



client

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matters

fpm chartered accountants

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NAMA Urged to Promote & Facilitate Transactions

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» Speaking at a "Surviving to Thriving" property information morning at Parliament Buildings, Stormont on Monday 6 June 2011 organised by Warrenpoint based company K-Point Internet Solutions, developers of property management software Rent – PRO, FPM Managing Partner Feargal McCormack urged NAMA to promote and facilitate transactions.

In a wide ranging presentation, Feargal stated that NAMA, now two years in process, is the biggest property owning entity in the world, and to date, is an unproven experiment – some might suggest "an Irish solution to a European problem".

Feargal added NAMA's approach to the management of assets under its control, will have a very significant impact on the island economy and property markets. The challenge for NAMA will be to achieve its aim as per its Chairman, Frank Daly, "to be a workout vehicle and not a mechanism for liquidation".

Feargal stated by its nature NAMA is intrinsically involved in risk based activities, and there must be an acknowledgement that it can minimise but never eliminate risk. Risk taking is at the core of the real economy, and will be a prerequisite for growth. In this context, NAMA must be encouraged



Pictured at the event at Stormont Castle are, left to right, Helen Quigley, MD of the Inner City Trust in Derry, Conference organiser Roisin Chambers, Sales and Marketing Manager for K Point Internet Solutions and Feargal McCormack.

to promote and facilitate transactions. Feargal went on to state "improved economic times and the involvement of peace on the island of Ireland, unfortunately also created an environment for the island of Ireland to be infected by a virus – commonly known as "GREED" which infected many of our vital organs, across both individuals and institutions.

We must step away from the blame game, and the desire for retribution, because I believe looking back in anger achieves little.

We must not be immune from the soul searching required to ensure, that what has happened does not happen again. Soul searching

can indeed be a healthy and cleansing exercise, but only if it translates to action.

We cannot change the past but only influence the future. Private and public sectors must work together to achieve economic recovery on the island of Ireland.

In order to facilitate recovery and thus for businesses and the economy to move from surviving to thriving, there will be challenges for Banks and NAMA. Banks and NAMA must recognise that property valuations have fallen to levels that few could have forecast, and are unlikely to recover. Negative equity has resulted in many instances and personal guarantees are

worthless, in many cases. The bankruptcy laws in Northern Ireland and the UK are such that developers with distressed assets and distressed personal financial positions are unlikely to work with Banks and indeed NAMA unless there is a win win scenario for both the lender and developer. It is important to appreciate that bank customers owning distressed assets do have rights and that some debt forgiveness may be required to get the economy moving again. The clear focus for NAMA and the Banks should be to facilitate economic recovery by engaging with compliant customers as partners with a common purpose".

In concluding Feargal stated, "we are the generation which significantly improved its economic fortunes, but got carried away with the speculator property boom.

We are the generation which has constructed a peace which has eluded every other generation.

We can display wisdom and learn from our recent economic mistakes.

We can become more competitive again, we have to be ideas driven, knowledge and innovation driven, not greed driven, but rather people centred. Our economy has to be more private sector led, greener and sustainable going forward. We owe it to future generations".

FPM Win Best Place to Work Award at the Irish News Workplace and Employment Awards 2011... SEE LEAFLET INSIDE



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THE IRISH NEWS
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FPM Who are we?

FPM, established in Newry in August 1991, is a client focused, euro friendly chartered accountancy and business consultancy, partnership practice with offices in Newry, Belfast, Dungannon and Dundalk. A member of IGAF Polaris, a global association of independent accounting firms, with offices located throughout the world, FPM has specialist skills in accounts preparation, audit, tax planning, cross border business and tax advice, business consultancy, strategic planning, corporate finance, corporate recovery, restructuring & insolvency, wealth management and public sector consultancy including economic appraisals and evaluations.

FPM has a trusted advisor relationship with its clients and has an affinity with emerging and growth companies. The backbone of its practice is owner managed businesses (OMB's) and small medium sized enterprise (SME's) who share a common goal, the desire to grow and be sustainable in the long term.

FPM has won no less than 16 prestigious awards since 2004, including, LexisNexis Best UK Tax Practice Award 2008, the NI SME Business of the Year Award 2004, Accountancy Age UK Small Firm of the Year 2005, The UTV/Business Eye Business Consultancy of The Year 2009 and The Global Excellence Quality Award NI 2006

The practice has eleven partners and now employs seventy two people and has achieved average annual growth since its inception of 20% per annum.



