

Is there a place for the smaller limited company?

BY IAN WILLIAMS

In his last Budget (March 2007), Gordon Brown increased the rate of corporate tax (paid by companies) rising from 19% by a series of 1% steps over three years up to 22%, to apply to smaller companies from 1 April 2009.

In the same Budget he also abolished the 10% income tax band and reduced the basic rate of personal income tax by 2% (from 6th April 2008). Giving with one hand and taking with the other was the main theme. With all this to-ing and fro-ing and the giddiness that followed, it does prompt the question about whether it is best to trade individually (i.e. as sole trader or partnership) or via a limited company. What used to be a given - that it was cheaper, although administratively more onerous, to trade via a limited company - can no longer be taken for granted.

In 2007/2008, the present tax year, compare, for example, £10,000 of profits earned by an individual versus a limited company. When you do the tax sums, you save £324 by following the company route, notwithstanding it probably costs about £1,000 more in accounting fees to

prepare accounts. With profits of £30,000, you save just over £2,300, which is not a great incentive. It is only when profits of £75,000 (and above) are earned, where the saving is just under £4,200, that it is probably more worthwhile to incorporate.

To take those same figures for the next two years produces the following:

	Profits	Sole trader	Ltd Co.	Saving
	£	£	£	£
2008/2009	10,000	1,451	1,002	445
	30,000	7,051	5,203	1,849
	75,000	24,148	20,646	3,500
2009/2010	10,000	1,451	1,050	401
	30,000	7,051	5,420	1,601
	75,000	24,120	20,992	3,129

At a glance, the "luxury" of the limited company trading structure has gone, for all but the £75,000+ profit companies. For a partnership of two individuals or more, each has to earn more than

£75,000 to justify incorporating, for tax purposes, at least.

For those who do not like risk, the protection afforded by the limited company of being able to sleep at night is, probably, more important than the tax saved. However, with the introduction of the Limited Liability Partnership (LLP) structure, in which you are taxed as self-employed but acquire the personal asset protection afforded to the limited company, the LLP has to be a very credible alternative.

Rumour has it that the new Chancellor is looking closely at the tax rules to dis-incorporate, (i.e. to take you from a company to, say, an LLP, partnership or sole trade) the aim of which is to make it tax "easy". The present rules, suffice to say, are relatively easy from self-employment to limited company, but horrible in reverse.

Hopefully, lots of food for thought. Watch this space!

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Of bedbugs, cluster flies and black ants

BY PETER MEECH

The population of Bridge of Allan is approaching 6000. The human population, that is. If you include domestic pets, the figure doubles at least. But add the local wildlife and it leaps up appreciably. One man who knows more than most about the less salubrious of these wild inhabitants is Hamish Bunyan. As the co-owner of Bio-Kleen, the pest control and cleaning services company, he has had many clients in the village over the years.

While he was born and brought up in Coalsnaughton near Tillicoultry, the Baynes, Hamish's mother's family, came from Bridge of Allan - as far back as his great-great-grandfather.

He himself left Strathclyde University in 1980 with a BSc in Geography and Biology and worked first in pest control with Rentokil.

But in 1990 he became a partner in Bio-Kleen, the Alloa-based company set up the previous year by Jim Brewster. The main core of the business at that time was industrial cleaning. However, they soon expanded into the commercial and private sectors throughout the Central belt. In 2005 the company merged with Wildcat Pest Control Services from Dunblane, increasing their customer base by 30%.

Hamish has detected a definite change in pest numbers and species in and around Bridge of Allan. He puts this down to the longer spells of drier and warmer weather in recent years. The range of animals and insects he deals with - from the predictable to the faintly exotic - is extensive and possibly surprising. Rats and mice are what most people have in mind when thinking about domestic pests. The population has grown of late, especially over the summer when they are normally out in the open away from buildings. Black ant problems in houses have increased too from just a few calls in April and May to hundreds throughout the year. The likely cause? Central heating and frost-free days in winter, according to Hamish, which allow them to survive throughout the winter.

Call-outs for wasps and bees have halved over the past decade or so. Drier weather, mites, disease and pesticides, he says, are the main reasons for this, but some types of bumblebee have actually increased in number. Treatment against them and honeybees are only carried out where he deems them a danger to residents. By contrast, masonry or mining bees are a recent nuisance in and around Bridge of Allan. They mimic the honeybee and drill holes

in walls and in the ground. They can also be found in new houses, where they lay an egg in the small brick vents and cement the hole up. However, they don't sting and are seen only between April and May - at least at present.



Hamish the Exterminator

Cluster flies, resembling a smaller version of the bluebottle, have been around for many years. They overwinter in lofts, under roof tiles and around window frames, moving out in the springtime to breed in the soil and roots of plants. They are difficult to eliminate but fumigation of lofts can greatly reduce numbers. Grey squirrels are a growing prob-

lem, often moving into lofts, chewing through eaves, sacking, plumbing and electrical wiring. The most Hamish has had to deal with in a single household was 15, both adult and young, over a three-week period. Fleas and bedbugs have also increased over the years and quickly become resistant to insecticides. Other more exotic species treated locally include oriental cockroaches, German cockroaches, Pharaoh's ants and crickets.

Which pest did he particularly hate dealing with? 'Bedbugs are difficult to control and horrible to look at. They start in beds, but then spread to light fittings, cupboards, clocks etc, coming out at night to suck blood. When they're full and fat, they can be a quarter of an inch long and have difficulty squeezing back into crevices!'

When he's not working, Hamish can often be seen with his wife Jane walking Poppy, their three-year-old cross collie, along the paths by the River Allan and beyond. He also likes a game of golf and a good evening fishing the local rivers and lochs, all things that provide a welcome relief from the pressures of his daytime job. Truly, this Bunyan will labour night and day to be a pest controller.