

Jack Ross

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Engage Jack Ross to save tax
Engage Jack Ross to improve profits

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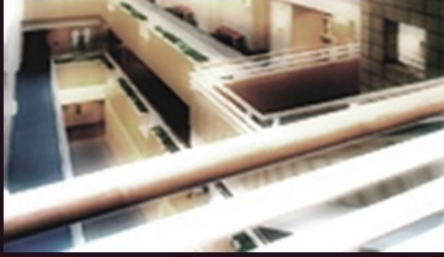
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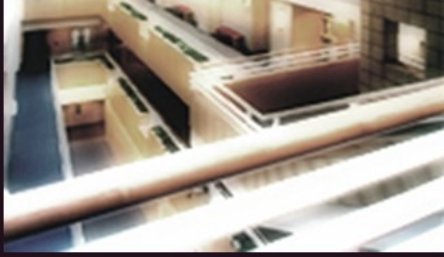
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A presentation to **Valley at Work**

By Umar Memon, Partner

Jack Ross Chartered Accountants

2nd November 2010

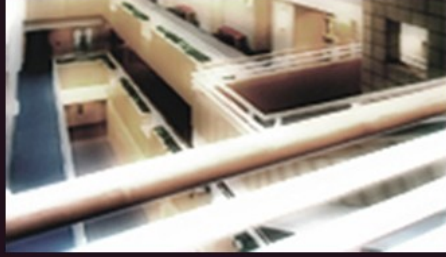


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Introduction

- Jack Ross
- Types of Business Structures
- Practical Aspects
- Tax Aspects
- Profit Improvement
- Questions



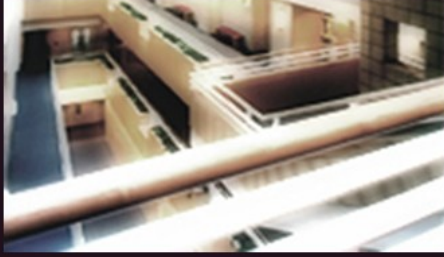
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Introduction

Who are Jack Ross?

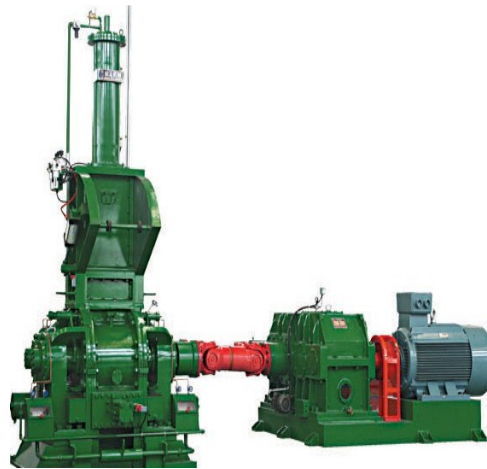
- Jack Ross established for over 60 years
- Umar Memon Partner for over 11 years
- Based in Manchester & Rossendale
- Client base mainly in the North West
- We work with family businesses