CONTACT INFORMATION
FPM Accountants LLP

Newry Office:
Dromalane Mill, The Quays,
Newry, Co Down BT35 8QS
Tel: 028 302 61010

Belfast Office:
1-3 Arthur Street, Belfast
BT1 4GA
Tel: 028 9024 3131

Dungannon Office:
30 Northland Row, Dungannon
Co Tyrone BT71 6AP
Tel: 028 877 50 400

Dundalk Office:
FPM Partnership
Block 5, Quayside Business
Park, Dundalk, Co Louth
Tel: 042 93 88898

Website: www.fpmca.com
Email: info@fpmca.com

FPM Accountants LLP and FPM Partnership are part of the FPM Group.

All details and tax data correct at time of going to press. FPM cannot be held responsible for any errors, omissions or action taken as a result of the enclosed information. FPM always recommend that you seek professional advice and consultation.

Seamas Keating Appointed Director



Seamas Keating pictured with FPM Business and Recovery Partner Alison Burnside and FPM Managing Partner Feargal McCormack on the announcement of his directorship in FPM.

FPM are delighted to announce the appointment of Seamas Keating as a Director in the FPM Business Recovery and Restructuring Division.

Seamas a qualified Chartered Accountant and Member of the Association of Business Recovery Professionals (MABRP) recently received his Licenced Insolvency Practicing Certificate. Seamas now joins FPM Partner, Alison Burnside as a licenced Insolvency Practitioner in Northern Ireland, and like Alison, has also successfully completed the Diploma in Insolvency in respect of the Republic of Ireland.

Seamas joined FPM in September 2006 as a Manager and has gradually progressed through the firm. FPM Managing Partner Feargal McCormack stated that FPM were delighted with the appointment of Seamas as a Director in the firm and they were very confident that Seamas along with Alison Burnside supported by the rest of the FPM Turnaround Team would continue to grow the FPM Business and Recovery Division.

Seamas is married to Karol and they have one daughter, Emma.

IGAF POLARIS

A Global Association of Independent Firms

FPM is now part of the third largest association of independent accounting firms in the world.

On 1 June 2011 Polaris International (of which FPM Accountants LLP was a member) Fidunion International and IGAF Worldwide agreed to merge to create a powerful independent global accounting association with a com-

bined annual revenue of US \$1.82bn, 384 member firms, 2,400 partners, 16,300 employees and 843 offices in 89 countries around the globe.

Commenting upon the merger, FPM Managing Partner Feargal McCormack stated the merger would provide many benefits for FPM and its clients. He added, "we are excited about the tremendous breadth of experience and

skills now available to FPM and the ability which the new merger offers to help our clients succeed on an international scale. We can facilitate introductions to trusted local advice for our clients international operations through our membership of a global association of 364 independent accounting firms in 89 countries".

FPM Supports 12.5% Corporation Tax Rate in Northern Ireland...

Following the publication of the UK Treasury paper "Rebalancing the Northern Ireland Economy" on 24 March 2011, FPM have submitted a response to the Consultation Paper urging the British Government to devolve tax powers to the Northern Ireland Assembly and for the Northern Ireland Assembly to introduce a 12.5% Corporation Tax rate, similar to the Republic of Ireland.

FPM Consultancy Director Mark Spence sits on the Chartered Accountants Ireland Focus Group on Rebalancing the NI economy.

FPM Director, Mark Spence pictured in the centre with Northern Ireland Secretary of State, Mr Owen Patterson, MP and UK Exchequer Secretary to the Treasurer, Mr David Gauke, MP at the launch of the UK Treasury Rebalancing the Northern Ireland Economy Consultation Paper



FPM Celebrate 20 Years in Business...

FPM Chartered Accountants will celebrate 20 Years in Business on the 20 August 2011.

FPM was started by current Managing Partner Feargal McCormack on 20 August 1991 along with a part-time secretary and now has eleven partners, including eight equity partners and seventy two staff across its four offices on the island of Ireland in Newry, Belfast, Dungannon and Dundalk.

Since then, the business has grown on average by 20% per annum without acquisition, perhaps unique in the British Isles and indeed Europe. In order to celebrate their 20 Years in Business FPM are planning to host an informal family friendly breakfast at their Newry Office on Saturday 20 August 2011 at 10.00am.

