

CLIENT NEWSLETTER – DECEMBER 2009

“ACTIVE ACCOUNTING AND TAX”

INTRODUCTION

The final pre-Budget report (PBR) before the 2010 election was given by Alistair Darling on 9 December – one of the latest report dates in recent years. As well as being the last PBR before an election, there was much speculation as to whether substantial tax rises would be announced and I feared at one point that if all the various changes being talked about in the press and on professional websites were introduced, the length of this newsletter might begin to rival Encyclopaedia Britannica. In the final instance there is a lot less to say about the PBR than could have been expected, but, as always, there are some points I need to draw to your attention from this and other announcements.

HEADLINES

- ☞ **The standard rate of VAT returns to 17½% from 1 January 2010, as planned – but what is the future for the standard rate?**
- ☞ **VAT Flat rates also change – but not all go back to where they were!**
- ☞ **Six-monthly revision to VAT "mileage rates" from 1 December 2009**
- ☞ **Changes for VAT on overseas services to come into force on 1 January 2010**
- ☞ **Online filing – a reminder about the changes for VAT and PAYE in 2010 – and the new penalties for "in year" late payment of PAYE – cash flow planning will be essential**
- ☞ **HMRC “business payment support service” to help businesses facing cash flow difficulties to spread their tax payments on a temporary basis to be continued "for as long as necessary"**
- ☞ **If you earn more than £100,000 BEFORE PENSION CONTRIBUTIONS, would some planning save you up to 20% in tax?**
- ☞ **Small company corporation tax increase of 1% from 1 April 2010 to be deferred**
- ☞ **Personal allowances and income tax bands and rates for 2010/11 frozen at 2009/10 levels, but with the addition of the new 50% rate.**
- ☞ **Very selective uplifts in working and child tax credits and pensions**
- ☞ **Changes (increases) to company car tax regime announced**
- ☞ **Anti-avoidance still very much on the Government's agenda**
- ☞ **Spring 2010 Budget still required to deal with various other matters – do you need to "hedge your bets" – particularly on Capital Gains Tax?**

As always, it is only possible for me to comment on some of the matters contained in the pre-budget report and the other documents that have been issued recently. If you are interested in any other matters, please do not hesitate to get in touch with me to discuss your concerns. To find the information you need in this newsletter, please refer to the following headings:

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| 1. VAT rate change | 7. Urgent tax planning for high earners |
| 2. VAT flat rate scheme | 8. Other current matters incl. 2010/11 tax rates |
| 3. VAT and mileage payments to staff | 9. Will Capital Gains Tax increase in 2010? |
| 4. VAT and overseas matters from 1/1/10 | 10. Do you need HR advice? |
| 5. Online filing and new penalties in 2010/11 | 11. Companies Act 2006 now in force |
| 6. HMRC Business payments support service | 12. Practice matters including Christmas closure |

1. VAT STANDARD RATE CHANGE

The Chancellor announced that the standard rate of VAT would revert to 17½%, as planned, with effect from 1 January 2010. Whilst HMRC were not particularly bothered if the wrong higher rate of VAT was charged when the rate went down to 15%, they are much more interested if the wrong rate is charged when there is an increase!

VAT is charged based on the tax point of the supply. For most types of supplies, both goods and services, the tax point is the date on which the supply was actually made and if an invoice is raised more than 14 days after the basic tax point then the tax point reverts to the original date of supply rather than taking the invoice date. But this does mean that you must invoice for supplies made between 17 and 31 December 2009, on or before 31 December 2009, or 17½% as opposed to 15% VAT may have to be charged. This is one of those odd rules that only really comes into play when there is an increase in the rate of VAT to be applied – the last increase in the standard rate before this one being in 1991!

Where you make continuous supplies, or issue an annual invoice for ongoing services you will need to check out the more detailed guidance to ensure that you charge the correct rate of VAT. In essence, the proportion of a supply that can be identified as being supplied before 31 December 2009 can be charged at 15%. If you have any queries on this, please do not hesitate to give Kim or me a call.

