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Registered to carry on audit work by the
Institute of Chartered Accountants
in England and Wales



Hugill Gordon Services:

- **Business start-up advice**
To make sure you get off on the right footing.
- **Advising on business structure**
To ensure that it is best suited to your organisation's needs.
- **Cash flow forecasting, budgeting and advising on financial strategy**
Helping you to plan for the future.
- **Management accounting**
Giving you the information you need to make good business decisions.
- **Tax planning**
Making sure that you do not pay too much tax.
- **Tax compliance**
Helping you to make your returns accurately and on time, giving you peace of mind that you are meeting all legal requirements.
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Helping you to assess the performance of your business.
- **Audit**
Giving you the assurance you require about your organisation.
- **Forensic accounting**
Investigating financial situations for dispute resolution and in connection with claims.

Key Dates & Deadlines

Payment Dates	2010-11	2009-10
Income Tax and Class 4 NICs		
1st payment on account	31 January	2011
2nd payment on account	31 July	2011
Balancing payment	31 January	2012
Capital Gains Tax	31 January	2012
Class 1A NICs	19 July	2011
Corporation Tax	9 months and one day after the end of accounting period (or by quarterly instalments if profits exceed £1.5M)	

2009-10 Returns Filing Deadlines

6 July 2010	P9D, P11D and P11D(b) – and appropriate copies to employees
31 October 2010	Self Assessment Tax Return (SATR) – paper version
30 December 2010	SATR Online where outstanding tax (less than £2,000) to be included in 2011-12 PAYE code
31 January 2011	SATR Online

Proposed Changes for 2011-12 onwards

Income tax personal allowance for under 65s is set to increase by £1,000 to £7,475 in 2011/12. The basic rate band and the upper earnings/profits limits for NICs will reduce.

NICs – All Class 4 and Class 1 rates will increase by 1%. The lower profits limit and the primary and secondary thresholds will rise.

Corporation tax main rate will be reduced to 27% for the year to 31 March 2012, reducing at 1% per annum to 24% by 1 April 2014. The small profits rate will be reduced to 20% from 1 April 2011.

Basic state pension will be uprated by a triple guarantee of earnings, prices or 2.5%, whichever is the highest.

The rates of **Child Benefit** will be frozen for 3 years.

The **ISA** limits will be increased in line with the Retail Price Index.

Capital Allowances – from April 2012 AIA reduces to £25,000, 20% rate reduces to 18% and 10% rate reduces to 8%.

Pensions – Introduction of high income excess relief charge to be dropped and replaced with reduced annual allowance.

June Emergency Budget edition; includes changes to **VAT** and **capital gains tax**.

Rates are subject to change – contact us for latest. This card is for general guidance only. We cannot be held liable for action taken or refrained from in consequence of card contents.



Chartered Accountants

Tax Rates 2010/11

from June 2010

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Income Tax

	2010-11	2009-10
Basic rate band – income up to	£37,400	£37,400
Starting rate for savings	*10%	*10%
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate – income over	£37,400	£37,400
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%
Additional rate – income over	£150,000	-
Additional rate	50%	-
Dividend additional rate	42.5%	-

*Starting rate is for savings income up to the starting rate limit of £2,440 within the basic rate band. The rate applies to any balance of the limit remaining after allocating taxable non-savings income.

Personal Allowances		
– under 65	*£6,475	*£6,475
– 65 to 74	*£9,490	*£9,490
– 75 and over	*£9,640	*£9,640

Married Couple's Allowance

Either partner born before 6 April 1935 (relief restricted to 10%)

Agers are as at the end of the tax year.

*Age-related allowances are reduced by £1 for every £2 that adjusted net income exceeds £22,900 to a minimum Personal allowance of £6,475 and to a minimum Married Couples Allowance of £2,670.

For 2010-11, where adjusted net income exceeds £100,000, Personal Allowance is reduced in the same way until it becomes nil.

Other		
' Rent a Room ' exempt on gross annual rent	£4,250	£4,250
Construction Industry Scheme deduction rate	20/30%	20/30%

Pensions

Pensions: Tax relief is generally available for personal contributions to an approved pension scheme; the higher of £3,600 (gross) or 100% of relevant UK earnings (max. £255,000). If total pension input exceeds £255,000 there is a tax charge on the excess. This limit does not apply in the year in which full pension benefits are taken.

Maximum age for tax relief	74
Minimum age for taking benefits	55
Maximum tax-free lump sum	25%

A tax charge may apply in respect of contributions where an individual has relevant income of £130,000 or more.

ISAs

Overall investment limit	£10,200
Including cash maximum of	£5,100

Corporation Tax

Financial Year to	31 March 2011	31 March 2010	
Taxable Profits			
First	£300,000	21%	21%
Next	£1,200,000	29.75%	29.75%
Over	£1,500,000	28%	28%

Stamp Duty

Stamp duty is generally payable at a rate of 0.5% on transfers of shares and securities. On the transfer of property, the stamp duty land tax is:

Value up to £125,000*	nil
Over £125,000* – £250,000	1%**
Over £250,000 – £500,000	3%
Over £500,000	4%

*£150,000 for non-residential property, and residential property in disadvantaged areas. Special rules apply for new zero-carbon homes.