All FPM clients and their families are more than welcome to attend the breakfast event and can be assured of a warm reception.



Pictured left to right are FPM's equity partners; Teresa Campbell, Feargal McCormack, Michelle Hawkins, Ruairi Martin, Janette Burns, Michael Farrell, Paddy Harty and Alison Burnside.

Public Services in the Rebalanced Economy

Alongside the current high profile discussions about the potential to introduce lower corporation tax in NI to assist the growth of the private sector, there is also focus on the requirement to maintain and improve public sector services under increasing budget pressure.

FPM Director, Mark Spence sits on the Delivery of Public Services Committee of the IoD Northern Ireland which is considering the range of potential responses of the NI Public Sector to the medium and long term economic pressures on current services.

It is widely recognised that the Northern Ireland economy is out of balance compared to other regions in that the size of the private sector is too small in relation to the size of the public sector

The public sector is funded out of taxation, mainly generated through private sector corporate and employee taxation. At any time, but particularly at a time of economic austerity, this imbalance in the economy is unsustainable. Moreover the fundamentals have changed; Northern Ireland can no longer expect to be able to sustain its living standards and the services provided by Government through an



**By Mark Spence
Consultancy Services Director**

ever growing subsidy from Britain. A new way of thinking is required.

Government must engage and deliver service through the most efficient method possible thereby releasing tied up resources. It is also important that the unions recognise that an inefficient delivery model - while initially protecting jobs - will in the long run lead to fewer jobs and a reduced service. A rearguard attempt to protect the status quo is not in the best interests of the people of Northern Ireland

Changing the balance

Rebalancing can therefore be achieved by moving the delivery of services from the public sector into the private sector

when it can be demonstrated that this will result in greater efficiencies while maintaining the quality of the service delivered to the citizen. Such considerations must be conducted under strict conditions to safeguard service levels and lock-in value for money.

How and why partnership delivery models could work

The public sector needs to identify what are the core services that need to be delivered by the public sector and what is not core, but rather auxiliary services around the core that can be more efficiently delivered outside the public sector. Indeed some public sector agencies have the potential to operate as private sector bodies because the services they provide or resources they hold are of value for commercial purposes. Indeed, some already do so like Ordnance Survey NI.

Such considerations will challenge the mindset that government is the best deliverer of services to the citizen but would align us more closely to other parts of the UK and Ireland where such models already have demonstrated significant efficiency and retained quality of service.

CLIENT NEWS

Invest NI Short Term Employment Scheme

Invest NI have just launched a new £19m initiative, the Short Term Employment Scheme (STES) to help rebalance the Northern Ireland economy and get more people back into the workforce. There are four main areas of support;

1. Support for new business starts by residents of Neighbourhood Renewal Areas and disadvantaged young people;
2. Broader support for social enterprises;
3. Business Growth Programme; and
4. Employment Grants for new jobs across all eligible sectors but with an added focus in the Contact Centre, Knowledge Process Outsourcing and Food Processing Sectors.

This scheme is applicable where the median salary is below the Northern Ireland private sector average, currently £18,283 and the level of grant per employee will be determined by the median salary within each project.

This is an excellent initiative that has set a target to promote 5,000 jobs over a four year period. Furthermore, it is noted that aspects of this scheme are cross-departmental with added incentives from DEL also available where the new recruits have previously been unemployed. Normal Invest NI eligibility rules apply. If you would like any further information on this scheme, please contact Michelle Hawkins on 02830261010.



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IN BRIEF...



FPM's Ryan Wylie (right) hands over petition to Minister Danny Kennedy MLA, along with other members of Cookstown Chamber

Cookstown Chamber of Commerce

Ryan Wylie, FPM employee and member of Cookstown Chamber of Commerce, met along with other members, residents, shoppers, traders and local councillors to present to the Minister for Regional Development Danny Kennedy their opposition against parking charges being introduced in Cookstown. The Chamber of Commerce received 8000 signatures from local residents, shoppers and traders and presented these to the Minister as their objection to the parking charges being introduced.

Job Creation Funding For Expanding Businesses

Enterprise Ireland has launched an updated version of the Job Expansion Fund for companies planning expansion and development projects, with funding available for recruitment and wage costs for up to two years.