PAH Comment: There has been some comment in the press over the weekend of 12/13 December 2009 that you can avoid the VAT increase by paying early for something you do not actually receive for up to six months after the date of the increase in VAT rate. Whilst this is true, it is essential that full payment be made and there may be other conditions – if you are thinking of doing this and have a query, again, please do not hesitate to give Kim or me a call.

From a business perspective, if you charge a VAT inclusive price, you do not have to increase your price to take account of the new VAT rate, but of course more of this inclusive price will have to go to the Government for supplies requiring to be accounted for at 17½%. The VAT fraction – the VAT element of a VAT inclusive price at the 17½% rate is $\frac{7}{47}$ ths of the total to be paid (rather than $\frac{3}{23}$ rds).

There is also a "concession" for retailers with pre-priced stocks – you may recall that when VAT went down last year, a lot of shops took the decrease off at the till, rather than re-pricing goods on the shelves. When I was in Marks and Spencer last week this seemed to be still the case, but what is happening now is not quite the same. In their case they now have stock on the shelves that is priced at post 1 January 2010 prices including 17½% VAT, but are reducing this to 15% at the till until then. If a retailer has stock priced including 15% VAT, they are not required to change every price "on the shelves" overnight on 1 January 2010, but can do this over the next few weeks as new stock is put out. However, I am not sure how many customers will be happy when they find the price to be paid at the till is more than stated, whether or not there are plenty of notices explaining the position.

CHANGING YOUR ACCOUNTING SYSTEM

Essentially, the changes are the reverse of those you put in place in December 2008. If you have a support contract you may have received some information from your software supplier, although as far as we are aware, as of Monday 14 December 2009, Sage had not sent anything out. They may have been waiting for the pre-Budget report, just in case the rate did not go back to 17½%, but, in any event, if you have any queries, please do not hesitate to give us a call for further advice.

PAH Planning point: Don't forget that as well as changing the rates, you may have to change the chart of accounts or other links/lists to make sure that various transactions "pick up" the revised rate of VAT from 1 January 2010.

PAH Comment - what is the future for the standard rate of VAT?

There has been quite a lot of comment in the press since the PBR, particularly over the weekend following it, that the Chancellor preferred to raise the standard rate of VAT, but this was vetoed by the Prime Minister who insisted that NICs be increased from 2011 instead – this allowing some playing with thresholds to the advantage of lower paid workers. I have commented previously that the standard rate of VAT in the UK is amongst the lowest in the EU and I think, whoever is in power after the next election, a further increase in the standard rate is perhaps more likely than not.

2. VAT FLAT RATE SCHEME

For those clients who use the VAT Flat Rate Scheme, the rates will also go up from 1 January 2010, but a detailed check of the new table shows that some of the new flat rates are not the same as they were before December 2008.

PAH Comment: The Flat Rate scheme is intended to be a revenue neutral, simpler way of accounting for VAT for businesses with a turnover of less than £150,000. HMRC have undertaken a review and some new rates are 1/2% lower than previously when the standard rate was 17 1/2%. We have written separately to clients we believe are affected, but if you have any queries on the Flat Rate scheme, please give us a call.

3. VAT AND MILEAGE PAYMENTS TO STAFF

In accordance with the twice-yearly review timetable, HMRC has once again updated the "company car" mileage rates, which represent the accepted figures for tax-free reimbursement of fuel costs to company car drivers for business mileage, assuming that there are no payments for petrol made other than in respect of business mileage claims. **These rates can also be used by all registered businesses as the gross of VAT rate on which VAT can be recovered as business input tax; the change being an increase in all the petrol rates.**

The revised table, showing the two previous rates as well, is as follows – the figures in brackets being the pence per mile in VAT that can be reclaimed:

