

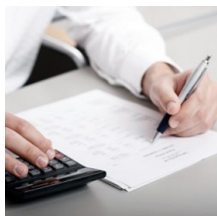


- File Corporation Tax Returns for 31.03.10 year ends by 31.03.11
- Pay Corporation Tax for 31.06.10 year ends by 01.04.11
- 19 April 2011— File and pay CIS Return and PAYE due for 05.04.11
- File and pay paper VAT Returns for quarter ended 31.03.11 by 30.04.11. (07.04.11 if you file online)
- 9 May 2011— Last date to register to use PAYE Online for Employers if you are required or intend to send your 2010-11 Employer Annual Return online.
- 19 May 2011— Employers' year end returns (P35 and P14s) due for submission.
- 31 May 2011— Employees must be provided with their P60

## Year End Tax Planning

Tax is a subject that excites very few people but it is important that you review your tax affairs regularly (at least once a year) and think of this as an opportunity to reduce the taxman's take from your family.

The period leading up to the end of the tax year on 5 April is one of the best times to review your taxes and finances. Here is a summary of the more important year end tax tips to help you identify areas that should be considered. As always, we would be delighted to discuss with you the issues involved and any appropriate action you may need to take.



### Married Couples

Each spouse is taxed separately, and so it is an important element of basic income tax planning that maximum use is made of personal reliefs and the starting and basic rate tax bands. If you are self-employed or run a family company, consider employing your spouse or taking them into partnership as a way of redistributing income. Care must be taken because HMRC may look at such situations to ensure that they are commercially justified. If a spouse is employed by the family business, the level of remuneration must be justifiable and the wages actually paid to the spouse. The National Minimum Wage rules may also impact.

### Capital Gains Tax

From 23 June 2010 there have been significant changes to Capital Gains Tax. The flat rate of 18% disappeared and capital gains once again became taxable as the top slice of your income.

That is, gains are added to your income to determine which rate of CGT you should pay. For gains falling into higher (40%) or additional (50%) rate bands, the tax rate applied is 28%, while other taxpayers face an 18% rate. Fortunately, the annual capital gains tax exemption was unchanged; it remained at £10,200.

### Individual Savings Accounts (ISAs)

ISAs provide an income tax and capital gains tax free form of investment. The maximum investment limits are set for each tax year, therefore to take advantage of the limits available for 2010/11 the investment must be made by 5 April 2011. An individual aged 18 or over may invest in one cash ISA and one stocks and shares ISA per tax year but limits apply. A cash ISA allows you to invest up to £5,100 with one provider only, in any one tax year. A stocks and shares ISA allows you the option to invest up to £10,200 (per tax year) with one provider in any one tax year. However, if you want to invest in both then the stocks and shares ISA investment is capped so that overall you do not exceed the £10,200 limit. Junior ISAs should become available in autumn 2011.



### Pensions

The old rule used to be that a pension contribution made by 5 April would save you income tax for the year. In 2010/11 that remains the general case, but the principle has been complicated because the maximum contribution has been reduced to £50,000 with effect from 6 April 2011. The lowered annual allowance will replace the current much higher annual allowance and if you try to pay in higher amounts before then, there are rules to restrict your tax relief if you are a high earner. The wisest solution is to speak to us before making any pension contributions. Even if you are considering making a more modest top-up to your pension plan, it is wise to do so before the tax year ends if you are a higher taxpayer.



**Why not make an appointment to meet with our very own Financial Advisor—Michael Kennedy.**

Michael is appointed representative of Paradigm Financial Advisers Ltd which is authorised and regulated by the Financial Services Authority.

### 80/20 Rule

Spend 80% of your time on your top 20 clients—this is also known as the Pareto Principle, the law of the vital few.

It is a common rule of thumb in business whereby 80% of your sales come from 20% of your clients.

The message is simple enough—focus on activities that produce the best outcomes for you. This applies to both your business/working life and your “other” life. The problem for most people is how to make a living from what you really enjoy, so let's focus on that....

**Focus on your Passions, not Material Possessions!!**

### Royal Wedding

The Cabinet has agreed that the marriage of Prince William and Catherine Middleton on Friday 29th April 2011 will be marked by a public holiday.



However, this does not increase any entitlement to holiday under the Working Time Regulations, so whether an employee will benefit from the additional bank holiday will be entirely dependent on the wording of their contract.

### Single Farm Payment

16th May 2011 is the closing date for receipt of IACS / Single Applications.

Farmers will receive aerial photographs of their farm and a copy of the Department's guide on eligible land. The aerial photographs which will be issued in early April will highlight the land claimed in 2010. To avoid penalties, claimants should clearly distinguish between leased land and land taken in conacre on their Field Data Sheets.

You can now file your application online, and once submitted these are automatically checked for errors and omissions.

### Small Businesses face checks on accuracy of records

HMRC are planning a programme of checks that will review the adequacy and accuracy of records kept by small and medium-sized enterprises (SMEs). The programme will use existing law regarding both record keeping requirements and penalties for failure to comply, with sanctions imposed for significant failures.

The Revenue says it conducted a random enquiry programme that indicated poor record-keeping is a problem for 40% of the targeted businesses. The campaign would begin in the second half of 2011, with around 200,000 small businesses being selected for one of the new checks. HMRC expect to raise £600 million over its first four years. The new checks will be risk-assessed, and industry sectors will be targeted where HMRC has identified general problems in the past.

**This is likely to result in cash businesses experiencing even more robust and intrusive investigation than previously.**

At this point in time we are not sure how long the checks will take, how disruptive they will be and how will penalties be assessed. For a small business these checks could be quite burdensome.

There may be many ways in which we can mitigate this burden or help you protect yourself from it, so please talk to us about how we can help.

### Abac News

#### Easter Holidays



Our offices will close on Friday 22nd April 2011 and will re-open on Wednesday 27th April 2011.

#### Congratulations



Congratulations to Louise on the birth of her baby boy.

Also Congratulations to Marie who recently completed the “Croker to Cappagh” cycle challenge!



### Brief Notes

- From 1 April 2010 most VAT registered businesses have to submit online VAT Returns and pay electronically; and by April 2012, this will apply to all VAT registered businesses.
- The Personal Allowance is increasing by £1,000 to £7,475 from April 2011 with a new emergency tax code of 747L.



### Giving to Charity

Charitable donations made under the Gift Aid scheme can result in significant benefits for both the donor and the charity. Currently the charity is able to claim back 20% basic rate tax plus a 2% supplement on any donations and if the donor is a higher rate taxpayer the gift will qualify for 40% tax relief. Tax relief against 2010/11 income is possible for charitable donations made between 6 April 2011 and 31 January 2012 providing the payment is made before filing the 2010/11 tax return.

Always remember to keep a record of any gifts you make.

### Increases in NIC from 6 April 2011

National Insurance contributions paid by employees, employers and the self-employed will rise by 1% from April 2011.

- Employees NIC: 12% up to UEL, above this at 2%
- Employers NIC: 13.8%

To mitigate the impact on individuals with lower earnings, the NI threshold for employees is also being increased from £110 to £139.