Enterprise Ireland provides a range of funding to assist the development of companies operating in the manufacturing and internationally traded services - key economic sectors for Ireland with potential for export trade.

Upwards of 500 attend Post Budget Seminar with a Difference...

Upwards of 500 delegates attended The Irish News / FPM Post Budget Breakfast Seminar with a difference at the Quays Omnplex, Newry on Tuesday 5 April 2011. Delegates were welcomed by Gary McDonald, Business Editor, The Irish News who explained that the Breakfast Seminar incorporated presentations interpreting the recent UK, Ireland, Northern Ireland Budgets along with practical tips on their impact on doing business from the Island of Ireland.

FPM Chartered Accountants, Managing Partner, Feargal McCormack stated that he believed that businesses operating from the island of Ireland were now facing very stark challenges. He acknowledged that the recent past trends of strong consumer demand, cheap credit and growing public expenditure was over. He added, that "we are now facing a protracted reduction in domestic demand, tight credit controls for businesses and householders and reductions in public expenditure and public procurement".

Feargal concluded his presentation by stating that it was his belief that the recovery (albeit, very slow) had begun and that it would be private sector export driven from the island of Ireland lead by an emphasis on encouraging new Foreign Direct Investment (FDI) and developing exciting and new indigenous companies to grow in size and become more internationally competitive.

The guest speaker at the event was Brian Keegan, Director of Taxation at Chartered Accountants Ireland. In a very comprehensive presentation on contrasting trends in international taxation with trends in the UK and Ireland and on the island of Ireland in terms of business and taxation issues, Brian stressed the importance of basing



Pictured left to right at The Irish News / FPM Post Budget Breakfast are Brian Keegan, Director of Tax, Chartered Accountants Ireland, Janette Burns, Feargal McCormack and Paddy Harty from FPM Accountants LLP.

your tax planning around profits and not expenditure and highlighted that across the world there is now zero tolerance for tax evasion.

FPM Tax Partner Janette Burns interpreted important tax issues arising from the recent UK Budget. In particular she highlighted the growing tax attractiveness of Enterprise Investment Schemes following George Osborne's recent budget.

FPM Senior Partner, Paddy Harty focused on income tax, capital gains tax and inheritance tax and highlighted that he believed as a result of higher income taxes and lower corporation taxes that there would be a growing trend for businesses to consider transferring from sole trader

and partnership businesses to limited companies to mitigate tax liabilities.

FPM Senior Tax Manager, Niamh Higgins focused on the Universal Social Charge introduced and further enhanced in the recent Irish Budget whilst her colleague Desi Foley highlighted the significant new changes in Relevant Contracts Tax (RCT) in Ireland and the importance of having all your accounting records up to date and your tax affairs compliant in order to minimise your exposure to cash flow consequences of RCT.

Following the presentations Gary McDonald chaired a very challenging and interesting Question and Answer session with the panel comprising Feargal McCormack, Paddy Harty, Brian Keegan and Janette Burns.



TWENTY YEARS OF EXCELLENCE



Taskmaestro Secures £500k...

» FPM client, Warrenpoint entrepreneur Gabriel Bradley has secured over £500,000 in Business Angel/venture capital investment to help him grow his business, Taskmaestro, following participation in Invest Northern Ireland's Propel programme and assistance from HALO, the NI Business Angel Network.

Gabriel, who owns Pizza Point in Warrenpoint, set up Taskmaestro to develop and market an interactive touch screen panel, to help manage staff in the hospitality sector. The product, which now has an international patent, is currently being trialled in several high profile outlets. These trials have demonstrated the software can lead to significant cost savings and efficiencies through better management of equipment and energy usage.

"From the experience of running my own pizza business I noticed that staff often forget or neglect to carry out their core duties, especially when the manager is not around to remind them. That's where the inspiration for Taskmaestro came from," says Mr Bradley.

"Taskmaestro is ideally positioned to take



Ian Murphy, Invest NI with Gabriel Bradley.

Taskmaestro

FUNDING SECURED

advantage of emerging market opportunities such as the Food Hygiene Rating Scheme (FHRS), introduced by the Food Standards Agency for food businesses in March. My software can help businesses meet the highest standards through better process and task management. Our ambition for the company now is to grow turnover to over £5 million per annum within the next five years. The venture capital funding investment is

essential to achieving this," he adds.