**Relief available for first time buyers of residential property.

Value Added Tax

From	4 Jan 2011	1 Jan 2010
Standard Rate	20%	17.5%
VAT Fraction	1/6	7/47
Reduced Rate	5%	5%

	Current Turnover Limits
Registration	– last 12 months or next 30 days over
	£70,000 from 1 April 2010
Deregistration	– next year under
	£68,000 from 1 April 2010
Annual Accounting Scheme	£1,350,000
Cash Accounting Scheme	£1,350,000
Flat Rate Scheme	£150,000

National Insurance Contributions

Class 1 (not contracted out)	Employer	Employee
Payable on weekly earnings of		
£97 (lower earnings limit) to £110	0%	0%
£110.01 – £770 (upper accrual point)	12.8%	11%
£770.01 – £844 (upper earnings limit)	12.8%	11%
Over £844	12.8%	1%
<small>Over state retirement age, the employee contribution is generally nil.</small>		
Class 1A On relevant benefits	12.8%	Nil
Class 2		
Self employed	£2.40 per week	
Limit of net earnings for exception	£5,075 per annum	
Class 3 Voluntary	£12.05 per week	
Class 4' Self employed on profits		
£5,715 – £43,875	8%	
Excess over £43,875	1%	

*Exemption applies if state retirement age was reached by 6 April 2010.

Company Cars and Vans

These taxable benefits generally arise on employees earning £8,500 or over (including benefits) and directors. **Company car benefit** is calculated as a percentage (based on the car's CO₂ emissions rounded down to next multiple of 5) of the car's UK list price. The normal minimum rate is 15%. Diesel cars generally suffer a 3% supplement on top of their CO₂ emissions figure. The maximum rate for all cars is 35%. Special rules apply to certain environmentally friendly cars.

Company car fuel benefit is charged unless the cost of all fuel for private use is borne by the employee. The taxable benefit is calculated by applying the appropriate car benefit percentage to £18,000. Where VAT is to be reclaimed on fuel for private use, the employer also has to account for output tax based on a fuel scale charge derived from the vehicle's CO₂ emissions (see table below).

Company van benefit is not related to CO₂ emissions but is a set figure of £3,000, with an extra £550 where fuel for private use is provided. There is no benefit charge for certain environmentally friendly vans or where the restricted private use condition is met.

Mileage rates for employees using their own cars for business:

approved rates are 40p per mile for the first 10,000 miles and 25p thereafter. Income tax and NICs may be due on higher rates and tax relief may be due on lower rates.

VAT fuel scale charges for 3 month return period beginning on or after 1 May 2010 (round CO₂ emissions down to next multiple of 5)

	CO₂ in g/km	Scale charge £	CO₂ in g/km	Scale charge £	CO₂ in g/km	Scale charge £
120 or less	141	160	297	195	397	
121 to 134	212	165	312	200	411	
135	227	170	326	205	425	
140	241	175	340	210	439	
145	255	180	354	215	454	
150	269	185	368	220	468	
155	283	190	383	225	482	
				230 or over	496	

Capital Gains Tax

On chargeable gains	from 23 June	to 22 June
Total taxable income and gains (on or after 23 June 2010)		
Up to £37,400	18%	18%
From £37,401	28%	18%
Trust rate	28%	18%

Entrepreneurs' relief – qualifying gains from 23 June 2010 will be taxed at 10%. Prior to that the gain is reduced by 4/9. Claims may be made on more than one occasion up to a "lifetime" total of £5 million (£2 million 6 April 2010 to 22 June 2010, £1 million prior to 6 April 2010)
Annual exempt amount – individuals £10,100 and most trustees £5,050. Transfers between spouses and civil partners are generally not chargeable.

Inheritance Tax

	2010-11	2009-10
Standard threshold	£325,000	£325,000
Combined threshold maximum for married couples and civil partners	£650,000	£650,000

Rate of tax on balance:

Chargeable lifetime transfers	20%	20%
Transfers on, or within 7 years of, death	40%	40%

subject to a tapered reduction for transfers between 7 and 3 years before death
Exemptions may be available; please contact us for relevant information.

Capital Allowances

Plant and Machinery: Energy saving and environmentally beneficial equipment and goods vehicles, low CO₂emission (up to 110g/km) cars, natural gas/hydrogen refuelling equipment first year allowance (FYA) **100%**
Annual Investment Allowance (AIA) – on first £100,000 of investment **100%*** (£50,000 for expenditure incurred before 6 April 2010 or 1 April 2010 for companies). Excludes cars and expenditure already qualifying for 100% FYA

Writing Down Allowance on expenditure not qualifying for AIA or FYA:

Long-life assets, integral features of buildings, cars over 160g/km	10%*
Other plant and machinery	20%*
Industrial and agricultural buildings and hotels (on building cost)	1%*

*Transitional rules may apply.

Selected Rates

Basic Retirement Pension – Single person £97.65
– Couple £156.15

Pension Credit
Standard Minimum Guarantee – Single person £132.60
– Couple £202.40

Child Benefit – First eligible child £20.30
– Each subsequent child £13.40

Statutory Pay qualification - average weekly earnings (AWE) £97 or over.

Sick (SSP) The standard rate is £79.15 per week for up to 28 weeks.

Maternity (SMP), Adoption (SAP) and Paternity (SPP) paid at the lower of £124.88 or 90% of AWE apart from first 6 weeks of SMP which is paid at 90% of AWE. **SMP** and **SAP** are payable for up to 39 weeks. **SPP** is payable for up to 2 weeks. Additional SPP may be available on or after 3 April 2011.

Jobseeker's Allowance – Single person £65.45
– Couple £102.75

National Minimum Wage			
Age	22 and over*	18-21*	16 and 17
From 1 October 2009	£5.80	£4.83	£3.57
From 1 October 2010	£5.93	£4.92	£3.64

*From 1 October 2010 main rate applies to 21 and over. Apprentice rate of £2.50 also introduced from this date, applying to apprentices under 19, or those 19 and over in the first year of apprenticeship.