

CI Accountancy Ltd

Newsletter

July 2009

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Our newsletter this month highlights the deferral of plans to extend paternity leave, changes to the HMRC bank accounts, changes to company car advisory fuel rates and heads up on the Government's activity to clamp down on the use of overseas tax havens.

The next newsletter will be published on Thursday 6th August 2009.

Hexham Horse Trials & Allendale Fair	Congratulations!
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Hexham Horse Trials & Allendale Fair

We are pleased to announce that the first events we have sponsored this year have gone off with great success.

Allendale Fair took place over the weekend of 29th – 31st May and was very popular enjoying a sunny weekend with the theme being "come in a hat".

Hexham Horse Trials held at The Linnels, Hexham on 6th – 7th June was a fantastic event enjoyed by competitors and observers alike.

CI Accountancy are pleased to be able to sponsor such a brilliant local events and look forward to the other shows and events we have coming up later in the year. We recommend sponsorship in your local community as a great method of advertising, benefiting both the local events and your business alike.

To see the other projects CI Accountancy are sponsoring this year, check our website:-

<http://www.ciaccountancy.co.uk/community-sponsorship/>

Congratulations!

Well done to Shaun Nixon for successfully passing his recent F3 Accountancy exam – Financial Accounting. Good luck to all those who are taking Accountancy Exams at the moment. We look forward to updating you with more success stories when the results come out in August.

Tax returns by email

Over the next 12 months all returns to HMRC need to be done online, we will be sending you some information in the coming months which we need you to check and return to allow us to file your Self Assessment returns electronically.

Wherever possible we will email your tax return to you to check, this not only saves time, but also paper. We will also send you a payment authorization form, which will allow us to pay any tax directly to HMRC, rather than asking you for a cheque.

There are a number of benefits to submitting returns and payments online, but we appreciate that some of you will be skeptical about giving information online, so hopefully the points below will clarify the situation.

- Online Tax Returns are processed faster than paper returns and any money you are owed by HMRC will be repaid quicker than if the return has been submitted in paper form.
- You get an immediate online acknowledgement as soon as HMRC receive the completed form.
- It is a Safe & Secure method of submitting your information.
- Your tax is worked out automatically as you complete the form so you know what you owe or what is owed to you right away.
- The deadline for Online Returns is 31st January – the deadline for paper returns is 31st October.
- You can monitor Self Assessment online, this includes statements of your payment history and what you currently owe or are owed.

We know the main question you will be asking is... "Is it safe to file Online?"

Filing an online tax return is secure and convenient. Any sensitive or private information that is filed with HMRC is encrypted and protected by a unique User ID and a password.

In order to set your Online account up we will need to request an online authorization code or PIN, this will be sent out to you by post from HMRC (Government Gateway), once you get the PIN it is important that you let us know what the number is so that we can activate your account before it expires.

Should you have any queries about Online filing and Tax returns by email, please contact your account manager on 01434 601133

Train to Gain – Making the most of Grants

If you know where to look there are a number of opportunities for grants and funding to cover all sorts of training and entrepreneurial ventures.

In these challenging economic times the Government are investing a lot of time and money into the "Train to Gain" scheme. This is a national skills service that supports employers of all sizes and in all sectors to improve the skills of their employees as a route to improving their business performance.

Train to Gain works to further the skills of all types of people, including:

- Contracted employees (full and part time)
- Self-employed
- Volunteers
- Employment Agency Workers

To find out if you can get funding for training it's best to contact your local Business Link broker, college or training provider. If you have already accessed funding from this scheme it is still worth checking whether you can claim anything from the funding made available from January 2009. This includes more fully funded training and funding for smaller, focussed training programmes for small and medium sized private sector businesses.

There are some qualifying factors to the funding, these are outlined below:-

First Full Level 2 qualification (equivalent to 5 good GCSE's)

This is for employees who don't already have a full Level 2 qualification, funding can be provided for literacy, numeracy and English language skills, plus the first Level 2 qualification. There is also funding available for a number of additional Level 2 qualifications.