Engine size	Petrol cost (per mile)			Diesel cost (per mile)			LPG cost (per mile)		
	From 1 Dec 2009	1 July to 30 Nov 2009	1 Jan to 30 Jun 2009	From 1 Dec 2009	1 July to 30 Nov 2009	1 Jan to 30 Jun 2009	From 1 Dec 2009	1 July to 30 Nov 2009	1 Jan to 30 Jun 2009
1400 cc or less	11p (1.435) until 1/1/10 then (1.638)	10p (1.304)	10p (1.304)	11p (1.435) until 1/1/10 then (1.638)	10p (1.304)	11p (1.435)	7p (0.913) until 1/1/10 then (1.043)	7p (0.913)	7p (0.913)
1401-2000 cc	14p (1.826) until 1/1/10 then (2.085)	12p (1.565)	12p (1.565)	11p (1.435) until 1/1/10 then (1.638)	10p (1.304)	11p (1.435)	8p (1.174) until 1/1/10 then (1.191)	8p (1.043)	9p (1.174)
over 2000 cc	20p (2.609) until 1/1/10 then (2.979)	18p (2.348)	17p (2.217)	14p (1.826) until 1/1/10 then (2.085)	13p (1.696)	14p (1.826)	12p (1.565) until 1/1/10 then (1.787)	12p (1.565)	12p (1.565)

PAH Planning Point: Previously, the new rates have been announced to have effect from the following month, but for this revision, there is no "lead" time, meaning the new rates can be used from 1 December 2009. However, with the change in the standard rate of VAT back to 17 1/2% from 1 January 2010, this does give the added complication of the underlying reclaimable VAT per mile changing on both 1 December 2009 and then again on 1 January 2010. However, given these are both increases in the amount reclaimable, I imagine there will not be too many complaints!

As noted above, the VAT "fraction" is returning to $\frac{7}{47}$ ths, this being the amount of VAT contained in an amount including VAT, with the rise in the standard rate of VAT back to 17½% from 1 January 2010. When the VAT fraction is applied to the figures above, this gives the officially sanctioned amount of VAT that can be reclaimed per mile in respect of business mileage expenses, as shown in the table.

PAH planning point: The VAT reclaim on business mileage can amount to a significant figure and we strongly recommend that you consider reclaiming VAT on this basis if you have not previously done so.

If you have imbedded formulae, for example in expenses claims or other summaries on spreadsheets, please make sure these are changed such that VAT after 1 December 2009/1 January 2010 is claimed at the new rates. If you need any assistance with this, or have any queries on the matters referred to above, please do not hesitate to give either Kim Upton or me a call.

4. VAT AND OVERSEAS MATTERS FROM 1 JANUARY 2010

In our September 2009 newsletter, I included a detailed article on the changes to VAT on services supplied to overseas customers within the EU. These changes come into force on 1 January 2010 and if you are not aware of them, please look back at this article. If you do not have a copy of our September 2009 newsletter this is available on our website at www.paulahill.co.uk or, if you prefer, please call Andrew Coates on 01480 468931 and he will be pleased to email one to you or send you a printed copy in the post.

PAH Planning point 1: Please remember the new EC Sales Lists requirement, which is in addition to any changes to the normal VAT return reporting. Notwithstanding your normal VAT "stagger", EC Sales lists must be produced on a calendar quarterly basis and if your stagger is not calendar quarterly, it may well be simpler to request this be changed. This should not be refused, but may result in you having one shorter than normal VAT reporting period, to effect the change.

These lists have to be submitted to HMRC within 14 days of the end of the calendar quarter or 21 days if the online submission service is used – PENALTIES WILL BE CHARGED FOR LATE SUBMISSION!!! If you are in any doubt about the new requirements, please do not hesitate to give Kim or me a call.

PAH Planning point 2: Also, don't forget that if you travel overseas, from 1 January 2010 a new system should make it easier to reclaim VAT suffered in other EU Countries. If you incur such VAT and want some advice on how (and I have to say "if" as there are different rules on some expenses in different countries and what you can reclaim depends on the rules in the country where the VAT was incurred) please do not hesitate to get in touch.

