



O'GORMAN COSGRAVE
AND ASSOCIATES
Certified Public Accountants & Registered Auditors

Newsletter

O'Gorman Cosgrave

CERTIFIED PUBLIC ACCOUNTANTS & REGISTERED AUDITORS

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Newsletter

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Brexit: Where UK Ministers Stand & What It Could Mean for Irish Business

With the United Kingdom set to hold a referendum on continued membership of the European Union before the end of 2017,

our nearest neighbour's departure from the world's biggest economy would have serious implications for Irish businesses. Irish ministers have argued vehemently that a Brexit would damage Ireland's interests, so how do their counterparts in the UK stand on the issue?

UK Ministers on Brexit

In January 2016, Prime Minister David Cameron announced that cabinet ministers could campaign on either side of the referendum, a decision welcomed by Conservative Eurosceptics but criticised as a sign of weakness by pro-Europeans in his party. Cameron himself is likely to

recommend remaining in the EU after the conclusion of UK renegotiations with EU partners in Brussels next month, but how does the rest of the government stand?

"The Republic of Ireland sees Britain as a strong voice in Europe for many of the things that it believes in."

UK Prime Minister David Cameron January 5th, 2016.

Pro-EU

Chancellor George Osborne has taken a major personal role in EU negotiations, so he is likely to vote to remain, as is Foreign secretary Philip Hammond, despite a former reputation for Euroscepticism. Energy secretary and Osborne ally Amber Rudd is likely to follow his example. Health secretary Jeremy Hunt has claimed he would vote to

leave if the EU negotiations were unsatisfactory, but he is also expected to vote to stay. Education secretary Nicky Morgan has voiced her difficulty in imagining voting in favour of a Brexit. Communities secretary Greg Clark, Transport secretary Patrick McLoughlin, Scottish secretary David Mundell, and Welsh secretary Stephen Crabb are all expected to reject a Brexit too.

Pro-Brexit

Work and pensions secretary Iain Duncan Smith, Commons leader Chris Grayling, and Northern Ireland secretary Theresa Villiers are virtually guaranteed to campaign to leave the EU and could resign over the issue. Grayling has already been demoted from Justice secretary to reduce the potential damage for Cameron should he resign. Villiers represented London for six years as a Eurosceptic MEP.

Probably Pro-Brexit

Other ministers with pro-Brexit tendencies include Home secretary Theresa May, Justice secretary Michael Gove, and Business secretary Sajid Javid. None have made their views clear, but both May and Javid have refused to rule out campaigning for an exit and Gove declared in 2013 that he would vote to leave if fundamental changes were not made to the EU.

Don't Know

Several members of cabinet have expressed Eurosceptic views in the past, but they could be swayed by satisfactory UK renegotiations with the EU. They include Culture secretary John Whittingdale, Defence secretary

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Michael Fallon, Environment secretary
Liz Truss and Development secretary
Justine Greening.

What Brexit Might Mean for Irish Business

In a speech to business leaders in London in December, Taoiseach Enda Kenny referred to a potential Brexit as “a major strategic risk to Ireland,” and Foreign Affairs minister Charlie Flanagan described it as a leap off a cliff into the unknown. Indeed, the government views the Brexit referendum as one of the key risks facing Ireland this year and has set up a unit at the Department of the Taoiseach to deal with the issue. A public information campaign will target the 600,000 Irish-born British residents, as well as up to 3 million second-generation Irish.

Potential Economic Damage

Irish concerns centre on our close

economic ties with the UK, especially in trade and energy. Some 43% of Irish exports are destined for Britain. A recent Economic and Social Research Institute report estimates that a Brexit could cut trade flows between the two states by a massive 20% or more. Furthermore, Ireland imports 89% of its oil and 93% of its gas from the UK. Indeed, close links between Irish and UK energy networks have meant security of supply and lower energy prices here..

Limits on Freedom of Movement

For most residents of both states, the most obvious effect of a Brexit would be new limits on movement between the UK and Ireland. It could mean restrictions on people travelling between the two countries for work, and even the reintroduction of passport controls at the Border.

What Is Potential & How Is It Measured?

Reaching your potential is not the same as getting to the top.

Sometimes we can be so intent on getting onto the career ladder and investing every effort in climbing to the top, that we forget why we chose that path in the first place. You may have risen to a responsible position in your organisation, with the accompanying financial rewards, but you still feel frustrated and unhappy in your job. So, when considering your potential, focus not just on your capacity for succeeding in a specific career path but also on your own personal view of success

What Is Potential?

