



FDC Business Newsletter

December, 2004



Wishes

On behalf of my colleagues and myself I would like to extend Seasonal Best Wishes to you and your associates. I would like to avail of the opportunity on their behalf to thank you for your business and to express the hope that we will continue to deliver our services to you in a manner that is entirely supportive of your business aims.

I would like to advise you that we in FDC, companies and staff (in an entirely voluntary manner) are putting together a fund equivalent to 1% of the income of the companies and staff salaries for the purpose of supporting Agri/Rural Development in Third World countries. The conditions of the investment are:

(1) That the funds are directed towards food production and the development of rural enterprise co-operatively based.

(2) All the funds will be expended on front line investment, we require a commitment from the relevant parties that none will be spent on overheads, administration, bureaucracy, etc. We will look to getting periodic reports on the progress of the business, the investment, etc and we will keep you advised accordingly.

If you wish to participate we invite you to complete the enclosed Standard Debit form and return it to us, we want to advise you however that it is entirely at your discretion as to whether you want to participate or not and it is tax deductible.

Jack Murphy
FDC introduces Wireless Local Area Networks (Wireless LAN).

FDC has always been dedicated to providing best Computerised/IT solutions. We have never been afraid of an IT challenge.

In 1975 when most offices were still using typewriters FDC purchased it's first computer for a consideration of £28000, it is difficult to comprehend this when you relate what the equivalent cost today would be.

During the decades between 1980-2000 Personal Computers were introduced to FDC.

In January 2004 we began the project of implementing a Wireless LAN and to pro of our regional offices. of our regional offices. Being a geographically dispersed Company

a Wireless Network was the obvious channel to communicate between employees, fairly, efficiently and cost-effectively.

An organisation such as FDC for whom the cost of cabling would be prohibitive find the wireless environment invaluable, it enables greater flexibility for users who need to move around the office. Also with the expansion of some of our regional offices and also the need for office relocation the network moves with the company.

Wireless technology has major advantages - it will lead to increased flexibility, productivity and time savings (expected to be 25%). It has also helped us to decrease administration costs by streamlining traditionally manually based processes as well as saving on print and publication costs. We expect it will also help the standard of service that can be offered to our clients.

- Accounting
-
- Tax Consulting
-
- Management/
Interim Accounts
-
- Computer
Business Systems
-
- Computer Network
/Communication
-
- Payroll
-
- Agricultural
Consultancy
-
- REPS Planning
-
- Early Retirement
-
- Investments/
Stockbroking
-
- Pensions
-
- Saving Plan, L/A



Mortgage/
Borrowing.

Corporate Finance
(BES)

Income Tax
Planning

Inheritance/Wills

CGT Planning

Corporation Tax

Auditing

Co. Formation

Co. Secretarial

Online Privacy.

As a PC user you should be concerned about your online privacy, accordingly you need Anti-Spyware Tools. These tools can detect serious spy activity like key loggers, activity monitoring software, web site loggers and also web bugs, tracking cookies and other items frequently encountered on the web. Many people consider them an invasion of their privacy, even though they are mostly advertising related and usually limited to anonymous tracking, or so we're told

What is Spyware?

Spyware is software made by publishers that allow them to snoop on your browsing activity, invade your privacy, and flood you with those horrible popups. If you are like most users on the internet, chances are you are probably infected with these applications.

Why does Spyware and Adaware attend every internet user?

- All information you enter via the web can be intercepted.
- Unauthorised sites can add themselves to your desktop (icons).
- Your browsing activity can be tracked and monitored.

Signs of Spyware

- You see pop-up advertisements all the time.
- Your settings have changed and you can't change them back to the way they were.
- Your Web browser contains additional toolbars that you don't remember downloading.
- Your computer seems sluggish.

To remove Spyware.

Here in FDC we use two products to help us combat unwanted internet activity. Spybot Search & Destroy Version 1.3 and Lavasoft Ad-Aware SE Personal Edition 1.05.