Ian Murphy, Invest NI's Managing Director of Clients and Entrepreneurship, says: "Taskmaestro is just one of several innovative companies that have benefitted from our Propel programme. Venture capital funding is vital for hi-tech, early stage businesses and the Propel programme, by helping businesses become investor ready and introducing them to potential investors, helps make that valuable link between the business idea and business success."

Gabriel along with his Co-Executive Director, Gavin Rowan Hamilton have recently moved to a new office at Warrenpoint Harbour and are very excited about future prospects of their business.

SiSaf Secures \$900k...

» Biotech company SiSaf, an FPM client has become the first biotech company in Northern Ireland to receive a Silicon Valley investment of \$900,000.

The company employs nanoparticles to enable active compounds to penetrate deeper into the dermal layer, to target the cell membrane, and to be released in a controlled manner. It is an innovative technology that not only enhances the efficiency and localisation of active compounds, it is also bioactive, biocompatible and 100pc safe, which has been a predominant issue for both medical and skincare applications.

The Irish Technology Leadership Group (ITLG) in Silicon Valley launched the funding, which was secured through the Irish Innovation Center (IIC) and Innovation Ulster limited (IUL).

SiSaf plans to advance its Si-Safe delivery system through partnerships and collaborations on a product-by-product basis. Its technology will provide the full development and registration of products that have yet to reach the market and/or enhance the sales of products whose market potential is limited due to issues of bioavailability or toxicity.

The investment will enable the company to expand its R&D team, with particular focus on developing the skills and knowledge of new graduate scientists from the region.

Sisaf CEO Dr Suzanne Saffie-Siebert said winning the ITLG Emerging Technology Award in Stanford University in March last year helped secure this large investment, stating, "Since being selected for the ITLG workshops in October 2009 and winning the ITLG Emerging Technology Award, Sisaf has received an incredible level of support from the ITLG team".

SiSaf

FUNDING SECURED

Deli*Lites Aim High with INI Assistance...

» FPM client, Deli Lites Ireland in Warrenpoint is being assisted by Invest Northern Ireland to increase export sales through a £600,000 investment.

Brian Reid, Managing Director, stated "At the core of the strategy are the acquisition of the new and much larger premises and the achievement of British Retail Consortium (BRC) accreditation. BRC accreditation enables us to bid for contracts from major retailers throughout the island of Ireland."

Deli*Lites Limited

INVEST NI INVESTMENT



Maynard Mawhinney, Invest NI Food Director (left), with Brian Reid of Deli Lites in Warrenpoint.

Horse First - New Product Launch



FPM's Bernice Quinn, pictured with Robert Johnston and Paddy Hughes (right).

Horse First

NEW PRODUCT LAUNCH

» FPM client HorseFirst Limited has recently launched a new innovative product "Omega D Oil". The new product's unique formulation compliments the existing product range and enhances the general wellbeing and performance of horses.

The company founded by Paddy Hughes specialises in the development of a range of products which improves the performance of Horses including RelaxMe, Hoof First, Keep me sound, My joints, Cuppra, New Bludd, B-Well, Back to Form, Garlic & More & Heavy Sweat.

Under Paddy's strategic control, the company has enjoyed average annual growth in excess of 80% in recent years and is now currently supplying customers in Ireland, UK, mainland Europe

and USA. They believe that the USA market particularly offers the company the opportunity to deliver significant growth over the next year.

Paddy believes that this growth has been built on the ability to develop and bring to market a range of innovative products that can be scientifically proven to improve the well being and performance of horses. This has required a commitment by the company to invest heavily in Research and Development, incorporating the highest quality of materials with nutritional expertise to ensure that the products deliver a high level of performance and wellbeing for the equine industry. This investment has proven to be highly successful with the product range being endorsed by some of the Worlds Horseshow Champions including Michael Whitaker, Ludger Beerbaum, Jessica Kurten and William Fox Pitt.

To service existing demand and deliver further growth the company has relocated to larger premises in Flurrybridge Enterprise Centre and are in the process of enhancing the capability of the manufacturing plant to meet the current and future demand. Paddy believes that it is critical that the company continues to invest in Research & Development to ensure that innovative products are continually developed to meet and exceed the needs of the Equine sector.

TOP TIPS...

New Reduced Rate Of Rol Vat To Take Effect From 1st July

Finance (No. 2) Bill introduced a second reduced VAT rate which will take effect from 1 July 2011 and will be in respect of certain goods and services (mainly related to tourism) for the period 1 July 2011 to 31 December 2013.

