



A R Lee & Co *newsletter*

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Helping you through the good times and the bad...

Welcome to the latest edition of our half-yearly newsletter in which we summarise the key changes we believe will be of most interest to you and your business. If there are any matters you would like to consider in more detail, then please contact us for one-to-one advice tailored to your own needs.

This year's Budget will be held on 21 March and those of you who already receive our monthly news summary by email will automatically receive a Budget Summary report on the following day. If you are not currently registered for this service, then do please let us know and we will update your details.

As the world ebbs and flows between possible economic recovery and continued recession, there are a few signs within the UK economy of some improvement, but the figures are not consistent and the areas of growth are patchy. Hopefully, the celebrations for the Queen's diamond jubilee and the Olympics shortly afterwards will give the UK a much needed lift and improvement in confidence.

As a firm, 2011 proved to be a very successful year during which we continued to welcome many new clients to the practice. Although we have been busy, we are always keen to talk to potential new clients and to make them aware of the benefits we can bring to their business. If you like what we do for you, then please tell your friends and colleagues that we offer an entirely free initial consultation to discuss their needs without any commitment on their part.



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BUSINESS NEWS



Latest Advisory Fuel Rates For Company Cars

The current rates effective from 1 December 2011 are:

Engine size	Petrol	Diesel	LPG
1400cc or less	15p		10p
1401cc – 2000cc	18p		12p
Over 2000cc	26p		18p
1600cc or less		12p	
1601cc – 2000cc		15p	
Over 2000cc		18p	

New Rules On UK Tax Residency

The Government has delayed the proposed new rules for determining UK tax residency status until at least 6 April 2013, so the existing rules will continue for 2012/13.

All VAT Registered Businesses To File Online From April 2012

If you currently prepare and file paper VAT Returns, you will be required to submit your Returns electronically in respect of all VAT periods beginning on or after 1 April 2012. You will have recently received detailed instructions from HMRC about the change and how to deal with it, but if you need any help or advice, please do not hesitate to contact us. However, please do not leave it until the first online Return is due, as it takes several weeks to complete the online registration process.

New Seed Enterprise Investment Scheme (SEIS)

This new scheme will run from 6 April 2012 and is designed to encourage financial investment in smaller businesses. Tax relief equal to 50% of investments of up to £100,000 per year per individual will be available. Investors can be a director of the company, but cannot hold more than 30% of the shares in the company. The company invested in must also meet various criteria, but this new relief may well be of interest to some investors.

New Contracts Finder Service

Contracts Finder is a free service for businesses and is now the main source of government procurement opportunities with a value greater than £10,000. It can be accessed via www.businesslink.gov.uk/contractsfinder.

Suppliers can also register to receive email alerts of new contracts available by registering via the Government Gateway at www.businesslink.gov.uk.

You can also complete a free online course – Winning the Contract – which will help you to bid successfully.

See: www.businesslink.gov.uk/winningthecontract.

EMPLOYMENT NEWS

Changes To National Employment Savings Trust (NEST) Pensions

The Government have recently announced a delay in the dates from which smaller employers will be required to make compulsory pension contributions on behalf of their employees. For businesses with between 50 and 249 employees, the new scheme will commence between 1 April 2014 and 1 April 2015, one year later than planned. For smaller employers with less than 50 employees, the commencement date has been moved to 1 April 2017, some two years later than originally intended. These changes reflect the continued effects of the recession and the Government's fears the extra cost of the contributions will affect the economy.

National Insurance Contributions and Contracting Out

From 6 April 2012, it will no longer be possible to contract out of the additional State Pension on a defined contribution basis. However, it will still be possible to contract out on a defined benefit basis. As a result, the National Insurance category letter for those employees who are no longer eligible, will need to be changed for the new tax year commencing on 6 April 2012.

New Tax Codes for 2012/13

Don't forget to update your employees' tax codes for 2012/13 in accordance with either the specific coding notices that you receive from HMRC, or the general guidance notes on form P9X (2012).

Social Media Dismissals

If you wish to restrict what your employees can say about you and your business using social media such as Facebook etc., then you will need to include a social media policy within your contracts or staff handbook which makes clear what your policy is and the consequences of any breach.

Failure to include any such policy will make it extremely difficult to take any action against the employee.

Government Grants to Employ a 'NEET'

The Government is offering to pay up to £2,200 to employers who contract to employ a teenager with poor qualifications and who is currently not in education, employment or training (NEET). The contract must be for work, education or training and must last for at least 12 months.

EMPLOYMENT NEWS

Increase in Statutory Minimum Payments

From 1 February 2012, the maximum weekly pay used to calculate statutory redundancy and awards for unfair dismissal is increased from £400 to £430. The maximum amount for unfair dismissal is also increased from £68,400 to £72,300. Guaranteed pay for lay off is increased from £22.20 to £23.50 per day.

From 1 April 2012, the rate of weekly maternity, paternity, additional paternity and adoption pay and maternity allowance will be increased from £128.73 to £135.45. Statutory sick pay will also increase from £81.60 to £85.85.

Increase in Qualifying Period for Unfair Dismissal

New employees from 6 April 2012 will need to have completed two years of employment before they can claim unfair dismissal (the qualifying period). Previously, only one year's employment was required and this rule will continue for anyone who was employed before 6 April 2012.

OTHER NEWS

The Tax Man is Getting Busy Again

The Revenue recently announced new investigation campaigns into various trade sectors including home improvement trades, such as roofers, carpenters, bricklayers etc., the rag trade, the motor trade and indoor and outdoor markets. They also intend to have a look at the direct selling industry i.e. eBay etc.

These announcements follow the success of previous campaigns in relation to restaurants, plumbers, doctors, landlords and scrap metal dealers which involved concentrated activity on either specific groups of people or in geographical locations.

On a slightly brighter note, the Revenue has also reviewed and reduced the number of Business Records Checks (BRC) they intend to carry out in the future. They have also changed their procedure and will now contact those businesses that it considers to be at a higher risk of keeping inadequate records by phone or letter to ask them about their record keeping. They will then use this information to determine if a full Business Record Check is required.

Do let us know if you would like us to advise you in respect of any aspect of your business records and we will be pleased to assist.