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### Contents

Looking Forward . . . to 2010	1
Team Update	2
Budget Highlights 2010	2
2010's Endangered Technology	4
Social Networking Sites	4
So you want to go Green?	5
Useful IT Tools	5

## LOOKING FORWARD . . . . to 2010!

'A sailor without a destination cannot hope for a favourable wind'

Let's be honest, 2009 wasn't the greatest year for the economy but all the indicators say that things will pick up in 2010. So what should you be doing now to get your business ready for 2010? The most profitable businesses we act for, all have one thing in common – they plan ahead. They have a target which they regularly monitor to see how they are doing and they are flexible enough to change direction if needs be. Writing and implementing a clear plan to drive the growth of your business is essential and probably the single most important thing you can do in January. The three main benefits are:

Planning helps you by providing guidelines and goals for future decisions.

1. It helps you exercise more control in a situation, establish goals 'proactively' and consider contingencies.
2. It can help insure a set of actions are implemented that are consistent with your values and priorities.

So how do you start this process? Firstly, take some time out in early January/February to write down your personal objectives such as income, time away from work, health etc., and then look at what your business should be doing over the next year. Consider:

- Turnover
- Products/Services
- Market Position
- Costs
- Profit
- Customer Services
- Quality and others

In essence, have a good think about what your business should look like in 12 months time and then write down some targets. Measure these monthly, know your key performance indicators and be prepared to change direction now and again! If you are thinking of writing your 2010 business plan, please talk to us.

## Team Update

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### **Exam Success**

***Congratulations to Paul O' Donovan & Associates staff members Stephen Lyons, B.Comm and Tanya Mulhearn, B.B.S.(ACC) for their outstanding results in the Final Admitting Exam with the Institute Of Chartered Accountants. Stephen Lyons is now furthering his professional education with the Irish Taxation Institute and he hopes to specialise as a tax consultant here at Paul O'Donovan & Associates.***

***Congratulations also to Paul O' Donovan & Associates' office administrator Helen O' Neill for the distinction she received in stage one of the IPAS Certified Payroll Technician exams.***

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***At Paul O' Donovan & Associates we have a team of experienced qualified Accountants on hand at all times to provide assistance and advice when you need it most.***

***For example, If you are having difficulty paying a Revenue Liability please let us know and we will endeavour to help by arranging an instalment arrangement on your behalf with the Revenue Commissioners.***

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We, at Paul O'Donovan & Associates have set our own strategic plan for 2010 in which we are concentrating on branding our services in the following areas:

1. Cashflow
2. Profitability/cost restructuring.
3. Asset protection.
4. Wealth management
5. Tax efficiencies

We are offering the service of setting a strategic budget for our clients for 2010. If you wish to avail of this service or wish to discuss any of our focussed strategies in 1 to 5 above please e mail us at [info@paulodonovan.ie](mailto:info@paulodonovan.ie)

## BUDGET HIGHLIGHTS 2010 (Published 9 December 2009)

The main Tax Changes are:-

- No changes in Exemption Limits, Tax rates, Tax Credits and Standard rates for the tax year 2010.
- Mortgage Interest relief will continue up to the end of 2017.
- Corporation Tax at 12.5% will remain in place indefinitely.
- Standard rate of VAT of 21.5% will be reduced to 21% effective 1 January 2010.
- New companies which start trading in 2009 are given an exemption from Corporation and Capital Gains tax in each of the first three years to the extent that the Tax Liability in the year does not exceed €40,000.00
- The scheme of accelerated capital allowances for energy efficient equipment is being expanded to include refrigeration/cooling systems, electro-mechanical systems and catering/hospitality equipment.
- Details of a new incentive scheme are to be announced which will encourage employers to take employees off the dole. It is envisaged that a relief from PRSI will be introduced.
- A new car scrappage scheme is being introduced with effect from 1 January 2010 to run until 31 December 2010 which will give VRT relief of up to €1,500. This relief applies where a car of 10 years or older is scrapped in accordance with certain criteria and a new car within emissions bands A or B (i.e. with CO2 emissions of 140 g/km or less) is purchased.
- The existing VRT exemption for series production in electric vehicles and the VRT relief of up to €2,500 for series production plug-in hybrid electric vehicles which was due to expire on 31 December 2010 is being extended for 2 years until 31 December 2012.
- The Government wants high earners availing of tax incentive schemes to contribute more in the current difficult circumstances. Accordingly, for the tax year 2010 the effective rate of Income Tax for those benefiting from reliefs will increase from 20% to 30%, on top of which they will also pay PRSI and levies.
- The entry point for the restriction will now occur at adjusted income levels of €125,000 with the full restriction applying at €400,000.
- A new Carbon Tax was introduced for the first time by the Minister in his Budget speech. A Carbon Tax at a rate of €15 per tonne is being introduced on fossil fuels.

- The new Carbon Tax will apply to petrol and auto-diesel with effect from midnight 9<sup>th</sup> December 2009.
- Carbon Taxes on all other fossil fuels will be introduced from 1 May 2010. Two exceptions to this are coal and commercial peat which will be subject to a commencement order.
- Excise Duty is being reduced on beer and cider by 12 cents (VAT incl.) per pint, on spirits by 14 cents (VAT incl.) per half glass and on wine by 60 cents (VAT incl.) per 75cl bottle. These reductions took effect from midnight on 9<sup>th</sup> December 2009.

