



R. M. Rahim & Co.

Chartered Accountants & Business Advisers

Client Newsletter

December 2015

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Enjoy your free gift from us!

We appreciate your ongoing business with us and look forward to working with you for many years to come!

- *Lighted Tip Stylus Pen*
- *2016 Pocket Diary*

Taxation News and Tips

From 1 January 2016 all qualifying investment in plant and machinery is eligible for 100% relief up to annual limit of £200,000.

Inheritance Tax: Your financial planning should include a tax efficient estate plan and consideration of inheritance tax implications. Having a will is a key tool in this planning. IHT is currently payable where a persons taxable estate is in excess of £325,000. Mr. Rahim specializes in this area and will be available to assist clients in this field. The nil rate band will be enhanced by £100,00 from 2017/18 if main residence is passed to direct descendants.

There is a Capital Gains Tax exemption on principle private residence. But beware of possible CGT on sale of sizeable gardens, grounds & out-buildings linked to the family home. See us if this applies to you when thinking of selling.

Giving to charity through gift aid can help the charity by tax rebate and may help your tax affairs if you are a higher rate tax payer.

Our Updates

Seasons Greetings & Best Wishes from us all at R. M. Rahim & Co.

Over the past year at R. M. Rahim & Co. we hope you have been satisfied with the high level of service you have received. Feedback is always welcome from all clients and is the main way we can maintain a high level of tailored services for our clients.

As well as our online approval system and client portal we are working more with cloud accounting software packages and would be more than happy to discuss these with anyone who would like to consider this option. Using cloud accounting will save you time in the long run and result in a cost saving. We recommend those clients currently using excel spreadsheets or written up cashbooks to give Mohamed a call and see

if this could be something of use to you.

Please remember the tax return deadline of 31 January 2016 is fast approaching. Can all clients who haven't yet got the information for their returns together please do so and forward this to us as soon as possible so we can get this done in time. Don't forget you can always contact us by email too at staff@rmrahim.com.

All clients are requested to note that during the Festive Season the office will be closed from Thursday 24 December 5pm and will re-open on Monday 4th January 2016 at 9am. As always, we will make every effort to ensure that there is no disruption to clients in receipt of continuous services. However to ensure this is possible, please ensure the following

dates are met: -

- Latest date for bringing in books and records for VAT return for quarter ended 30 November 2015 is: Wednesday 9 December 2015.

- Any payroll alteration instructions should be given to Mohamed by Tuesday 15 December 2015 so that wage slips can be sent in advance for 2 weeks and the relevant RTI Returns can be submitted online.

TAX DIARY

- **31st January 2016** – Last Date for submission of your 2014/15 return electronically

- **31st January 2016** – Payment of balance due on 2014/2015 return together with first instalment for 2015/2016 advance

- **31st July 2016** – Second instalment due for 2015/2016 advance

- **31st October 2016** – Deadline for 2016 paper returns

LIMITED COMPANIES:

- Corporation tax is due 9 months after your year end

The 31st January 2016 deadline for Self Assessment Tax Returns for year ending 5 April 2015 is fast approaching! If you still haven't given us the information for this please do so as soon as possible! You can find our checklist on our website. HMRC charge considerable penalties for late returns!

Taxation News and Tips Continued...

Property income:

Two major changes are being introduced:

- From April 2016 the landlords wear and tear allowance will be replaced with a new system allowing relief on replaced furnishing.

- The availability of relief on interest paid by landlords will be gradually restricted to basic rate reduction over a period of 3 years from 2017/18.

Employment:

From April 2016 the NIC Employment allowance will rise from £2,000 to £3,000. Our payroll clients will have this claimed for them automatically.

Savings:

The automatic deduction 20% income tax by banks and building societies on interest paid on non ISA Savings will cease from April 2016. Individuals will have to account for tax through their tax returns if applicable.

Married Couple Tax Break:

From 6th April 2015 married couples can transfer up to £1,060 of their unused personal allowance to their spouse. For this to happen a claim must be made online. Please contact us if you want to discuss this further for your tax affairs.

First Time Property Buyers:

Contact us for info on an interesting government led Help to Buy ISA.

Tax Data 2015/16

Rates Of Income Tax:

£0 - £31,785	20%
£31,786 - £150,000	40%
Over £150,000	45%

Personal Allowance £10,600

C.G.T Annual Exemption £11,100

Corporation Tax Rate:

From 1 April 15 20%

From 1 April 16 19%

Rent a Room Relief :

To 5/4/2015 £4,250

From 6/4/2016 £7,500

Payroll Data

National Minimum Wage:

From 1 October 2015
Per Hour

Apprentice	£3.30
Under 18	£3.87
18-21	£5.30
21+	£6.70

Statutory Sick Pay:

£88.45 per week for up to 28 weeks

NIC Threshold:

£112 Per Week

PAYE Tax Threshold:

£204 Per week

Major Dividend Reforms

The taxation of dividends in UK will undergo massive changes as from 6 April 2016 as below:

- No more grossing up of dividends as this concept is abolished.

- Each individual will have an annual tax free dividend allowance of £5,000 per fiscal year.

- Dividend received in excess of personal allowance and in excess of £5,000 exemption will be taxed

at 7.5% for basic rate tax payers and 32.5% for higher rate tax payers. For addition rate tax band the rate will be 38.1%.

- The £5,000 dividend allowance will use up part of 20% or 40% tax bands.

If you have any questions or queries about this feel free to contact us and we can discuss this in further detail.

And Finally...

Our ongoing client referral scheme where you can get up to 20% off your next invoice by referring friends, family or business contacts to us has been a success with many clients taking the opportunity to refer their contacts. Feel free to refer any contacts you have that may require our services to take advantage of this scheme. Just ensure that they mention you referred them in their first meeting with us.

Please continue giving us feed -

back on our services and performance. It is with your feedback we can further enhance our level of service to you. With great service year on year being our key goal, if you feel that you have any concerns you wish to raise we are more than happy to listen and discuss. Please contact either Mr Rahim or Mohamed, both of whom will always be willing to assist.

We also pride ourselves on creating a very customized experi -

Payroll

A reminder for those employers who haven't yet had their staging date for Auto enrolment that Mohamed will be contacting you closer to your staging date to discuss this.

Please note under RTI all people who work for you and are paid, even casual workers, need to be on your payroll and provided with payslips. If you want to discuss how we can assist you please contact Mohamed.

ence for our clients, if you feel that you want to tailor our services to fit your requirements better or increase the services we provide for you please contact us.

If you are considering starting or expanding your business please consult us as there are key considerations relating to your business plans, projections, business structure and year end for which our advice will benefit you greatly.