The 9% rate applies to restaurant and catering services; hotel and holiday accommodation; admissions to cinemas, theatres, certain musical performances, museums and art gallery exhibitions; fairgrounds or amusement park services; the use of sporting facilities; hairdressing services; printed matter such as brochures, maps, programmes, leaflets, catalogues and newspapers. Practicalities of applying this new VAT rate;

- Time of Supply - In general, goods and services supplied before 1 July 2011 are liable to VAT at the rate in force at the time of supply, namely 13.5%. However, where goods and services are supplied in June 2011, by a trader who is obliged to issue a VAT invoice, and that trader issues the invoice after 30 June 2011, the rate in force in July applies, namely 9%.

For further information contact FPM Senior Manager Desi Foley at d.foley@fpmca.com.

NPPR Charge Reminder

The Rol Local Government (Charges) Act 2009 introduced a €200 annual charge on non principal private residences, payable by the owners to the local authority in whose area the property concerned is located.

You are liable for a €200 charge on each property which you own in Ireland which is not your principal private property.

Collection of the Non Principal Private Residence Charge for 2011 commenced on the 31st March 2011.

The 2011 charge is based upon the ownership and status of the property on the 31st March 2011.

Please note that you must pay the NPPR charge for 2011 on or before the 30th June to avoid late payment fees.

Please contact Gretta Quinn at g.quinn@fpmca.com for more information.

Rol Employment and Investment Incentive Scheme (formerly BES) & Seed Capital Scheme

The Irish Finance Act 2011 announced details of the new Employment and Investment Incentive Scheme ("EIS") and Seed Capital Scheme. The new incentive is being introduced to ensure that the tax relief is fully targeted at job retention and creation. The schemes will become operational when EU approval has been obtained and the necessary Commencement Order is issued, until then the current BES scheme and Seed Capital Scheme will remain in effect.



**By Niamh Higgins
Senior Tax Manager, FPM**

Pending approval from the EU the scheme will be amended as follows:

- The qualifying trades' limitations will be removed and scheme will become available to the majority of small and medium sized trading companies. This will encourage investors to invest in a broad range of companies which would not have previously had access to BES funds.
- Certification requirements will be simplified, such that they will be handled. It is envisaged that Revenue will allow companies to qualify where they meet the requirements for company size and are not on the list of excluded trades.
- It will be easier for companies carrying on green energy activities to qualify. Under current BES

legislation "green" companies are required to be trading for 4 months prior to relief being claimed by an investor, under the EIS scheme they will be deemed to have commenced to trade when an application has been made for a grid connection agreement.

- They required holding period for share capital will be reduced from 5 years to 3 years.
- Tax relief for investments will be reduced from 41% to 30% in recognition of the reduced holding

period. The relief can be offset against total income

- A further 11% tax relief may be available at the end of the 3 year holding period where it has been proven that employment levels have increased at the company at the end of the holding period or where the company has increased its expenditure on R&D.

- The maximum annual relief for an individual will remain at €150,000

- The increase in investment limits as announced in the Budget are as in (table A) below.

- The Scheme will continue to run until 2013.

The also proposed to enhance the existing Seed Capital Scheme by redefining the trades which may qualify and to simplify the operation of the current scheme.

Should you have any queries in respect of this article please contact Niamh Higgins FPM, n.higgins@fpmca.com.

TABLE A

Company Fund Raising Limit	Current BES Scheme	EIS Scheme
Lifetime Limit	€2mn	€10mn
12 month investment cap	€1.5mn	€2.5mn

Deadlines For Rol Mandatory Electronic Filing Introduced...

The Revenue Commissioners are now phasing in the introduction of mandatory electronic filing. From the 1 June 2011 the following returns/payments MUST be made online by the following categories of persons/businesses, where they are not already doing so.

- All companies (Form CT 1)
- All trusts (Form 1)
- All partnerships (Form 1)
- Individuals filing stamp duty returns as respects instruments executed on or after 1 June 2011
- Individuals or companies filing returns of payment to third parties (Form 46G)
- Individual subject to the high earners restriction (earning's over €125,000)
- Individual benefiting from acquiring Foreign Life Policies, Offshore Funds or other offshore products.
- Individuals claiming a range of property based incentives (Residential Property and Industrial Buildings Allowances).