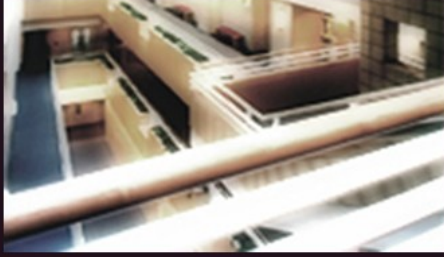


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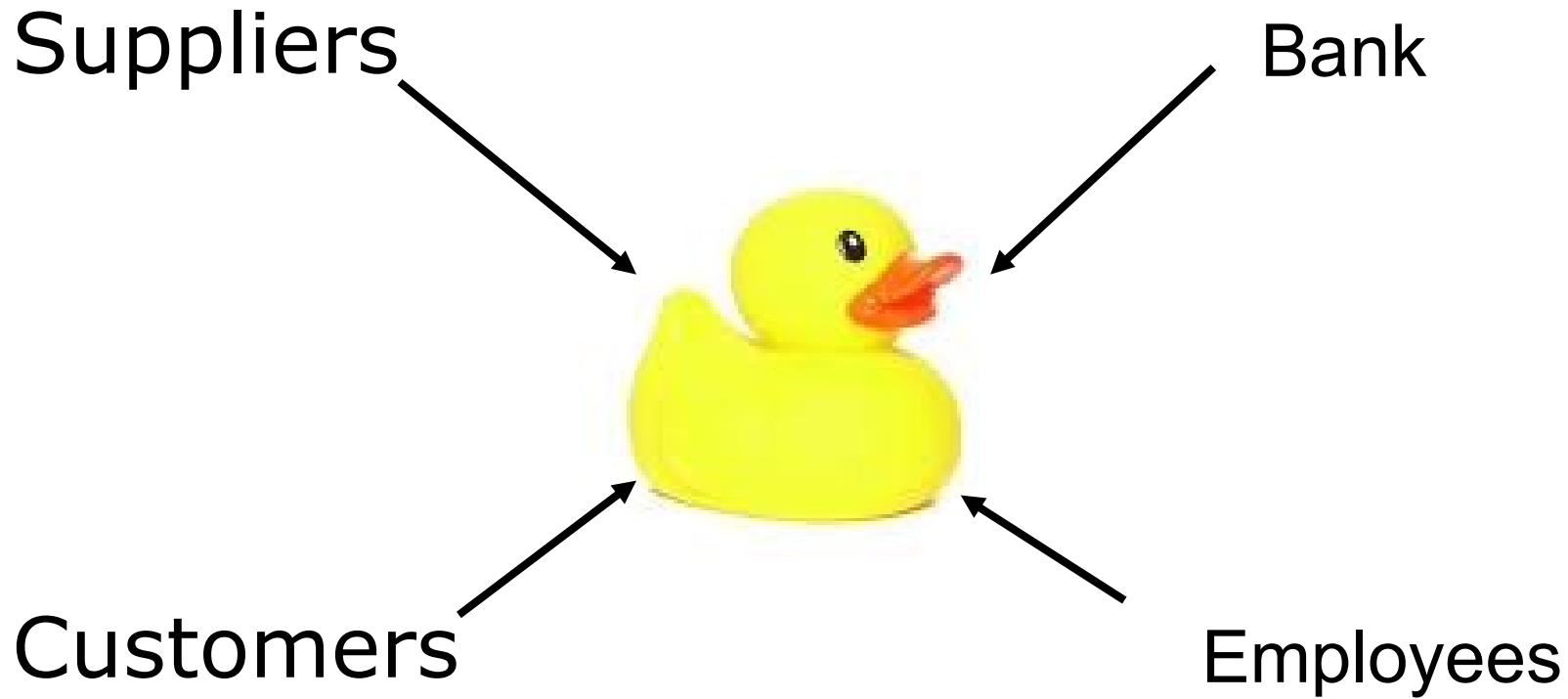
Rubber Duck Business

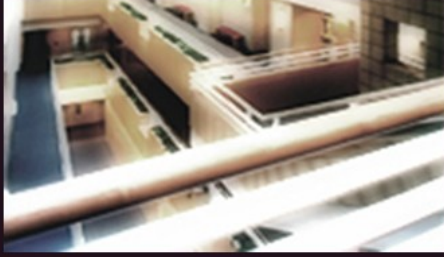




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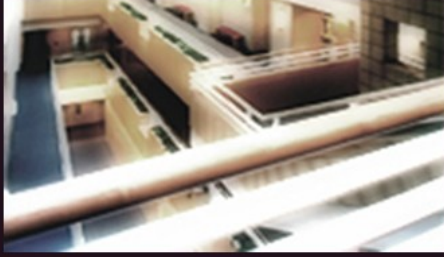


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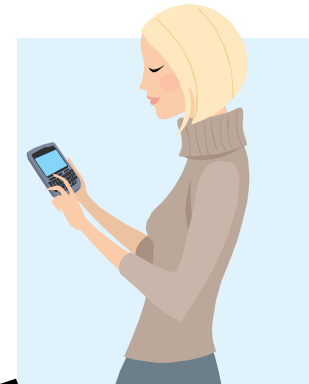