#### NON RESIDENT INDIVIDUALS

- A new levy of €200,000 per annum is being introduced. This will apply to Irish domiciles/nationals whose worldwide income exceeds €1m and whose Irish located capital is greater than €5m.

#### FARMERS INCOME LEVY RELIEF

- A relief from the Income Levy will be allowed in respect of certain expenditure incurred by farmers to comply with the requirements with the EU Nitrates Directive 91/676/EEC.

There were no changes to Capital Gains Tax, Capital Acquisition Tax and Stamp Duty.



## 2010's Endangered Technology

2009 has seen IT take huge leaps forward and greater developments are expected in 2010. Things that have been making life easier for a generation are about to be replaced. It's a shame to see an old classic like the DVD face the threat of extinction as people replace it with Blu Ray - it will be gone, but not forgotten!

Here are three of our IT business predictions for the future:

1. Though it has teetered on the brink of extinction for an age, the fax machine is still making its dogged last stand in offices around the world. Not for much longer, the smartphone boom, coupled with the spread of touchscreen technology that allows signatures to be scribbled straight onto screens will eventually replace the quaint old fax machine.
2. Dashboard sat-nav faces a challenge from smartphones loaded with turn-by-turn navigation apps. The [TomTom Car Kit](#) and [CoPilot Live](#) application, for instance, mean that iPhone owners could make do without a dedicated in-car GPS device. Garmin is thinking along these same lines with their new [Nüvifone](#) hybrid devices: sat-navs with smartphones built in, rather than the other way around.
3. The 3G Internet dongle hasn't been with us all that long - but it might not stick around, either. Netbooks and other devices with integrated mobile broadband (such as the [Nokia Booklet 3G](#)) could make awkward USB dongles a short-lived solution for internet on the move.

Watch out for some really innovative changes to the way we use IT in 2010!

## USING SOCIAL NETWORKING SITES TO GENERATE NEW BUSINESS

We have got used to hearing about Facebook, My Space and Twitter but how do you use social networking sites to help your business? Here are some of the ways that you can use these sites to market your company:



Research your market. Read the forums and listen. Through participation in these communities, companies can learn about consumer interests and reactions.



Build and reinforce your brand. Every signature on the Web, a online, is an opportunity to show others you exist and to strengthen your brand.

Microtarget. If you have identified a specific group of customers to target, the odds are good that you can identify a virtual community where they are already gathered. Get involved and watch business grow.

Take control of your network presence. Make sure that when people look for you online...which they will...your image is both accurate and flattering.

Take a leadership role. Write a blog to cover your domain, and perhaps create a virtual community around your unique interests. Share information with others as much as practicable.

Share resources with others. Let others have access to documents and templates that will help them and make their business life easier. Do this and they will return and may recommend you.

Business relationships should be developed on the Web. Online business networking, connecting and creating opportunities on the Web, is a logical step for businesses who want to let others know they exist and to attract new customers. Try it!

## SO YOU WANT TO GO GREEN?

From turning out the lights to going carbon neutral, we offer a few simple tips on how businesses can reduce their environmental impact.

1. Get everybody in your business on board. For a successful office greening, employees need to be engaged in a creative way and must feel empowered. Spell out the strategy and the facts to employees, and then help them work out what is appropriate. They know best what will work in their business, and this way they have ownership of the answers. If everybody is on board then your strategy has more chance of success.
2. Use an outside specialist to help. Companies such as the Carbon Neutral Company [www.carbonneutral.co.uk](http://www.carbonneutral.co.uk) will carry out an environmental audit to identify carbon hotspots across the firm, or in one area of operation. They help businesses to reduce carbon footprints both through in-house efficiencies and carbon offsetting, which involves investing in external carbon emissions reduction schemes, such as wind farms or methane capture projects.
3. Paper waste. Find out how much paper you use and see how much you can save. Make sure staff think twice before they print. Ensure everyone knows how to do double-sided printing and has access to appropriate printers. Use reduced font sizes to get more onto each page and re-use the sheets wasted at the printer. Is the paper you are buying from sustainable sources?
4. Waste bins and recycling. A growing number of businesses have done away with individual wastepaper bins and now have a single central bin beside the recycling bins, so people cannot just chuck their rubbish away without thinking about it. Clearly label recycling bins so that contamination is not a problem.
5. Computers and Lights. Shut down computers at night and turn off unnecessary lights. Preferably switch to energy efficient light bulbs. Make it a policy that the last one out is responsible for turning off computers and the lights!

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## USEFUL IT TOOLS FOR 2010

- [www.printeranywhere.com](http://www.printeranywhere.com) - Share your printer in less than a minute and let others (connected to internet) print to it. Print next door or on a printer 10,000 miles away
- [www.crossloop.com](http://www.crossloop.com) - Share a screen and let someone else take control – support, training etc, Transfer files between PCs, Simply enter a login code generated on PC into the other PC –and connect!
- [www.zhornsoftware.co.uk/stickies](http://www.zhornsoftware.co.uk/stickies) - Electronic “post it” notes, No more paper notes stuck all around the screen!
- [www.smart-survey.co.uk](http://www.smart-survey.co.uk) - Customer Satisfaction surveys, staff feedback, requests for information .....unlimited uses....
- [www.msgtag.com](http://www.msgtag.com) - Know that an email has been received and opened without the recipient having to do anything.