

A Four-Step Process

Over our next four newsletters, Arnie Skelton, Director of Effective Training & Development will provide an intriguing insight into managing stressful situations.

In the pressured environment of the healthcare sector, the methods he proposes could prove crucial to you staying calm, and in control.

Stress is *not* an inevitable part of life. There is plenty that you can do to prevent, remove or alleviate your stress levels - especially if you follow this four-step guide:

Trigger > Emotion > Behaviour > Impact

Most of the time you are a calm, rational person. Then, something happens to provoke, upset, or threaten you. This produces an immediate emotional response, which almost certainly determines your behaviour. How you then behave has an impact on others around you, and of course, on yourself (especially in terms of regret, guilt and embarrassment).

Trigger:

Before a 'trigger', if you know that something is going to 'set you off', then avoid it if you can. Otherwise, minimise the likelihood of it happening, or distract yourself as a way of controlling the 'trigger':

- Identify the triggers in your life that produce a negative or anxious response.
- Consider why a particular trigger has the effect on you that it does...what is it that you fear, anticipate or resent? Then consider how rational that fear is. For example, if it's a barking dog, how realistic is it: "It's going to eat me" and how likely is it: "It will break free from its chain".

- 'Reframe' your view of the trigger into something more positive (e.g. a barking dog is most likely to be a sign of welcome and enthusiasm, rather than hostility).
- 'Reframe' your own negative view of your staff when there's a difficult situation - for example, if you have an angry or upset client, think; "They are angry with the situation, not me"; and "What can I do to help?", rather than "What can't I do...".
- Minimise the likelihood of it happening: if you seem to get grumpier when hungry, ensure you eat something, or have a snack to hand during the day.
- Anticipate the situations that act as negative triggers; ask yourself what is the best you can do, given the trigger has occurred - rather than the worst - i.e. prepare yourself mentally for coping positively - before the trigger actually happens. So, for each important trigger, have a positive strategy in mind, and to hand.



Arnie's next article will be on Emotion, the second step to managing stress. Make sure not to miss it in our next issue.

For further information on the wide range of programmes Effective Training & Development can offer, visit: <http://effective-training-development.co.uk> or contact:

Arnie Skelton
Direct Dial: 0161 437 6089
Email: arnieskelton@etduk.co.uk

Pension Contribution Minefield!

HMRC pension rules are continuing to change for high earners.

The previous Government attempted to restrict higher rate income tax relief for high earners. The regulations they put into practice currently require anyone who may be caught to take care, especially when considering additional pension contributions for the current financial tax year 2010/11.

Currently, a high earner is classed as potentially anyone who has earnings in excess of £130,000. This figure is based on, and includes, income from *all* sources.

The current anti-forestalling rules will continue to apply for the remainder of this financial year. However, following the consultation announced in the last Budget, The Treasury have now confirmed that from 6th April 2011, the maximum annual allowance available to claim income tax relief on will reduce to £50,000 for everyone.

Income tax relief at the highest rate applicable will be available on contributions up to this amount and indeed it will also be possible to carry forward any unused allowance going back up to three years.



Going forward, this perceived simplification of the rules relating to the maximum one can contribute and receive relief on...*(continued inside)*



Booth Ainsworth LLP is a member of the National Association of Specialist Dental Accountants.

In this issue... The VAT Trap for Cosmetic Procedures | Managing Stress | Revenue/Capital? Repair/Improvement?

Welcome to the second edition of the Booth Ainsworth Dental Newsletter, designed to help dental professionals, like you, grow your business. I hope you find it an informative read. If you need guidance on any of the issues here, feel free to contact me:

Call: 0161 475 3920
Email: peterh@boothainsworth.co.uk



Booth Ainsworth LLP
Chartered Accountants

Alpha House, 4 Greek Street,
Stockport, Cheshire, SK3 8AB

Call: 0161 474 0200
Fax: 0161 475 1515

www.boothainsworth.co.uk



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(contd from pg1...) appears to benefit most individuals. However, for members of the NHS Superannuation scheme, problems can easily arise: an increase in salary when calculated in terms of the deemed pension contributions can throw up some unexpectedly high figures. If additional pension funding is also in place via voluntary contributions (AVC's) or personal arrangements, problems with extra tax charges having exceeded the £50,000 annual allowance could easily occur.