Before you can achieve career success, you must determine your

capabilities. Defining your potential involves listing your strengths and skills and deciding how far you can go in your career by leveraging those advantages. Perhaps you need to engage in extra training or develop a new skill to complement our existing strengths and reach your career goals.

Defining Success for You

If you are experiencing second thoughts about your career path or are even wondering why you chose it in the first place, stop asking how to get to the top and examine whether you are reaching your potential. Consider when you were at your happiest at work and what aspects of your job give you most (and least) satisfaction. This assessment gives you the material to

determine what factors are important for your career satisfaction. Now plan the course of action that will give you optimal career success

Measuring Potential

Intelligence, personality, belief and attitude are key characteristics when trying to figure out a career path. The usual way to measure and assess these kinds of traits is with psychometric tests, such as personality profiles, ability tests, and motivation surveys. If you want to see what you are truly capable of, psychometric testing is a good way to gain a better understanding of yourself and your potential—both in the workplace and personally.

Why Your Business Needs a Blog

Marketers who blog are 13 times more likely to generate positive ROI than non-bloggers

www.hubspot.com/marketing-statistics

Like most clichés, “Content is king” contains a grain of truth. Creating quality web content is the best way for you to reach out to your customers, and a regularly maintained, quality blog is the easiest and most effective way for your company to grow your content and keep it fresh.

Still not convinced? Here are 7 magnificent reasons to start a blog for your business:

Boost SEO

If you blog for no other reason, then do it for your search engine rankings. Search engines are always on the lookout for new content, so you can attract highly relevant traffic by focusing on keywords specific to your business in your posts. It won't happen immediately, but as Google and the other search engines start recognise you as an authority with regularly updated content, you will see the benefits in terms of increased visibility, traffic, and sales.

Become an Industry Thought Leader

By posting regularly about topics relevant to your industry and providing genuinely useful information for readers, you will establish yourself as an expert in your field. Use experiences and knowledge that are unique to your company to promote your status as a reliable resource for your customers.

Suggest new ideas and offer viable solutions via blog posts. You will develop a reputation that will ultimately drive higher earnings.

Build Communities

Blogging allows you to reach out to prospective customers and engage with them, ultimately creating a community of individuals with similar interests. You can use your blog to tell readers about exclusive offers and new product launches, encouraging a feeling of belonging and driving word-of-mouth promotion. Blog comments offer useful feedback for adjusting your marketing campaign and allow you to provide great customer service by responding instantly to any issues.

Fuel Social Media Campaigns

Your blog is a vital element of your social media calendar. Drive traffic to your own website and broadcast your own expertise by linking to recent blog posts on your website. This original material will reinforce your reputation and give your social media audience content to like and share, boosting your website traffic exponentially. Think about content your readers would be most likely to share, and include infographics, images, and video

Build Brand Awareness

Investing time and effort in your blog, or getting a professional to manage it for you, is an excellent way to demonstrate reliability, authenticity, and quality.

Decide what image you want your product or service to have and make sure your blog never deviates from it. Posting content that mirrors the values you want associated with your brand reinforces the desired image with your customers.

Generate Sales Leads

Creating content that matches your customers' interests attracts them to your products or services. Because they see your offers as relevant to them, the leads you generate through your blog are more likely to convert into actual customers. In a prospective customer's eyes, a blog transforms you from a hungry salesman into an industry expert who can genuinely help them

Give Your Company a Voice

If you want your company to stand out among the multitudes of entities screaming their presence on the web, you must develop your own unique voice. Your blog is your mouthpiece. Sounds like hard work? It is. A professional content writer will work with you to choose blog topics, devise a blog calendar, and produce well-written, appropriate posts to schedule while you get on with what you do best.

Health Insurance: How to Get the Best Value Policy

If you have been renewing your health insurance with the same provider every year without fail, the chances are you are paying too much. In 2015, health insurance providers in the Irish market raised their policy premiums by as much as 14%, depending on the provider and the plan. You could save hundreds simply by switching supplier or changing plan. Although there are more than 300 different policies on the market, switching is easy.

Here are 9 tips to maximise your savings on health insurance:

1. You have an additional 14 days from your renewal date (cooling-off period) to switch to an alternative plan either with the same or a competing insurer, so start shopping around as soon as you get your renewal notice. Otherwise, you will be tied for another year to an identical and invariably more expensive plan.
2. Check out the price comparison sites. The Health Insurance Authority <www.hia.ie> is the independent statutory regulatory authority listing the details of every plan on the market in easily understood terms. It also offers a comparison tool that means you can check how your existing plan performs against other policies. Total Health Cover <www.totalhealthcover.ie> offers suggestions based on your stated needs.