5. ONLINE FILING AND NEW PENALTIES FROM 2010/11

I also included a detailed article on these changes in our September 2009 newsletter and am now aware that HMRC have begun sending out notices to VAT registered traders formally notifying them of the requirement to submit returns and make payment online from the first return commencing after 1 April 2010. Again, please refer to our September newsletter – see under section 4 above for where to obtain this if you do not have one, for more details.

Since September, we have also received more information about how "in-year" penalties for late payment of PAYE will work. From the 2010/11 PAYE Annual Return (Form P35) – due for submission by 19 May 2011, all employers will be required to report the amount of PAYE due at each payment date, monthly or quarterly, during the year, rather than just reporting annual totals. This will then be compared by HMRC with the receipts for PAYE and a penalty notice issued if any are late. We understand one late payment will be ignored, but after a late payment, unless there is a full year of on time payments in between, a second late payment will incur a penalty of 2% of the tax paid late and any subsequent late payments 5% and then 10% - this being the same system that applies to late VAT payments; a full year of on time payments being required to reduce the penalty level each time. This is in addition to interest charges, which will also be levied and payments that are more than six months late will incur an additional penalty of the same level as the original.

As all forms P35 will have to be submitted electronically for 2010/11, shortly after 19 May 2011, we anticipate HMRC will issue penalty notices, setting out the penalties their system calculates as being due for the previous tax year.

PAH Planning Point 1: Assuming you are able to pay PAYE/NICs as they fall due, it is now vital that these are credited within HMRC's system to the correct period. To make sure of this we recommend that you make payment for a month or quarter, no earlier than the 5th of the following month and no later than the 15th. Allowing for payment delays in the system and weekends and bank holidays (the due date is brought forward if the 22nd – the final date for electronic payments, is on a weekend or a bank holiday) this should make sure your payment is always received on time and therefore not subject to penalty – yes, I know about "faster payments", but it is your problem if the payment is late. Please also keep documentary evidence of all payments and note the date payments clear your bank account, chasing up with both the bank and HMRC if a payment does not clear at the expected time, just in case of any later difficulty.

A penalty charge is subject to an appeal if you have a "reasonable excuse". However, from experience with the old VAT tribunal, the absence of a member of staff ill or on holiday, or indeed almost any event you'd expect to be a reasonable excuse – isn't!

PAH Planning point 2: IT ALSO ISN'T A REASONABLE EXCUSE IF YOU DON'T HAVE THE MONEY TO PAY – BUT A PENALTY WILL NOT BE CHARGED IF THERE IS AN AGREED TIME TO PAY ARRANGEMENT WITH THE HMRC BUSINESS PAYMENTS SUPPORT SERVICE (although interest does continue to run in such circumstances). If you do not have the money to pay PAYE/NICs EACH TIME they fall due, it is vital you advise HMRC and seek a time to pay arrangement – see section 6 below. This is even more important if you are in the CIS scheme where, if you make a late payment and do not make a time to pay arrangement, gross payment status will be lost!

6. HMRC BUSINESS PAYMENTS SUPPORT SERVICE

One very good piece of news in the PBR was that the Chancellor confirmed the HMRC Business Payments Support Service would remain in place for "as long as it is needed". We are aware of a considerable number of clients who have used this service to smooth cash flow and with the PAYE penalties referred to in section 5 above, coming into force next year – it is all the more important that businesses prepare cash flow projections such that where there is a need, the Business Payments Support Service can be used to avoid a penalty.

The details of the "service", which are unchanged since it was originally set up, are set out on the HMRC website at www.hmrc.gov.uk/pbr2008/business-payment.htm.

PAH Planning point: To quote from the website "if you are worried about being able to meet tax, National Insurance, VAT or other payments owed to HM Revenue & Customs, or you anticipate that payments becoming due will cause you problems, you can call our business payment support line on 0845 302 1435. The line will be open Monday to Friday 8 am to 8 pm, Saturday and Sunday 8 am to 4 pm.

