



# LAMBERT ROPER & HORSFIELD LIMITED

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FOCUS ON...



## HAULAGE BULLETIN - February 2011

### WELCOME

Welcome to Lambert Roper & Horsfield's latest Focus On...bulletin looking at news and information relevant to specific business and industry sectors.

This Focus On Haulage bulletin takes a look at some of the issues currently affecting the haulage industry, including the rising cost of fuel.

If you have any feedback on this issue of Focus On Haulage, or would like to know more about our services or how we can help you, please contact David Roper on **01422 360788** or at [davidr@lrh.co.uk](mailto:davidr@lrh.co.uk)



### TRADE GROUPS TEAM UP FOR FUEL CAMPAIGN

Two major road freight industry trade bodies have joined a campaign for fairer fuel prices.

The Freight Transport Association (FTA) and the Road Haulage Association (RHA) are backing the FairFuelUK Campaign, which is lobbying for a further fuel duty rise planned for April to be scrapped and for government action to stabilise fuel prices. Fuel duty has already risen by 0.76p per litre from 1<sup>st</sup> January and prices have also been hit by the increase in VAT to 20 per cent on 4<sup>th</sup> January.

RHA chief executive Geoff Dunning said: "The continuing rise in the price of fuel is a major threat to so many of our members. With margins already squeezed to unsustainable levels, many of these firms are threatened with going out of business."

Theo de Pencier, chief executive of the Freight Transport Association, added: "The situation regarding fuel is threatening the whole economy."

According to inflation figures released on 18<sup>th</sup> January, the cost of fuels and lubricants rose by 2.8 per cent between November and December, the largest rise for the period since 1996.

The government has been under growing pressure to move forward with a fuel duty stabiliser linking fuel duty to the price of oil so that when oil prices rise, the proportion of tax goes down, and vice versa.

Last month, Chief Secretary to the Treasury Danny Alexander told BBC1's The Politics Show that although the stabiliser was "a

complicated idea" it was something the government was looking at carefully.

At the same time, Mr Alexander said the coalition was examining the possibility of discounting fuel prices for people living in remote areas of the UK, including the Scottish Highlands, the Western Isles, West Wales and parts of England and Northern Ireland, though it has since been reported that this measure will not be included in the 23<sup>rd</sup> March Budget.

David Roper of Lambert Roper & Horsfield said: "The rising cost of fuel and other overheads will be putting real pressure on many haulage firms and it may be wise to seek expert advice on issues such as operating costs and pricing policy as part of an overall strategy for dealing with a challenging economic climate. Please contact us if you would like further information."

## GET READY TO PAY TAX ONLINE

A new online era for company tax will begin in April and businesses need to be ready for the change.

From 1<sup>st</sup> April, onwards, all companies and organisations must file company tax returns online for any accounting period ending after 31<sup>st</sup> March 2010.

From the same date, they will also have to pay any corporation tax and related payments due electronically, for example by direct debit or credit card.

Under the changes, all corporation tax returns and supporting documents, including accounts and supporting documents, will have to be filed online using the iXBRL format.

David Roper said: "This is potentially a significant issue for organisations that may currently be preparing accounts in Microsoft Word or Excel, which will not be iXBRL compliant. If you would like further information on the steps you need to take, please contact us."



## DON'T DELAY ON LATE PAYMENTS

Late payments can be a real headache for any business. Delays in receiving payments can seriously hit cash flow and make it much more difficult to keep a even a healthy business afloat, especially in hard times.

The issue was recently raised by the Road Haulage Association with the Department of Business, Innovation and Skills and the Department for Transport over reports by hauliers of late payments by large companies in the aggregates sector.

The RHA said that in some cases, the

companies involved are engaged in supplying materials for large public sector projects, including those for the Highways Agency.

David Roper said: "Taking steps to prevent late payments – debt, in other words – could be vital to the survival of a business.

"Good practice includes issuing invoices regularly, rather than dealing with them all in one go each month

"The standard amount of time to pay

an invoice is between 30 and 60 days but provided you make it clear in your terms and conditions, you can make your own rules.

"You can also charge interest on late payments, provided this is stated in your terms and conditions.

And make sure that you keep chasing outstanding debts, as customers will often pay the suppliers who are the most persistent. If you would like more information on improving cash flow, please contact us."

## REMINDER ON VAT REFUNDS

Businesses are reminded that they have until 31<sup>st</sup> March this year to submit claims for refunds of VAT from other European Union member states.

The deadline was extended from 30<sup>th</sup> September 2010 after the failure of some member states' electronic VAT refund portals to function properly.

The electronic system became the norm for cross-border VAT refunds on 1<sup>st</sup> January 2010 but the International Road Transport Union (IRU), based in Switzerland, says that slow operation and a lack of harmonised data requirements cause submission errors, delayed payments and even claims involving large sums of money being lost.

The IRU says that VAT claims from EU road transport operators purchasing fuel, repair service or motorway tolls abroad represent 80 per cent of the total number of claims



submitted each year. IRU president Janusz Laczny said that the lack of reliable VAT refunds "means bankruptcy for transport companies whose liquidity situation is already on a knife edge due to the economic crisis."

HM Revenue & Customs says that the UK refund portal has been operating properly but that some UK businesses have either not been able to submit their claims to other

member states or their claims have not yet been accepted into other EU portals.

David Roper said: "Haulage businesses need to make sure that they do not let the new deadline for VAT refund claims slip by. VAT is complex in itself and cross-border issues make it even more complicated, so it makes sense seek the advice of VAT experts. Please talk to us if you would like further advice."

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