3. Not everybody in your family needs the same cover. Given that there are no private children's hospitals in Ireland, paying for premium coverage for them makes no sense.
4. Don't assume student rates apply automatically once a child turns 18. You must contact your insurer to claim a student rate, which can generate significant savings.
5. Think twice before you pay the additional premium for a private hospital room. Remember, if you are admitted to hospital, and there is no private room available, you won't get one even if your policy provides for one. On the other hand, if you are admitted to some of the new hospitals, you get a private room anyway, irrespective of the insurance rate you paid, because they only have private rooms.
6. Accepting a policy excess – the amount you pay if you make an insurance claim – is a great way to cut your rate. To maximise your savings, opt for a higher excess, but remember that one or two admissions to a private hospital could wipe out all your savings.

7. Monitor the market for special offers. Some offer continuous offers of free or discounted child cover.
8. Corporate plans are among the most affordable plans on the market, and they are open to everyone. They generally cover public and private hospitals and usually include some level of day-to-day cover for your routine medical costs. If you are on a corporate plan already, monitor changes, as these plans tend to be replaced annually by newer, cheaper versions to attract big companies.
- 9 If health insurance is beyond your means, look at cash-back plans. Companies such as the Hospital Saturday Fund do not replace private medical insurance, but they can alleviate some of your health costs by covering things like GP, physio, dental, optical, consultations, alternative treatments, health screening, and A&E expenses.



Make That Sale: 11 Great Closes for You to Try

If you are in business, you are in sales. You may not see it that way, but whether you are freelancing as a florist or a tax consultant, you are selling your product or service.

Convincing target customers that your offering is the best solution to their need involves selling. That means knowing how to close. Here are 11 techniques you can use to ask for the sale:

1. Trial Close

When you deal with customer queries, ask questions that elicit positive responses. In other words, when you are presenting each benefit as it applies to the prospective client, ask things like:

“How does that sound to you?” or “Is this what you are looking for?” If the person appears to be warming to your product, these questions move them closer to buying.

2. Hot Button Close

Some 80% of buying decisions are based on 20% of an offering's features. Find out what features are important to your target audience and push these “hot buttons” to make the sale

3. Power of Suggestion Close

This is where you discuss your offering as if the customer already owns it. You need to be enthusiastic and encouraging to make this work.

4. Ascending Close

This involves eliciting a series of “yeses” from the customer, building to a final close. You formulate the

questions in such a way that the customer has little choice but to say “yes.” Then, finish the conversation by saying something like “It sounds to me that this product has everything you're looking for. Let's get an order set up for you.”

5. Silent Close

This is quite similar to the ascending close. When you feel you have addressed all the customer's doubts, and you have made it clear that the only logical option is to choose your product, use the pressure of silence to close the sale.

6. Invitation Close

This is the most straightforward close, but you would be surprised how many people never ask for the sale. Ask non-aggressive questions such as, “Why don't you give it a try?” or “Is this the option you were looking for?” or “Would you like to get this started today?”

7. Price Close

Customers often object to price because everything costs more than we want to pay. They might not be willing, but most are able to pay. They just want to be reassured that they are receiving good value, so you should dwell on the value aspect of your offering rather than negotiating on price. Say something like “Yes, you are right, I am more expensive than X, but here is why buyers choose my product over X.”

8. Preference Close

This approach suits anyone for whom selling does not come naturally. You simply use a choice of alternatives to close the sale, asking which option they would like the product in. “Would you like to start with a week's supply, or save 10% and buy a month's supply?.”

9. Assumption Close

You adopt the attitude that the customer is buying your product, so when it gets to the close, you simply ask “Would you like to pay by credit card or PayPal?”

10. Take away Close

This is ideal for products offering a guarantee. If the customer is wavering, tell them they can send it back if they are not happy.

11. Summary Close

You recap your discussion with the customer to clarify any issues that may have arisen, repeat your offering's features and benefits, and close with “How does that sound to you?”



Benefit in Kind: Make It Work for You & Your Staff

Think you know BIK? Think again:

Revenue is targeting benefit in kind at the moment, so it pays to make sure there are no gaps in your company's BIK defences.