Contributions to Level 3 qualifications (equivalent to 2 A Levels)

This is for employees with a Level 2 qualification; contributions will be made towards the costs of a Level 3 qualification. For employees who don't have a Level 2 qualification but have skills to progress straight to Level 3, full funding can be provided for the Level 3 qualification. For those who already have a Level 3 qualification or above, there is funding available for a number of additional Level 3 qualifications. For employees who are aged 19-25 full funding can be provided for a Level 3 qualification.

There is also funding for Apprenticeships, Leader and Management skills and contributions towards wage costs for businesses with less than 50 employees, to cover the cost of staff spending time away from work undertaking agreed training.

For more information about this scheme contact Business Link on 0845 600 90 006 or check the Train to Gain website www.traintogain.gov.uk

Client of the Month – July – Benn Stephenson

Benn Stephenson of **Stephenson Joinery** tells us about the services he provides and his experience in becoming self employed.

"I qualified as a joiner following an apprenticeship, which I secured as a result of my hard work as a general operative in a construction company. I completed an advanced crafts course, finishing top in my class and passing both courses with distinction. Following this, I worked for two very difficult companies and over the years I have gained experience in all areas of construction and joinery including;

- New build construction
- First fix internal & external joinery e.g. stud walls/partitions, door frames, door linings, roof trusses & traditional roofs.
- Second fix joinery e.g. skirting boards, architraves, floor covering, hanging doors, fitting windows, ironmongery, built in wardrobes, shelving etc.
- Barn/building renovations, conversions & refurbishments.
- General maintenance, finishing & painting work.

After careful consideration I made the decision to become self employed, and within the first couple of months I have built up a large client base. I provide services for everything from those small jobs which can be difficult to find anyone willing to do, to jobs that take a lot of time, planning and dedication."

Even if you're unsure of the kind of work you would like to be carried out, why not get in touch for a free estimate.

Benn Stephenson, Stephenson Joinery. Contact 07738662264 or stephensonjoinery@live.co.uk

Paternity leave extension deferred

The UK Government had planned to give fathers the right to claim up to 6 months paternity leave from April 2010. Because of the economic slowdown, they have decided not to bring the changes in that soon. As a result fathers are still only entitled to two weeks leave is usually taken immediately after the baby is born.

The legislation is already in place to give the extra leave but it will not be implemented until the economy can cope.

Mothers and adopters were also going to have the right to additional statutory pay (up from 9 to 12 months) but it looks as though this is also on hold.

The legislation in more detail:

The Work and Families Act 2006 already allows regulations to be made that would permit working fathers to take up to 26 weeks of paternity leave, some of which can be paid, if the mother returns to work before the end of the one-year maternity leave period to which she is entitled.

The new provision would be available during the second six months of the child's life, so in effect, fathers would be able to 'share' some of the maternity leave which is currently only preserved for the mother. The entitlement would also extend to couples who are adopting and to partners and civil partners of mothers.

A Government spokesman has now said that the Department for Business Enterprise and Regulatory Reform is continuing to review the appropriateness of all new regulations due to come into force in the current economic climate and as a result, a date has not yet been announced for extending paternity rights.

At the same time, the Government had proposed to extend statutory maternity pay and statutory adoption pay from nine to 12 months (to coincide with the period of maternity and adoption leave) and it looks as if this is also on hold.

HMRC changed bank account details

Taxpayers who currently make bank payments direct to the Accounts Office at Shipley and Cumbernauld should note the following bank account change.

The new bank account details are:

Accounts Office Shipley

Account Name: HMRC Shipley
Sort Code: 08 32 10
Account Number: 12001020

Account Office Cumbernauld

Account Name: HMRC Cumbernauld
Sort Code: 08 32 10
Account Number: 12001039

If you use online banking and have stored templates to make payments to Shipley or Cumbernauld, make sure you change them to include the new account details set out above.

