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- **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.
- **Accounts preparation**  
Helping you to assess the performance of your business.
- **Forensic accounting**  
Investigating financial situations for dispute resolution and in connection with claims.

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## Key Dates & Deadlines

Payment Dates	2011-12	2010-11
<b>Income Tax and Class 4 NICs</b>		
1st payment on account	31 January	2012 2011
2nd payment on account	31 July	2012 2011
Balancing payment	31 January	2013 2012
<b>Capital Gains Tax</b>	31 January	2013 2012
<b>Class 1A NICs</b>	19 July	2012 2011
<b>Corporation Tax</b>	9 months and one day after the end of accounting period (or by quarterly instalments if profits exceed £1.5M)	

### 2010-11 Returns Filing Deadlines

19 May 2011	Employer annual return - P35
6 July 2011	P9D, P11D and P11D(b) – and appropriate copies to employees
31 October 2011	Self Assessment Tax Return (SATR) – paper version
30 December 2011	SATR Online where outstanding tax (less than £2,000) to be included in 2012-13 PAYE code
31 January 2012	SATR Online

## Proposed Changes for 2012-13 onwards

**Income tax** personal allowance for under 65s is set to increase by £630 to £8,105 in 2012/13.

**R&D tax credits for SMEs** – Subject to State aid approval, the total deduction will increase to 225% from April 2012.

**Corporation tax** main rate will be reduced to 25% for the year to 31 March 2013, reducing at 1% per annum to 23% by 1 April 2014.

**Tax simplification** – The government is to carry out a major review to investigate merging the income tax and national insurance contribution systems.

**Pensions tax relief** – from 2012-13 the lifetime allowance will be reduced from £1.8M to £1.5M.

The **ISA** limits will be increased in line with the Consumer Prices Index.

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

**Furnished holiday lettings** – from April 2011, loss relief may only be offset against income from the same FHL business. From April 2012, to qualify in a year, a property must be available to let for at least 210 days and actually let for 105 days.

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 2011/12

[www.hugillgordon.co.uk](http://www.hugillgordon.co.uk)

## Income Tax

	2011-12	2010-11
<b>Basic rate band</b> – income up to	£35,000	£37,400
Starting rate for savings	*10%	*10%
Starting rate limit	£2,560	£2,440
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
<b>Higher rate</b> – income over	£35,000	£37,400
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%
<b>Additional rate</b> – income over	£150,000	£150,000
Additional rate	50%	50%
Dividend additional rate	42.5%	42.5%

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

<b>Personal Allowances</b>	– under 65	*£7,475	*£6,475
	– 65 to 74	*£9,940	*£9,490
	– 75 and over	*£10,090	*£9,640

### Married Couple's Allowance

Either partner born before 6 April 1935	*£7,295	*£6,965
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Ages are as at the end of the tax year. Relief is restricted to 10%.

\*Age-related allowances are reduced by £1 for every £2 that adjusted net income exceeds £24,000 (£22,900 for 2010-11) minimum Personal allowance of £7,475 (£6,475 for 2010-11) and to a minimum Married Couples Allowance of £2,800. Where adjusted net income exceeds £100,000, Personal Allowance is reduced in the same way, until it becomes nil.

<b>Other</b>		
'Rent a Room' exempt on gross annual rent	£4,250	£4,250
<b>Construction Industry Scheme</b> 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 up to £50,000 (£255,000 to 5 April 2011). If total pension input exceeds the maximum 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

	2011-12	2010-11
Overall investment limit	£10,680	£10,200
Including cash maximum of	£5,340	£5,100

Junior ISAs are expected to be available from Autumn 2011.

## Corporation Tax

Financial Year to	31 March 2012	31 March 2011
<b>Taxable Profits</b>		
First	£300,000	20%
Next	£1,200,000	27.5%
Over	£1,500,000	26%

## 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%
Over £1,000,000	5%

\*£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

<b>Standard Rate</b>	20%
<b>VAT Fraction</b>	1/6
<b>Reduced Rate</b>	5%
	<b>Current Turnover Limits</b>
Registration – last 12 months or next 30 days over	£73,000 from 1 April 2011
Deregistration – next year under	£71,000 from 1 April 2011
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		
£102 (lower earnings limit) to £136	0%	0%
£136.01 – £139 (primary threshold)	13.8%	0%
£139.01 – £817 (upper earnings limit)	13.8%	12%
Over £817	13.8%	2%
Over state retirement age, the employee contribution is generally nil.		
<b>Class 1A</b> On relevant benefits	13.8%	Nil
<b>Class 2</b> Self employed	£2.50 per week	
Limit of net earnings for exception	£5,315 per annum	
<b>Class 3</b> Voluntary	£12.60 per week	
<b>Class 4*</b> Self employed on profits		
£7,225 - £42,475		9%
Excess over £42,475		2%

\*Exemption applies if state retirement age was reached by 6 April 2011.

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 £18,800. 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 CO<sub>2</sub> emissions (see table below).

**Company van benefit** is not related to CO<sub>2</sub> 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 45p 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.

### Quarterly gross VAT fuel scale charges (including VAT) for VAT periods starting on or after 1 May 2011 (round CO<sub>2</sub> emissions down to next multiple of 5)

CO <sub>2</sub> in g/km	Scale charge £	CO <sub>2</sub> in g/km	Scale charge £	CO <sub>2</sub> in g/km	Scale charge £
120 or less	157	155	331	190	441
	125	236	160	346	457
	130	252	165	362	472
	135	268	170	378	488
	140	283	175	394	504
	145	299	180	409	520
	150	315	185	425	536
				220	551
				225 or over	551

## Capital Gains Tax

On chargeable gains	<b>2011-12</b>	<b>2010-11</b>
Annual exempt amount	£10,600	£10,100
for most trusts	£5,300	£5,050
Capital Gains Tax rate - where total income and gains do not exceed the basic rate band	18%	18%
On any excess	28%	28%

**Entrepreneurs' relief** – qualifying gains will be taxed at 10%.

Claims may be made on more than one occasion up to a "lifetime" total of:

£10 million from 6 April 2011
£5 million 23 June 2010 to 5 April 2011
£2 million for period 6 April 2010 to 22 June 2010
£1 million prior to 6 April 2010

Transfers between spouses and civil partners are generally not chargeable.

## Inheritance Tax

	2011-12	2010-11
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 CO<sub>2</sub> emission (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%**  
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	<b>10%</b>
Other plant and machinery	<b>20%</b>

R&D tax credits for SMEs	<b>200%</b>
R&D tax credits for large companies	<b>130%</b>

## Selected benefit rates

<b>Basic Retirement Pension</b> – Single person	£102.15
– Couple	£163.35

### Pension Credit

Standard Minimum Guarantee – Single person	£137.35
– Couple	£209.70

### Child Benefit

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

**Statutory Pay** qualification - average weekly earnings (AWE) £102 or over.

**Sick Pay (SSP)** The standard rate is £81.60 per week for up to 28 weeks.

**Maternity (SMP), Adoption (SAP) and Paternity (SPP)** paid at the lower of £128.73 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 [rights for new fathers](#) apply after 3 April 2011.

<b>Jobseeker's Allowance</b> – Single person (25 or over)	£67.50
– Couple (both 18 or over)	£105.95

### National Minimum Wage

Age	21 and over	18-20	16 and 17
From 1 October 2010	£5.93	£4.92	£3.64
From 1 October 2011		Rates yet to be announced.	

Apprentice rate of £2.50 applies to apprentices under 19, or those 19 and over in the first year of apprenticeship.

For more detailed information on all benefits go to the [Direct Gov](#) website