1. Download the free removal tools listed above and install them.
2. Run the tool to scan your computer for spyware and other unwanted software.
3. Review the files discovered by the tool for spyware and other unwanted software.
4. Select suspicious files for removal by following the tool's instructions.

To download your **free copies** of **Ad-Aware and Spybot (S&D)** go to **www.microsoft.com**
- follow the link Spybot Search & Destroy (S&D)
- follow the link Lavasoft Ad Aware

There has been much editorial comment of late about Small Self Administered Pension Schemes (SSAP's). Everyone wants one, but I wonder how many know even the basics of such schemes? Below is a brief overview as to how SSAP's work.

Q.What are self-administered pensions?

A.As the name suggests Self-Administered Pensions allow you to become the fund manager/controller of your pension funds and you can invest in a range of assets i.e. Shares, Bonds, Property, Companies etc... at your discretion. However you will have to appoint a 'Pensioner Trustee' whom acts as a watchdog to ensure you are investing your pension fund appropriately and within Revenue guidelines.

Q.What are the investment restrictions?

A.The quickest answer is you are not allowed to invest in 'Pride of Possession' assets (i.e. wine, antiques, cars, jewellery etc..) and items/assets which you already own (i.e. you can't invest in your own company, or buy property from yourself). No self dealing is allowed. Investments must be at arm's length.

Q.Who are self-administered schemes for?

A.At the moment they are open to anyone in an executive/company pension plan whether they are a director or employee. The revenue guidelines suggest an appropriate candidate should have at least 35,000 in current pension funds and have a track record of paying in a minimum of 5,000 per annum. However the Self-Administered Pension Option may soon be available through 'PRSA's' which would allow sole traders and personal pension policy holders additional investment management choices.

Q.Are SSAP's new? How come they have become so newsworthy?

A.Self-Administered Pensions have always been available but due to recent legislation changed pension funds can now borrow to invest. This has made Self-Administered Pensions more attractive as an individual can now buy a commercial/residential property through his pension (borrowing if needs be) to form part of his long-term pension retirement planning strategy.

Q.What Risk Factors should be considered before borrowing?

A.Obviously borrowing increases that risk but also increases the potential reward, every investment decision will have to be made up on its own merits. Although 'Self Administered Pensions' are attractive they also require more direct involvement and on-going input than possibly your existing pension arrangements and we would ask people to bear this in mind. It is also important to find a 'Pensioner Trustee' whom will allow you the independence to make your own investment judgements if you so wish; several Pensioner Trustees we have spoken to will only allow you use an option put

Tax Facts and Figures

	€ Existing	€ Increase	€ Proposed	
Personal Tax Credits				
Single Person	1,520	60	1,580	
Married Couples	3,040	120	3,160	
Additional one/widowed parent	1,520	60	1,580	
PAYE	800	230	1,270	
Rent Relief				
Under age 55 single person	254	46	300	
Under age 55 married persons	508	92	600	
Over age 55 single person	508	92	600	
Over age 55 married persons	1,016	184	1,200	
Incapacitated child		500	500	1,000
B lind persons: Single	800	200	1,000	
Married (both blind)	1,600	400	2,000	
Widowed/additional Credit	30	100	400	
Widowed parent:				
1st year after year of bereavement	2,600	200	2,800	
2nd year after year of bereavement		2,100	200	2,300
3rd year after year of bereavement	1,600	200	1,800	
4th year after year of bereavement	1,100	200	1,300	
5th year after year of bereavement	600	200	80	
Exemption limits – 65 years and over				
Single/widowed	15,500	1,000	16,500	
Married	31,000	2,000	3,300	
Standard rate bands				
Single/widowed	28,000	1,400	29,400	
Married couple, one income	37,000	1,400	38,400	
Married couple, two income	56,000	2,800	58,800	
One parent families	32,000	1,400	33,400	
Tax Rates				
Standard rate	20%	-	20%	
Top rate	42%	-	42%	
PRSI				
Employee ceiling	42,160	2,020	44,180	
Health Levies				
Threshold	18,512	2,288	20,800	