Full details of the change can be found on the HMRC website www.hmrc.gov.uk/payinghmrc

There is also a cryptic one step forwards one step back note on the HMRC website; it reads:

"HMRC is aware that some customers are experiencing problems making payments from their banks to the new HMRC bank accounts. We are working to resolve this with the banks involved as quickly as possible. If this affects you, you can continue to use the old HMRC account details to make your payments. We apologise for any inconvenience this may have caused you".

Company cars – new advisory fuel rates

Changes have been announced to the company car advisory fuel rates with effect from 1 July 2009.

These are the rates you would use to calculate the petrol cost of your private motoring, if you pay this back to your employer to avoid the fuel based benefit in kind charge. Employers can also use the figure to isolate the petrol cost of car mileage claims in order to recover an appropriate amount of VAT – businesses still need to retain fuel receipts.

Some of the rates have been reduced in light of slightly lower fuel prices at the pumps. The figures are arranged as engine size first, followed by three rates (pence per mile), for Petrol, Diesel and LPG.

1400cc or less: 10p, 10p, 7p

1401cc to 2000cc: 12p, 10p, 8p

Over 2000cc: 18p, 13p, 12p

Petrol hybrid cars are treated as petrol cars for this purpose.

The fuel rates are usually reviewed twice a year effective 1 January and 1 July although may change more often where there is significant fluctuation in fuel prices.

Clampdown on overseas tax havens

As evidence that our Government are serious about clamping down on the use of overseas tax havens to avoid UK tax, readers may be interested in the following information regarding the Cayman Islands.

A new Double Taxation Arrangement (DTA) between the UK and the Cayman Islands was recently signed in London.

The new DTA has been drafted to deal with the avoidance of double taxation and the exchange of information necessary to prevent fraud. The arrangement will apply to taxpayers who are resident in either the UK, Cayman Islands or both jurisdictions. In the UK the agreement will apply to income tax, corporation tax, capital gains tax (in relation to the exchange of information), inheritance tax and VAT.

The exchange of information provisions meets the OECD standards and it is expected this new DTA will help combat tax avoidance and money laundering involving both countries.

The DTA will take effect once both countries have finalized the legislative procedures needed to give the arrangement the force of law in both countries.

Tax Diary July/August 2009

1 July 2009 – Due date for corporation tax due for the year ended 30 September 2008.

6 July 2009 – Complete and submit forms P11D return of benefits and expenses and P11D(b) return of Class 1A NIC's

6 July 2009 – Deadline for submission of new Tax Credit application for 2009-2010, if you want to secure a full years claim.

19 July 2009 – Pay Class 1A NIC's (by the 22 July 2009 if paid electronically).

19 July 2009 – PAYE and NIC deductions due for month ended 5 July 2009. (If you pay your tax electronically the due date is 22 July 2009)

19 July 2009 – Filing deadline for the CIS300 monthly returning for the month ended 5 July 2009.

19 July 2009 – CIS tax deducted for the month ended 5 July 2009 is payable by today.

1 August 2009 – Due date for corporation tax due for the year ended 31 October 2008.

19 August 2009 – PAYE and NIC deductions due for month ended 5 August 2009. (If you pay your tax electronically the due date is 22 August 2009)

19 August 2009 – Filing deadline for the CIS300 monthly return for the month ended 5 August 2009.

19 August 2009 – CIS tax deducted for the month ended 5 August 2009 is payable by today.

DISCLAIMER - PLEASE NOTE: The ideas shared with you in this newsletter are intended to inform rather than advise. Taxpayers circumstances do vary and if you feel that tax strategies we have outlined may be beneficial it is important that you contact us before implementation. If you do or do not take action as a result of reading this newsletter, before receiving our written endorsement, we will accept no responsibility for any financial loss incurred.

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Directors of the Company are members of the Association of International Accountants (AIA). This body has its headquarters in the UK and its rules of professional conduct can be obtained from its website.