Company Directors

The Revenue Commissioners are paying particular attention to company directors, targeting those who have not paid benefit-in-kind tax on company loans. If this includes you, you could be liable for hefty taxes, given that Revenue are also applying interest of 13.5% to the loans when they are calculating the BIK tax payable. Combined with penalties and interest, the tax owed could double the amount due. If you make a BIK declaration before notification of a Revenue Audit, however, you may not have to pay penalties and interest.

Remember that benefits such as private use of a company car, free or subsidised accommodation and preferential loans from an employer to an employee are taxable when the employee is a director of the company, irrespective of his or her remuneration.

Employees

If the employee is not a company director, tax is liable if the employee's entire compensation (including benefits-in-kind) exceeds an annual amount of €1,905 in a tax year. Certain exceptions do apply. Here are some of the benefits that may be taxable when paid by an employer to an employee:

- › Private use of company vehicles
- › Free or subsidised accommodation
- › Preferential loans
- › Health insurance premiums
- › Childcare facilities
- › Sports and recreational facilities e.g. golf club subscriptions
- › Private use of corporate charge cards
- › Professional subscriptions (The employer pays an employee's subscription to a professional body that is not associated with the employer's business).
- › Exceptional performance awards
- › Staff suggestion schemes

Ensure you review any benefits paid on behalf of your employees to ensure that you are paying the appropriate level of PAYE/PRSI. It is also important to monitor changes to payments on an annual basis. This would apply to increases in health insurance premiums, for example.

Check the Revenue website for further information on BIK:

Manage Your Credit Function for Better Cash Flow

Many businesses that complain about their lack of cash flow could resolve the problem simply by promptly collecting the monies owed to them. With the proper attention, your credit function can become a cash generating engine at the heart of your

Risk Assessment

Recovering business debt can be frustrating and, time-consuming, so the best approach is to establish and implement proper procedures that will help you to identify potential bad debts early on and get paid on time every time. When implementing your credit policy, consider your profit margins. Businesses with traditionally low gross profit margins need strict risk assessment policies because they cannot afford substantial bad debts. Companies with high gross profit margins, including IT businesses, can adopt a less stringent approach to risk assessment.

If your business enjoys a monopoly position in terms of products and services, you are in a better position than a commodity supplier to insist on specific terms and conditions of trade.

Avoid these mistakes:

- › Classifying an invoiced sale as revenue. A sale is only a sale when it is money in the bank.
- › Delaying the processing of queries. Deal with credit disputes immediately or risk alienating customers and damaging your reputation.
- › Allowing poor working relationships between your credit and sales staff to fester. The focus of all employees should be working together to serve the customers and ensure they are satisfied and paying.
- › Not taking a top-down approach to cash collection. If you prioritise your credit function as a measure of your company's success, the culture will permeate through the business.

5 Tips for Staying Motivated at Work

Nobody bounces into work full of enthusiasm every day, but if your work energy levels are seriously depleted, here are some ways you can get yourself back on track:

Have a Plan

By taking the time to plan what you want to accomplish, you create an opportunity to become inspired and improve your productivity. A written agenda gives you the motivation to achieve. Write out a to-do list every day, identifying the three most important things you must do that day.

Update Your Skills

If you are stuck doing the same thing every day, invest in extra training, so that you can expand your skillset and your opportunities. It will require extra

effort on your part, but change does not come easily. With the appropriate skills you will find it much easier to work at something meaningful.

Focus on Positivity

Surround yourself with positive people as much as possible. Negative people and conversations seriously damage motivation. Instead of joining negative conversations, change the subject to something productive. If you are stuck on the phone with a negative person, cut short the conversation by telling them you have an important meeting or deadline coming up.

Identify What You've Achieved

Few things are more damaging to motivation than feeling you have achieved nothing. On the other hand, it

is immensely satisfying when you have completed a major project or secured significant progress in some area. If you are finding it difficult to identify any advancement in your work, write up a list of tasks you finished on any given day or week.

Find Meaning

Another way to boost your motivation at work is to realise that the work you're doing makes a difference in some way. It does: You would not be paid if your work didn't benefit the organisation in some way. Write out your duties and responsibilities and consider how they help others, either by reducing costs, boosting sales, or making life easier or safer for your colleagues or customers.

