ACCOUNTANTS ARE BORING NUMBER CRUNCHERS, RIGHT?

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refreshingly different accountants

Chartax refreshingly different accountants: **0845 658 0968** | Issue 08 | July 2009 | www.chartax.biz

In this month's issue:

The story continues...

We hope you all enjoyed our tax tips in last month's newsletter - so here's the latest instalment of your bi-monthly guide to keep you clued up and cashed in on all things tax related!

It's been mentioned previously, but the Companies House deadline topic is an important one, so we have included a little refresher in this month's newsletter.

There's also information in this issue on claiming back money if you own an overseas holiday home, and other useful tips that we enjoy sharing with you each month.

On that note, please pass this information on to your friends and family because we think everyone deserves to be kept in the know with our trusty tax tips!

We are constantly updating the information that we have to offer you, and are pleased to deliver it in a simple and jargon free way.

So until next month, happy tax saving!

Sue & Nick - **your refreshingly different accountants.**

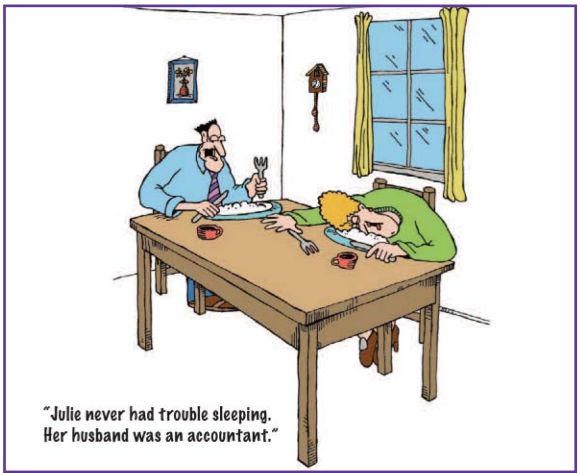
Companies house - new filing deadlines for limited company accounts and increased penalties

We have covered this in a previous newsletter but it bears repeating.

Companies now have 9 months from their Company's year-end to file accounts with Companies House; this has reduced from the previous deadline of 10 months.

The fines have increased significantly – and are doubled if you were late in the previous year!

Less than 1 month late	£150
1-3 months late	£375
3-6 months late	£750
6 months + late	£1500



"Julie never had trouble sleeping. Her husband was an accountant."

Tax efficient wage for directors

If you are a director and have been paying yourself a monthly wage set at an amount just below the National Insurance threshold then the monthly amount can be increased to £475 per month from April 2009 (previously £450).

Properties overseas – possibility of a tax refund

If you own an overseas holiday home and you have let it out then any losses were thought to only be allowable for tax against a future profit from letting the same propery. The European court have disagreed so there is an opportunity to go back 6 years and claim tax relief – and get a tax refund if you meet the qualifying rules.

In brief these are:
- Property let commercially with a view to making a profit!
- Property available to let for at least 140 days a year
- Property actually let for at least 70 days a year
- No one let exceeds 30 days

You will also need to have the records available to put together rental figures – so a record of expenses, mortgage interest and rental income.

It may be worth the effort however, as the possible tax refund could be quite large – if the property cost you say £4000 a year then the refund could be in excess of £5,000.

The properties also qualify for a lower rate of capital gains tax.

If you want to discuss this you must contact us immediately, as claims to amend previous returns must be lodged by 31 July 2009.

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Pensions and retirement age

If you have a personal pension then the current rules allow you to draw your pension and take the tax free lump sum at age 50 (at the earliest).

The government have moved the goalposts and have decided that, from 6 April 2010 the minimum age you can take your pension (and any tax free lump sum) will be 55.

So if you are planning to cash-in your pensions and take the tax free lump sum before you are 55 then you need to ask your financial advisor for advice about the best way to avoid this age trap and stop the Government ruining your best laid plans.

We work closely with a financial advisor who will be able to help – just ask either Sue or Nick for details.

Compulsory pensions

Remembering if you have 5 or more employees (including directors) then you have to have a stakeholder scheme, then things are going to get more onerous from 2012 when there is going to be an automatic enrolment in the company scheme plus enforced employer contribution of 3% and an employee contribution of 4%.

This is going to require forethought and planning the change will affect overall employment costs as well as the net take-home pay for your employees; as usual there are penalties for non compliance as well.

We have close links with Financial Advisors who are able to help with these schemes.

New Advisory Fuel Rates from 1 July 2009

HMRC has published revised Advisory Fuel Rates which take effect from 1 July 2009 (ie they apply to all journeys on or after that date).

The rates for petrol cars have not changed for engines sizes of:

- 1400cc or less (10p per mile)
- 1401–2000cc (12p per mile)

For petrol cars over 2000cc the rate has gone up to 18p from 17p.
The rates for diesel cars have all gone down by 1p per mile.

These rates only apply where employers:

- reimburse employees for business travel in their company cars, or
- require employees to repay the cost of fuel used for private travel.

If the rate paid per mile of business travel is no higher than the advisory rate for the particular engine size and fuel type of the car, HMRC will accept that there is no taxable profit and no NIC liability. This reflects the fact that they are intended to reflect actual average fuel costs.

The rates do not apply in any other circumstances. In particular, employees driving company cars are not entitled to use them to calculate a deduction if employers reimburse them at lower rates. Such calculations should continue to be based on actual costs incurred.

"Chartax makes a positive contribution to our clients' businesses. We are happy to recommend them to anyone"

Bridget Juckes,
Partner and Head of Business Services,
Wards Solictors

"I would like to thank you for being exactly what it says on the tin - an accountant who is refreshly different and jargon free"

Cathy Penney, Reflexologist