If you need to call the helpline, over the years we have normally found that where you are looking to obtain a payment concession from HMRC, it is better for you to call, rather than us to call on your behalf – although of course we should be pleased to do that if you would like us to, you will need to have the following information to hand:-

- ☞ your tax reference number
- ☞ detail of the tax that you are having or will have trouble paying
- ☞ basic details of your business's income and outgoings.

PAH comment: In practice, for relatively small amounts in HMRC terms – say under £10,000 or so, the tax officers manning the telephone lines have not asked for cash flow information, just a "sensible" agreement over what period the tax can be paid. Our experience is that if the tax can be paid before the next instalment would fall due, there is no difficulty whatsoever. For example, a business making quarterly VAT returns asking to pay the amount due on one return in three instalments, one on the

due date and two at monthly intervals thereafter should find no difficulty in agreeing this. Similarly, we would expect a self-employed person needing to pay tax on 31 January or 31 July not having any difficulty agreeing an arrangement for it to be paid over six months – i.e. before the next normal payment date.

However, one key use of these sorts of arrangements will be to ensure that penalties are not charged if PAYE is paid late under the new rules from 6 April 2010. It remains to be seen how HMRC will react to rolling up PAYE due over a longer period and it is possible they will require more detailed cash flow projections in these circumstances. If this proves to be the case and you need any help in compiling the necessary information, for example putting together a basic cash flow over the next few months showing your business income and outgoings, please do not hesitate to contact us, we should be pleased to help.

Whilst interest at the HMRC rates, will remain payable on amounts deferred under this scheme, these rates are traditionally much lower than a small business is typically able to borrow from its bank and therefore we expect that quite a lot of clients may well want to make use of this option, as opposed to obtaining additional bank finance, which may be impossible in the current circumstances of course.

The website stresses that if you are expecting payment problems the sooner you get in touch the sooner they will be able to see how they can help. If a payment isn't due yet, you can ring the support line once you are clear about whether you will be able to pay or not, but please do get in touch with them in advance, don't wait until the payment is overdue. In essence, this is no different from the normal action you might take if you were going to exceed your overdraft limit – if you let the bank know in advance – at least in normal times!, they are normally more prepared to help than if you only tell them when you have actually already gone overdrawn.

7. URGENT TAX PLANNING FOR HIGH EARNERS

It is now inevitable that the 50% tax rate as announced at the 2009 Budget will be in force for a least one tax year – 2010/11. Even if there is an March 2010 election and assuming the winning party wished to change this, because by the time they could formulate a budget we would then be after the beginning of 2010/11, it is highly unlikely they would change matters until 2011/12 – there is also no evidence that the 50% rate as such is actually opposed by either opposition party, even if they might want to tinker with some other of the Budget 2009 proposals.

PAH comment: Whilst the 50% rate is applicable to incomes over £150,000, it is anyone with an income of over £100,000 BEFORE PENSION CONTRIBUTIONS, who needs to pay attention at this point. This is because for incomes over £100,000, there is a restriction of the personal allowance for 2010/11, this amounting to a 60% marginal tax rate for incomes between £100,000 and about £113,000 – and it is worse than that as the definition of income for this purpose is before pension contributions!!

PAH Planning point: If you expect to have income of more than £100,000 before pension contributions in 2010/11, then, if there is any possibility of bringing income forward such that it is paid in 2009/10, then this would probably be to your overall advantage. It is true that bringing income forward will also bring forward the tax payable on that income – by a year if it is 2010/11 income brought forward to 2009/10 and there are other requirements – e.g. the paying entity must be able to pay that income, particularly if it is in the form of dividends out of profits available for distribution at 5 April 2010, but this would ensure this income is taxed at a maximum of 40% rather than possibly some of it being taxed at 60%!