**Rubber Duck
(Sole Trader)**
Unlimited liability

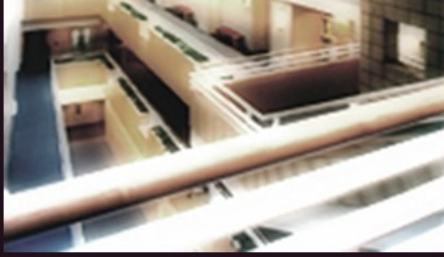


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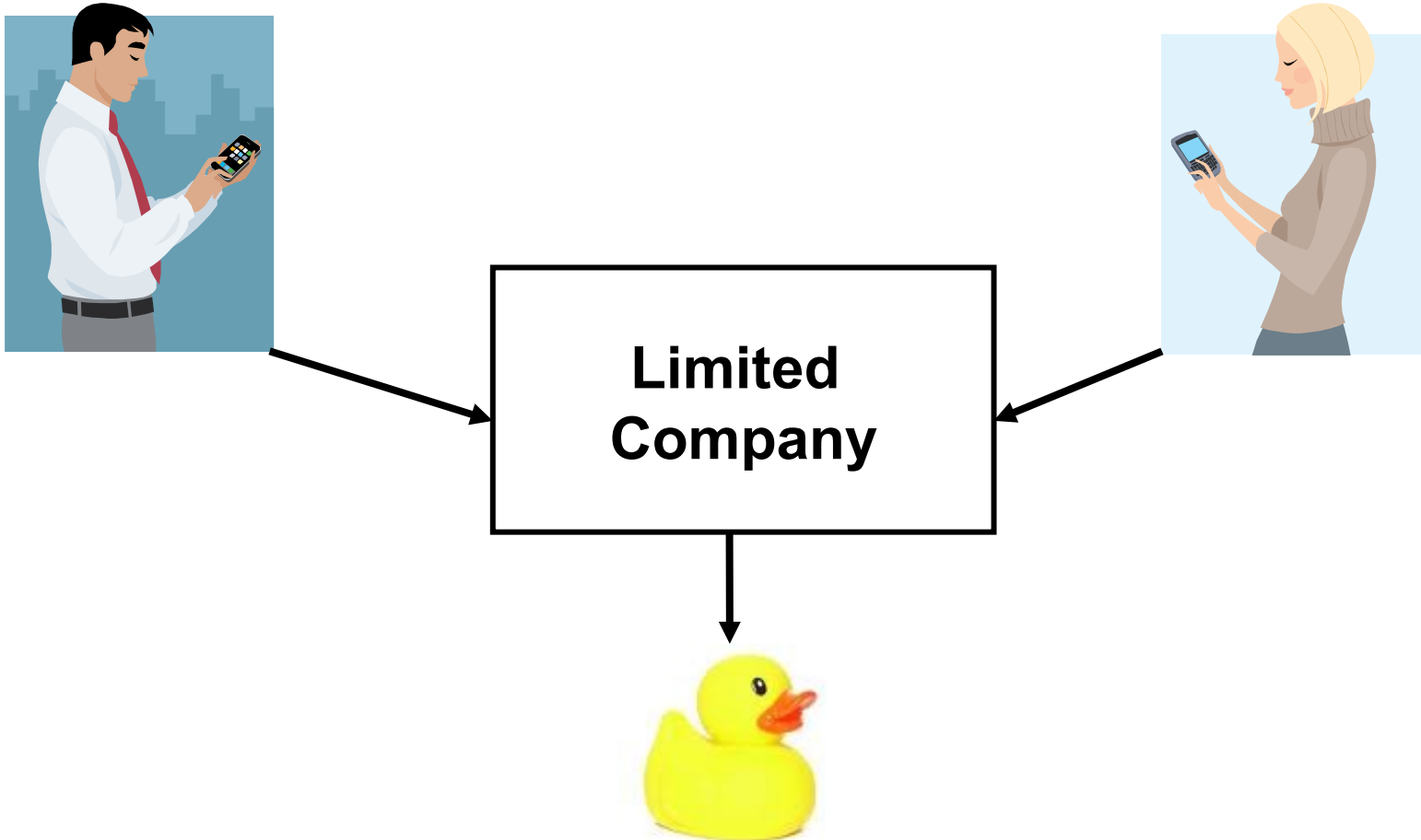


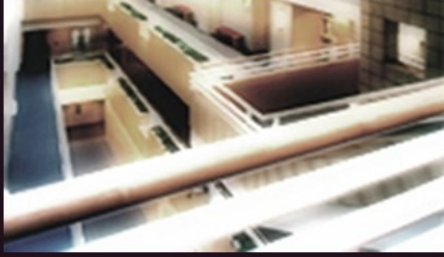
**Rubber Duck
(partnership)
Unlimited liability**



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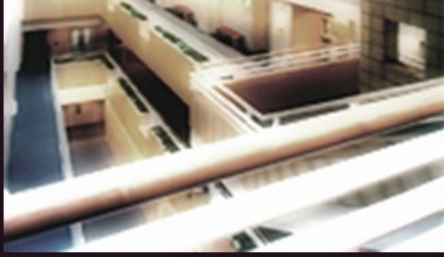
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Plc



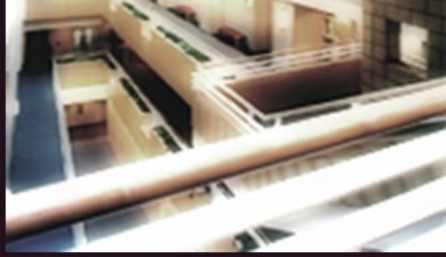


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Different Structures

- Sole trader
- Partnership
- Limited Company
- LLP
- Hybrids
- Not for Profit organisations
- Charities

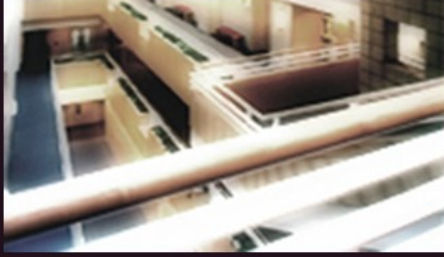


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Practical Aspects

- Sole trader/Partnership
 - “less formal”
 - No public record
- Limited Company/LLP
 - Need constitution
 - Companies House
 - Costs vs Formality vs Tax Savings