Benefits in kind – increase in small benefit exemption threshold

Where an employer provides an employee with a small benefit not exceeding an amount of 250 from 1st January, 2005 (100 to 31st December, 2004), PAYE and PRSI need not be applied to that benefit. No more tax on such benefit given to an employee in a tax year will qualify for such treatment. Where a benefit exceeds 250 in value, the full value of the benefit is to be subjected to PAYE/PRSI

Tax relief for fees paid for third level education

Tax relief at the standard rate is available in respect of certain third level education fees paid to approved colleges. The maximum amount of qualifying fees allowable under this scheme is increased from 3,175 per annum to 5,000 per annum with effect from academic year 2005/2006.

STAMP DUTY

First-time buyers of second-hand residential property

The stamp duty rates for first-time buyers who are owner-occupiers of second-hand residential property are being changed. The existing and new stamp duty rates structures are as follows:

Threshold	Existing	New
Up to 127,000	Exempt	Exempt

The new rate structure will apply to legal instruments relating to these properties executed on or after 2nd December, 2004.

First-time buyers who are owner-occupiers will continue to be exempt from stamp duty on new residential property up to 125 square metres. Partial relief will continue to apply where such property exceeds 125 square metres.

All other rates of stamp duty remain unchanged.

Companies capital duty

The 1% duty that is charged on the issue of shares in limited companies is being reduced to 0.5% for transactions effected on or after 2nd December, 2004.

Stamp duty exemption for switching of financial cards

There will be stamp duty exemption from the double charge arising from the switching of financial cards such as credit cards, charge cards, ATM cards and Laser cards. The timing and scope of the provisions is yet to be decided.

CAPITAL GAINS TAX

The capital gains tax rate of 20% remains unchanged.

RESIDENTIAL DEVELOPMENT LAND

The 20% rate of income tax applicable to residential land remains unchanged.

CAPITAL ACQUISITION

No changes were announced.

VALUE ADDED TAX

From 1st January 2005, the VAT rate applicable to the supply of livestock, live greyhounds and the hire of horses has been increased from 4.4% to 4.8%. The flat rate addition paid to farmers will also be increased from 4.4% to 4.8% from the same date.

BES/SEED CAPITAL SCHEME (SCS)

The extension of these reliefs, as provided in the Financial Act 2004, has obtained European Commission approval. A summary of the qualifying conditions are:

- qualifying companies must be Small and Medium Sized Enterprises (SMEs) within the European Commission definition in force for the relevant period;
 - tax relief under the BES/SCS will be available for individual investments in companies registered in the European Economic Area but with an establishment in Ireland carrying out qualifying activities;
- while a company may raise equity capital up to general maximum of 1 million in the lifetime of the company, in all cases, the schemes will respect the aid ceilings as set out in the European Commission's Guidelines on State Aid and Risk Capital. This will mean that from 5th February, 2004 a company may not raise more than 750,000 in any six period;
- the following sectors will be formally excluded from the scheme: shipbuilding, European Coal and Steel Community Sectors and non viable companies within the European Community Guidelines on State Aid for rescuing and restructuring firms in difficulty.

Increases in Monthly Take-Home Pay in Tax Year 2004

Gross annual Income	Married Both Working		Married One Earner		Married Home Earner		Single	
	A	B	A	B	A	B	A	B
	€	€	€	€	€	€	€	€
17,500	24	24	0	0	0	0	0	0
20,000	57	58	0	0	0	0	33	34
22,500	24	24	0	0	0	0	0	0
25,000	24	24	0	0	0	0	12	13
30,000	50	50	48	49	48	49	29	29
40,000	50	50	115	115	115	115	55	55
50,000	44	49	48	49	48	49	49	53
60,000	44	48	100	100	100	100	49	53
70,000	44	49	99	99	99	99	49	54
80,000	44	48	100	99	100	99	49	53
90,000	43	48	88	97	88	97	48	54
100,000	44	48	88	97	88	97	48	53
150,000	44	49	87	97	87	97	49	54