Revenue will no longer accept any of the above forms by post. If you do submit a paper return it will not be accepted and penalties and interest could be incurred.

From the 1st of October 2011 employers with more than 10 employees will be required to file P30's and P35's online. Paper returns will no longer be accepted.

For all of the above you will have to register for ROS-ONLINE and obtain a ROS digital certificate. If you need any help on obtaining a certificate please contact Gretta Quinn at g.quinn@fpmca.com.

Rol Finance Bill - updates

The Finance (No.2) Bill 2011 was published on 19 May, 2011 which provides for the tax changes outlined in the Jobs Initiative announcement on the 10 May 2011.

The Jobs Initiative included a number of measures dealing with business and employment taxes, including:

- Abolition of Employer's PRSI charge on share based remuneration
- Temporary halving of the lower rate of Employer's PRSI (which will appear in a Social Welfare Bill to be published in early June)
- Amendment of the R&D tax credit regime to enhance flexibility in how companies can account for the credit
- Temporary reduction in the 13.5% rate of VAT to 9% in respect of tourism-related services
- Introduction of a 0.6% levy on the capital value of pension funds to fund the job creation measures
- No Change to the 12.5 corporate tax rate
- The minimum wage will be increased from €7.65 back to the previous level of €8.65 per week from 1 July 2011.

The legislation is due to be signed into law by the President by mid June 2011.

For more details on the recent changes in the Finance Bills please see our web site or contact Niamh Higgins or Desi Foley.

Sharing the FPM Experience



FPM Managing Partner, Feargal McCormack was invited to be a Keynote-Speaker at Chartered Accountants Ireland Annual Conference on 5 May 2011 in Dublin. The conference attracted over 500 delegates and adopted a theme, "Reinventing the Future: Strategies and Solutions for Sustainable Success". Feargal was invited to share the FPM experience with delegates in respect of practice development, as FPM approaches its 20th Birthday on 20 August 2011.

At the outset, Feargal stated that the FPM brand stood for delivering service to people and helping clients to succeed. "Our motivation in life and indeed in business should be to serve and help others succeed."

FPM believes that the secret to success in business, is wanting to help others to win, and therefore achieve their dreams and quality of life



aspirations.

Our value proposition must therefore be, to deliver results and positive change, in terms of impact solutions for existing and potential clients".

Feargal shared the FPM belief that all staff individually and as a collective unit, need to demonstrate a desire to be 'warriors' and to 'mind their jobs'

and to make a super effort to improve individual and TEAM productivity efficiency (e.g. punctuality, staff absenteeism, positive attitude to work and willingness to help colleagues). In this context, Feargal confirmed that for the financial year ending 30 April 2011 FPM staff absenteeism amounted to 0.84% and that there was clear evidence that FPM staff were endeavouring to do their very best to 'mind their jobs'. 33% had no sick hours during the financial year, whilst 66% had less than two days sickness during the previous year. In total terms the average sickness days per staff member for the year ending 30 April 2011 was 2.19 days which was considered an exceptional performance.

Feargal concluded his presentation by highlighting, that as sure as night follows day, individuals make choices every day and that individual actions matter and can be a force for change.

HALO Networking Event...

FPM were delighted for the third consecutive year to sponsor a HALO networking event in Belfast on 6 April 2011 which brought together businesses seeking prospective business angel finance and business angels.

Speaking at the event FPM Partner, Teresa Campbell stated that in her opinion a business angel is not just an 'investor' but rather a private individual who is prepared to invest risk capital, time, expertise and energy on a good business opportunity in turn for an equity stake in the company. Teresa added that in her experience business angels care about their businesses and the individuals in the businesses they are willing to support and invest in.

Teresa added that FPM have an affinity with the growing businesses and for this reason they were particularly delighted by the number of clients that have successfully secured busi-



Teresa Campbell with HALO Networking Northern Ireland Manager Alan Watts.

ness angel finance in recent years.

From a business angel perspective, there is no doubt that the cur-

rent low bank deposit interest rates, combined with current low company valuations, make it very attractive to investing companies seeking business angel finance. Teresa went on to highlight that the changes made to the Enterprise Investment Scheme by Chancellor George Osborne in his recent UK Budget made Enterprise Investment Schemes even more attractive to business angels. Teresa added, "Enterprise Investment Schemes offer a simple and effective solution to individuals looking to defer and indeed potentially reduce a capital gain, whilst significantly reducing their income and inheritance tax liabilities. Without doubt it is very important that a company seeking business angel finance should try to endeavour to establish themselves as a qualifying company from an EIS perspective".