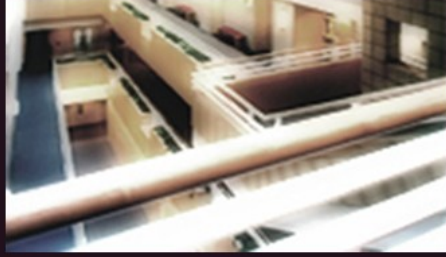


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Sole Trader/Partnership/LLP

- Income Tax 20%/40%/50%
- NI – Class 2/Class 4

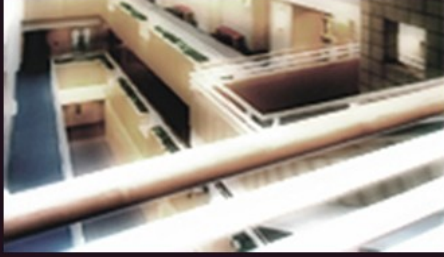


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Limited Company

- Corporation Tax
 - Currently 21% to 28%
 - Due to fall to 20% to 24%
- Can avoid NI entirely
- Can plan remuneration

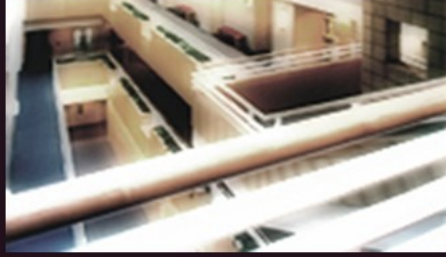


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VAT/PAYE

- Applicable to all entities
- £100m client – partnership/not a company

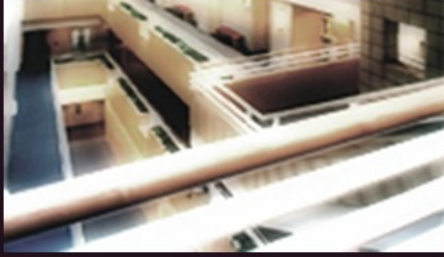


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Tax Tips

- Make Pension Payments
 - Individuals can save up to 40%/£20K
 - Companies can save up to 28%
- Capital Allowances - £50K/£25K
- Equalise Income
- Avoid penalties/interest
- Give it away!!

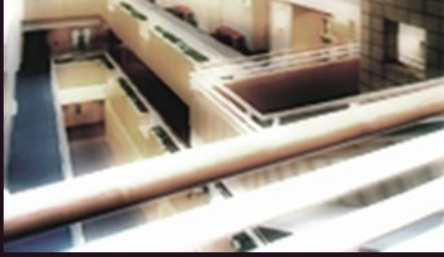


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Improving Business Profitability

- Most common problem we find is lack of profitability
- Most often, reason is incorrect pricing
- Most small and medium businesses are service based
- Yet they compete on price, not added value

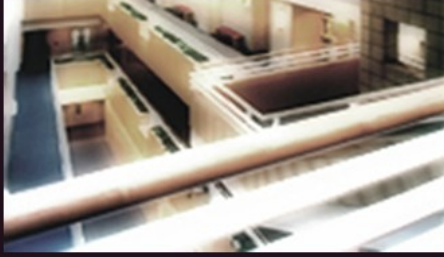


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SPUDS OR PRINGLES?



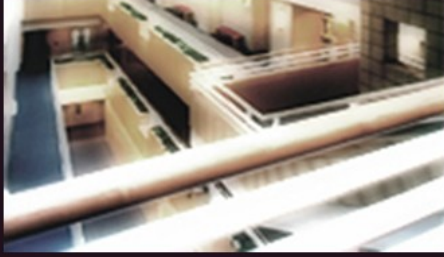


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Effects of Discounts

	£
Cost	800
Mark up 25%	200
	<hr/>
Sales Value	1,000
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Gross Profit	200
	<hr/>



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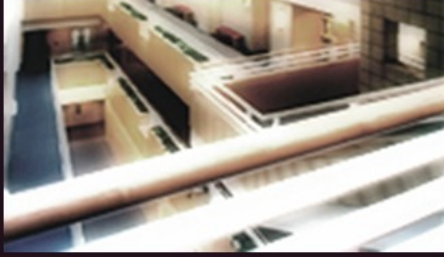
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Effects of Discounts

Give a 10% Discount	£
Sales Value	900
Cost	800
	<hr/>
Gross Profit	100
	<hr/>

i.e. profit reduced by 50%!!!!

DON'T GIVE DISCOUNTS (WITHOUT KNOWING THE EFFECT)



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