well as some very detailed tables breaking down fee income and staff ratios.

Crucially, Vet Viewer is free to use. Their business model is based on the sale of the collected data to veterinary suppliers and market research firm (and indeed anyone else who wishes to purchase it). They stress that the data is anonymised and aggregated, so no practice could be identified by a third party.

(Albert Goodman is not affiliated with any benchmarking provider, and this article is written solely from our experience of Vet Viewer. Other systems may be available)



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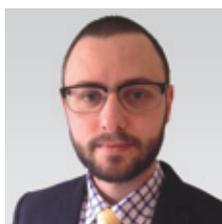
CONTACT

If you would like to arrange an initial no-obligation meeting, at no cost, to discuss any of the matters raised in this newsletter, or to find out how Albert Goodman can benefit you or your practice please do not hesitate to contact **Peter Watkins on 01823 286096 or peter.watkins@albertgoodman.co.uk**

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