It is my strong recommendation that this should only be done after some careful thought on an individual basis. This would include making sure the income paying entity, most usually your family company, including a personal service company, has sufficient retained profits to allow the income to be drawn – we expect HMRC to challenge planning where profits are not available and the profit and loss account become overdrawn as a result. In addition, you will need to understand the various cash flows both for income drawdown and for payment of tax and make sure there is sufficient liquidity for these to be met.

PAH Planning point: We are discussing these sorts of plans with a number of clients where we are aware their expected remuneration will be affected by the new rules, but do not always know in advance when you may be expecting increased profits or have

higher than normal remuneration requirements for particular reasons. If you expect either of these matters to be relevant to you in 2010/11 – the year commencing 5 April 2010, some advance planning could save you up to 20% in tax on your income – PLEASE LET US KNOW AS SOON AS POSSIBLE IF THIS IS THE CASE, SO WE CAN ADVISE YOU FURTHER.

8. OTHER CURRENT MATTERS INCLUDING 2010/11 TAX/NIC RATES

For smaller companies, the Chancellor has again postponed the planned increase in Corporation Tax, which will remain at 21% for 2010/11 – the "full" rate of 28% and all thresholds relevant to Corporation Tax are also unchanged.

The income tax allowances and bands for 2010/11 have been frozen at 2009/10 levels, with the exception of the new withdrawal of the personal allowance when income exceeds £100,000. The Chancellor noted in his speech that as the increase in the allowances and bands are normally based on the increase in the Retail Prices Index (RPI) for the year to the previous September – and there was a decrease of some 1.4% in this figure this year, the freezing of these is a benefit to taxpayers in real terms!

The income tax rates will be the same in 2010/11 as in 2009/10, with exception of the new 50% rate on incomes of over £150,000.

As far as NIC is concerned, for 2010/11 these will also remain the same as in 2009/10, with one notable exception. The lower earnings limit, which determines access to state pensions and other contributory benefits, is increased by £2 to £97 per week.

PAH comment: I am aware that there was a typographical error in my September 2009 newsletter when I stated the 0.5% NIC rate increase across the board announced at the 2009 Budget would come into force in 2010/11. This is incorrect, this increase – after the PBR now a 1% rise in all rates rather than 0.5%, is planned to come into force in 2011/12 – unless it is changed by a new Government of course.

There are again some very selective increases in tax credits payments and thresholds – if you are interested in the detail of these as applied to your circumstances, please give Linda Harrison a call in St Ives on 01480 468931.

It was announced that the Inheritance Tax threshold of £325,000 would not be increased to £350,000 as previously announced, but would be frozen for 2010/11.

On VAT, there was no mention of changed registration and deregistration thresholds and there was also no mention of changed duty rates for petrol/diesel or for alcohol/tobacco etc. I would expect all of these to be covered in a short pre-election Budget in March 2010.

COMPANY CARS

A number of changes were announced to company car taxation – all with a "green" tag attached to them. Electric company cars and vans will attract no benefit in kind charge for an initial five year period from April 2010, but, in general, the bands for petrol/diesel cars have all been increased – through changes in the lowest band rippling up the scale and the private fuel benefit charge will now be based on £18,000 (Vans £550) from 6 April 2010.

FURNISHED HOLIDAY LETTINGS

The Chancellor confirmed that the removal of the special treatment of furnished holiday lettings, in particular their treatment as a trade, this allowing losses to be offset against all other income in a tax year, is to be withdrawn from 2010/11. At the PBR HMRC has provided some useful additional information and we are now clear how this change will be made. If you are affected by this and would like some further information, please contact Linda Harrison.

BANKERS' BONUSES

Not having any banking clients, I do not propose to give any more details on this, but if you need more information, I have all the documents issued by HMRC – please give me a call.

"BINGO AND BOILERS" – Vince Cable commented that this was a good budget for Bingo and Boilers, but by implication, little else!

Bingo duty is to be reduced to 20% and there is to be assistance to households to replace older boilers.

