

Newsletter for January 2009

Happy New Year – we hope that you have had an enjoyable Christmas break and will have a prosperous 2009.

For clients: those with tax due by 31 January 2009 should have received their payslip and statement recently. If you have not received a payslip or need to confirm the amount due please contact us and we will forward details. Details of how to pay can be found on the HM Revenue & Customs website at www.hmrc.gov.uk/howtopay

Resolutions for the New Year:

- Tax returns should be submitted online by 31 January 2009. If you have not already completed your return do not delay.

- Have you reviewed your Will recently? A correctly drafted Will can save tax as well as ensure that your assets are distributed in accordance with your wishes.

- Make sure you claim all available deductions and reliefs, these may typically include:

- Higher rate tax relief on gift aid payments. To simplify keeping track of gift aid payments, consider using a charity account with the Charities Aid Foundation (www.cafonline.org.uk or talk to us).
- Higher rate tax relief on personal pensions has to be claimed by submitting a tax return.
- Professional subscriptions will generally be allowable against employment or self-employed income. A full list of bodies whose subscriptions HMRC accept as deductible is available on their website. <http://www.hmrc.gov.uk/list3/list3.htm>
- For those in business the importance of retaining receipts and maintaining full records of expenses cannot be over-emphasised to ensure all relevant expenses are claimed.
- Employees who are reimbursed business mileage in their own cars at less than the accepted HMRC rates, can claim the difference as an additional deduction on their tax return.

- Make sure you make use of exemptions and reliefs to minimize / defer tax liabilities. Now is the time to start considering year-end planning to make sure any appropriate steps can be implemented by 5 April. Over the next couple of months, I will cover tax saving hints and tips in my newsletters in particular:

For income tax: tax efficient investments – ISAs, pensions, enterprise investment schemes and venture capital trusts.

Maximizing reliefs and rate bands within the family
Tax efficiency of borrowings

Capital gains tax: reliefs & exemptions
Shelters – EIS

Inheritance tax: reliefs and exemptions

Businesses & companies: year-end planning considerations

Lost treasures?

It is easy to lose track of bank accounts, pensions, life policies and shares etc with changes of address, takeovers and mergers. Later this year, the government is planning to pool funds from

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dormant bank accounts (inactive for 15 years) to be re-invested in the community, although account holders will still be able to claim their money. Banks are required to attempt to trace account holders of inactive accounts but why wait? Go online to www.mylostaccount.org.uk to make a search, the website covers most banks and all building societies. Searches are free but you may need to wait up to 12 weeks for a reply.

The Unclaimed Asset Register has a database of unclaimed life policies, pensions, unit trust and share dividends can assist tracking down lost assets. The service is run by Experian and charges a one-off fee of £25 regardless of the result of the search – apparently about 10% of searches are successful but the average payout is £6,000 when assets are found. Go to www.uar.co.uk or call 0870 2411713.

Change in Companies House filing penalties and deadlines

For accounting periods starting on or after 6 April 2008, private companies will have 9 months instead of currently 10 months to file their accounts at Companies House (for public companies the time for filing reduces from 7 to 6 months). In addition the level of penalties for late filing increases and the time period between penalties shortens, the changes for private companies are as follows:

| Length of delay, measured from the date the accounts are due | Up to 31.01.09 | From 1.2.09 |
|--|----------------|--------------|
| 3 months or less No more than 1 month Over 1 month, but less than 3 months | £100 | £150 £375 |
| 3 months and one day to 6 months | £250 | £750 |
| 6 months and one day to 12 months More than 6 months | £500 | £1,500 |
| More than 12 months | £1,000 | |

Impending deadlines

31 January, 2009

Last day to submit personal tax return online to avoid late filing penalty.

Balancing payment for 2007/08 income tax and capital gains tax for 2007/08 are due.

First payment on account for 2008/09 due.

Private companies with 31 March 2008 year-ends should file their accounts at Companies House.

Corporate tax returns for periods ended 31 January 2008 should be filed by concession no penalty is charged if the return is submitted by 7 February 2009.

For more information or to discuss how the ideas can be applied to your particular situation please contact Simon Bell by phone on 01376 571358 or email simon.bell@sjbtax.co.uk .

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