How to Change Careers: 5 Tips

Gone are the days when a school leaver would clock into his first job and leave with a gold watch 40 or 50 years later. Nowadays, career paths have become far more fluid, with many twists and turns along the way. If you are considering a change of career, either at your current workplace or in a completely new field, here are some tips to help you with the transition::

1. Decide What's Important

Disliking your boss or your office should inspire you to change jobs, not careers. Consider the elements of your current job that you like, look at your hobbies, and think about what really fulfills you. This self-assessment will help direct your new career search

2. Research

Once you have identified your passion, research what openings are available in relevant areas. You don't need to be

too specific at this stage, just spend time searching for possible career avenues. Of course, the level of research required will depend hugely on the career departure involved. Moving from teaching into corporate training is not as big a step as shifting from nursing to web design, for example.

Remember that you probably have skills you can transfer to your new career: Leadership, planning, and communications skills are all applicable to a variety of careers.

3. Training & Education

Don't be discouraged by major career shifts requiring retraining. Start small with short courses in your chosen field to see if it really is for you. Then, when you think you are ready for a major move, investigate the accreditation of colleges providing degrees or certificates

4. Network

People already in your network may have information on available jobs or may advise you about particular companies or industries. Think you don't have a network? Apart from professional networks like LinkedIn and local chambers of commerce, look to colleagues, friends, and family, and join professional organisations in your new field. Find a mentor who can guide you through difficult aspects of forging your new career

5. Gain Experience

Before you embark on a new career, try to find part-time work in the area. If you have just completed a web design course, for example, seek out freelance work through contacts before leaving your current job. Volunteering or unpaid work experience are also valuable.



Claim Your Tax Entitlements: The 4-Year Rule

If you wait too long to claim tax credits or reliefs, you could lose out. The four-year time limit for claiming tax refunds means that if you have a claim for 2011, you have missed the deadline of 31 December 2015. Don't make the same mistake this year: Claim your entitlements and make your application for a tax refund on time.

Tax Refunds

In 2014, Revenue refunded more than €444m in respect of almost 1.1m PAYE employee reviews. Items on which you may be entitled to claim a tax refund include:

- › Health
www.revenue.ie/en/tax/it/leaflets/it6.html
- › Nursing home fees
- › Flat-rate expenses (see www.revenue.ie/en/tax/it/employee-expenses.html#section1)

How to claim your refund or credits

The most straightforward and fastest way to claim any tax credits or refunds online is to log into PAYE Anytime www.ros.ie/myaccount-web/home.html. You can also use a Form 12 for tax years 2013 and 2014.)

Registering for Tax When You Start Your Own Business

Starting your own business is an exciting and often daunting process. One of the first things you will need to do after you have registered the company with the Companies Registration Office and received your CRO number is to notify Revenue using the Revenue Online Service (ROS) www.revenue.ie/en/online/ros/index.html.

If you are using the services of an accountant or bookkeeper to act on your behalf, they will be required to submit an online application on your behalf. If you are not represented by an agent, however, you should complete a Form

TR2 - Tax Registration form for Companies (available online at w.revenue.ie/en/tax/vat/forms/formtr2.pdf) and submit it to your local tax office. This form can be used to register for any or all of the following:

- › Corporation Tax
- › Employer's PAYE/PRSI
- › Value Added Tax
- › Relevant Contracts Tax

Once your company has been registered, you will have to make all payments and returns online through ROS. After you register with ROS, a Revenue official may visit you to help you negotiate the tax system. Otherwise, you should contact your local tax office with any difficulties or queries

Tax Credits for R&D

In an effort to encourage innovation among Irish companies, the government introduced an R&D tax credit in 2004 for businesses that invest in research and development. Major changes have been made to improve the tax credit in the intervening years, and it is now a valuable resource for many companies engaged in science or technology. The credit gives you up to 25% of your R&D expenditure (both revenue and capital) in a tax credit or in cash (subject to certain conditions being met). Even better, this 25% credit is available on top of the 12.5% corporation tax deduction at the standard rate

Who Qualifies?

The relief generally applies to R&D activities conducted in a broad range of science and technology areas, including software development, engineering, food and beverage production, medical devices, pharmaceuticals, financial services, agriculture, and horticulture. To qualify for the credit, your R&D activities must:

- › Be systematic, investigative or experimental activities
- › Involve a field of science or technology
- › Encompass either basic or applied research or experimental development

- › Pursue scientific or technological advancement
- › Involve the resolution of scientific or technological uncertainty

To Apply

If you believe your company satisfies the requirements and has maintained the necessary supporting records, a claim for R&D tax relief may be made by completing the relevant sections of the form CT1 through the Revenue Online System (ROS).