IN BRIEF...

Compliance is Key Going Forward...

There is growing world recognition of the need for improved regulation and compliance. As a result, if businesses do not place great emphasis on compliance, they will not survive and they will not have a future.

It is recognised that the most boring part of heavy weight boxing is the weigh in, but if you do not pass the weigh in, you will not be allowed into the ring. Examples of compliance going forward include up to date financial accounts, up to date VAT, PAYE, meeting all CIS regulations, Health and Safety accreditations, Professional accreditations, Green accreditations (renewable energy targets) and quality accreditations.

"If you do not tick the boxes, you will not be able to perform in the ring".

Get Closer to Your Bank...

Unless your bank supports you through any credit crunch difficulties you have a real problem.

Treat your bank as a strategic alliance partner. Keep them fully informed of what is going on and the decisions you are taking, and give them lots of notice, if you need help. Remember banks only make money by lending money to you. Proactively manage your relationship with them. Provide them with quarterly management accounts and cashflow statements along with commentary.

If you need to go back to the bank or re-finance, there are a number of possible options:

If, for example a company has been working with its bank to decrease its debt over, say 3-5 years, then perhaps that period could be extended.

Repayments could become interest only for a time, or could possibly be deferred until the situation stabilises (i.e. capital payment holiday), anything that frees up short term cash flow will be beneficial.

If you are looking to re-finance, also consider alternative sources of finance. An asset-based lender may enable you to leverage more funds out of existing assets. If you are importing, there may be trade finance, or stock finance available.

IN BRIEF...



FPM Employee of the Year

Congratulations to Gary Digney, a manager in the FPM Business Recovery and Restructuring Division, who was a popular selection as FPM Employee of the Year."

Special Olympics Ireland Annual Collection Day...

» FPM were delighted to co-ordinate the Special Olympics Ireland Annual Collection Day in both Newry and Dungannon and to play a supportive role in Warrepoint, on 15 April 2011.

Pictured during the Special Olympics Ireland Annual Collection Day are Left Right Down Football Star Martin Clarke, Radio and TV Personality Gerry Kelly, Una McGarry who is going to the World Special Olympics Games in Athens, Rugby Star Simon Best, Terence Donnelly, Donnelly Group Motors and Feargal McCormack, Managing Partner FPM Chartered Accountants and Chairman of the Organising Committee of Special Olympics Ireland Annual Collection Day in Northern Ireland.



Pat Jennings Meets FPM Partners

Newry's great goalkeeping hero Pat Jennings recently met FPM Partners Paddy Harty and Feargal McCormack. Pat kindly hosted lifelong Spurs fanatic Paddy Harty, along with FPM client Larry Powell to a match at White Harte Lane whilst he was also on hand in Newry at the Newry and Mourne Sports Personality Awards 2011 to present Feargal McCormack with a Certificate for being nominated for the Newry and Mourne Service to Sports Awards.

FPM Sponsor King of the Mountains Competition...



Pictured at the launch of the forthcoming Newry Wheelers 3-day Cycle Race are FPM senior manager Desi Foley, Drew McKinley and Cormac Clarke from Newry Wheelers, along with FPM Senior Partner, Paddy Harty. FPM are delighted to once again be sponsoring the King of the Mountains Competition.



FPM Sponsor Castlewellaan Camogie Teams...

FPM are delighted to sponsor Castlewellaan U-10 and U-12 camogie teams for the forthcoming season. FPM Partner Michelle Hawkins joins Rory McCabe, Chairman of Castlewellaan Camogie Club along with players Emma Croskery, Aislinn Hawkins and Aine Hawkins at the presentation ceremony of the new FPM jerseys for the Castlewellaan U-10 and U-12 camogie teams.



FPM good sports

» FPM's Belfast office were delighted recently to be invited to help out at Larne's Roddensvale Special School Sports Day.

No doubt reflecting their professional skills, the team were immediately assigned the very important task of scoring the range of fun activities and auditing the final scores.

Following the games, Team FPM, Rachel McCarthy, Debbie Baird and Mark Spence handed out the medals to all the winners and participants.



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