OTHER MATTERS

The PBR also contained some useful "tidying up" provisions to do with tax credits that will help those whose entitlement changes suddenly and a considerable number of "anti-avoidance" provisions, to combat various artificial schemes of which HMRC has become aware.

9. WILL CAPITAL GAINS TAX INCREASE IN 2010?

PAH Planning point: One area about which there was considerable speculation before the PBR was Capital Gains Tax (CGT). Many commentators pointed out that an 18% CGT rate seemed an awful lot less than an income tax rate of 50% and therefore there would be increased use of creative tax avoidance schemes to try to turn income into capital, with a 32% (50%-18%) potential reduction in the tax burden. There was no mention of CGT rates or allowances in the PBR and this remains an area that might be looked at in a "cut and run" March 2010 budget ahead of a May 2010 election. I agree with those who say that CGT could be in for a change and if you are thinking of disposing of any assets with a capital gain in 2010, doing this before the end of March should be considered.

10. DO YOU NEED HR ADVICE?

Even if you employ only a few people, there can be an employment law nightmare only just around the corner. Recently, we have been contacted by a number of clients requiring advice on employment law matters, but whilst we have expertise on tax matters, we are not employment law specialists.

In such circumstances, we can suggest various ways to solve your difficulty, usually by contacting an expert of whom we are aware. There are courses in this area as in many others, but if you employ a number of people, the best course of action may be to appoint an employment law specialist under a contract arrangement. This would enable you to review contracts of employment and your staff handbook to make sure these are fully up to date and cover all that is required by current legislation and would give you insurance cover for any issues that arise.

If you would like us to recommend someone for you to contact for HR matters, please do hesitate to give me a call.

11. COMPANIES ACT 2006

Virtually all parts of the Companies Act 2006 have now come into force, with some of the most significant changes – including to the various forms that are used frequently, being effective from 1 October 2009. Unless you are reporting an event before this date, the old forms, e.g. forms 288 a/b/c for directors have been replaced by new ones; if the old forms are used, these will be rejected by Companies House. It also appears that a number of the forms have got longer and more complex – the Annual Return being a good example of this – so much for the simplification we were promised!

As far as accounts are concerned, the detailed changes are in respect of accounting periods starting after 6 April 2008, so if you have had a set of accounts prepared for a year ending 30 April 2009 or later, the statutory references in the accounts are to the Companies Act 2006, as opposed to the Companies Act 1985.

BLACK INK!

It also appears the Companies House have begun routinely rejecting forms and other submissions where all aspects are not either typed or written in block capitals and in BLACK INK – this including all signatures where required. Whilst various professional bodies including the ICAEW have objected to this and since it was originally announced there may have been some relaxation, it is my strong recommendation that to avoid any chance of a form or other submission to Companies House being rejected, all parts of the form either be in black type or bold capitals in black ink and all signatures also be in black ink.

If you have any queries on any of the new forms or any other changes arising from the Companies Act 2006, of course please do not hesitate to give Kim or me a call.

12. PRACTICE MATTERS

I am pleased to say that with immediate effect our Chatteris office has moved to:

**Suite L8
South Fens Business Centre
Fenton Way
CHATTERIS
Cambs PE16 6TT**

Tel: 01354 694111

Fax: 01354 692291

The telephone and fax numbers are unchanged. The office is situated just off the A142 Chatteris Eastern bypass and is part of the Fenland District Council South Fens Business Centre, where we can give a more professional service to our clients.

CHRISTMAS CLOSURE

This year, both our offices will be closed from 5 pm on Wednesday 23 December 2008, and re-open at 9 am on Monday 4 January 2009. If you have an urgent query during the Christmas period, please do not hesitate to telephone me on 01480 462713, where, if I am not at home, there is an answering machine; I will endeavour to deal with the matter as soon as possible after I return.

Our business grows mainly by referrals and we are always looking for new clients. I should appreciate it if you could let me know of any colleagues, customers or associates who may be interested in the way we do business.

Thank you

PAUL HILL

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