For those who can, the current annual allowance of £255,000 still applies, albeit for a limited period.

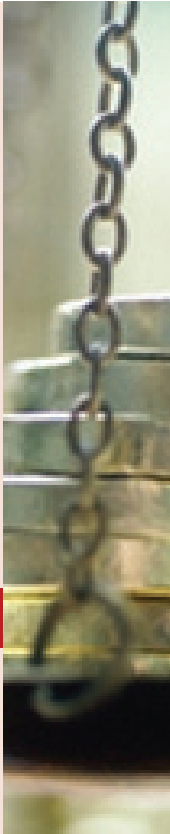
Finally, and somewhat unexpectedly, the Treasury have also announced that the Lifetime Allowance will be reduced from £1.8m to £1.5m from April 2012.

By David Eddleston, Financial Planning Manager.

Call David on 0161 475 1533
Or email davide@boothainsworth.co.uk

Repair or Improvement?

Thinking of undertaking Practice modifications? First establish, is it classed as revenue or capital?



Business owners are often confounded by the tax rates in this area, and often cannot understand why an apparent repair is often not treated as a deduction from business profits. The debate frequently centres on what is classed as an "improvement". Improvements are not simply putting the original asset back to its previous state - which would be a repair - but incorporating replacement for something better. Such expenditure may be capital rather than a revenue deduction.

HMRC rules are clear that where there is improvement by virtue of the use of current materials - which, whilst an improvement - are merely the best alternative to outdates products, this will still be categorised as a repair.

New Properties

Moving into new properties and making them fit for commencing to trade from them is however, the subject of case law, and general upgrading of premises, even though they appear to be repairs will be capital in nature.

By Peter Williams, Corporate Tax Manager.

Call David on 0161 475 1582
Or email peterw@boothainsworth.co.uk

"The bottom line being that a health professional would almost definitely be worse off financially for having to register for VAT"

they are aware of which category their products and services fall into.

In the majority of cases, the total annual value of such services will fall below the £70k threshold. Thus, in this instance, no VAT is charged. However, if someone in the course of business sells or provides goods or services that are not exempt from VAT - above the level of allowance in a 12-month period - then they must notify HMRC of the liability to register for VAT.

In the past, it may have been seen as a benefit to register for VAT, (remember the "Toothbrush Scheme"?), but today, any reclaim of VAT would be restricted to a proportion of the total input tax attributable to the supplied goods and services that are liable for VAT. The bottom line being that a health professional would almost definitely be worse off financially for having to register for VAT.

Toothbrushes are the most recognised item not falling within the exemption, but surprisingly for some, other provisions; Botox injections, tooth whitening and various hygiene products, also do not qualify.

HMRC have recently issued a new Value Added Tax Notice number 701/47, Health Professionals, which aims to help distinguish between those that are, and are not, VAT-offending articles. It states that the exemption of VAT does not include the following:

- Any service, the performance of which does not require the application of judgement by a health professional.
- Services not aimed at the prevention, diagnosis, treatment or cure of a disease or health disorder. On this basis, HMRC takes the view that tooth whitening and other purely cosmetic procedures do not fall within the VAT exemption.



- Services that are not performed by an appropriately qualified and registered health professional, except when either is directly supervised by such a person.
- On the positive side, HM Revenue & Customs has also stated that the exemption from VAT does indeed extend to the provision of services by a principal dentist to an associate - if said principal dentist is still practising.

By Peter Howard, Dental Specialist and Partner at Booth Ainsworth.
To contact Peter please see contact details below.

Talk to Peter Howard at Booth Ainsworth to discuss any Practice or professional individual issues that you have. Our specialised team of advisors can assist you in such VAT, Tax and Business issues, to help take the weight off your shoulders. You can contact him on 0161 475 3920 or email peterh@boothainsworth.co.uk

The VAT Trap for Cosmetic Procedures

An increasing number of cosmetic procedures are being undertaken by dental practitioners. However, the cost of VAT accompanying such services may for some come as a sudden shock...



Health services have long been exempt from VAT - a known fact welcomed by individuals and health professionals alike. However, a proportion of dentists take the view that this exemption extends to all of their procedures - including cosmetic ones. Unfortunately, this is not the case.

The VAT registration threshold currently sits at £70,000, to which some goods and services provided by dentists are not exempt. This is where caution must be taken; dentists must ensure that