

# NEWSLETTER

## April 2011

### Budget: March 2011

Most of the news from the budget had already been announced prior to the actual budget, with many of the headline grabbing announcements not relevant until the 2012-2013 tax year. However, the following for 2011-2012 are worth mentioning.

#### Personal allowance & National Insurance

The personal allowance has increased by £1000 to £7,475 for 2011/2012. For higher rate earners the starting rate for 40% reduces to £35,000.

National Insurance also increases by 1% for employees (12%) and employers (13.8%).

Class 2 contributions increase to £2.50 per week. Profits between £7,225 and £42,475 will then attract an increased rate of Class 4 contributions to 9%, with 2% being payable on profits above £42,475.

#### Company Taxation

For the coming year, the corporation tax rate has reduced to 20%. For those of you with an accounting year which ends after April 5<sup>th</sup> 2011, a pro-rata will be applied to the applicable profits. 21% will be charged on the period up to 5<sup>th</sup> April 2011 and 20% on the period after.

#### Vehicles

After some time, the mileage allowance for business travel in a private car has been increased. From April 6<sup>th</sup> 2011, you can reclaim 45p per mile. A 5p increase on the previous rate of 40p. Mileage in excess of 10,000 per annum is still to be claimed at 25p per mile.

The multiplier for the fuel benefit charge has been increased to £18,800. The calculation remains the same, with this figure being multiplied by a percentage based on your vehicle CO2 emissions.

#### ISA

For 2011-2012, the ISA limit has been increased to £10,680, of which £5,340 may be saved in a stocks and shares ISA. From 2012-2013, the annual limit will be increased on an annual basis by reference to the consumer prices index.

**Hello** With maternity leave now complete, we are pleased to welcome Joanne back into the office. The two boys are doing well and 'big sister' is over the moon with the new additions to the Batey family.



**Goodbye** At the beginning of April we say goodbye to Theo. Theo has been a regular in our office for many years, assisting with the administration.



At the beginning of May he will be starting his new career as Development Manager at Gloucester cathedral.

**Facebook** We recently re-launched our facebook page and are now looking to update it regularly with information and discussion which may be of interest to you. To follow us, search 'Grainger & Platt Chartered Certified Accountants'.

If you have any ideas which may be of use to other followers, then please let us know with a quick e-mail.

**Minimum wage** We regularly get queries regarding the minimum wage rates.

The current rates, applicable since October 1st 2010 are:

16 & 17 years of age	£3.64 per hour
18 to 20 years of age	£4.92 per hour
21 years of age and over	£5.93 per hour.

#### Self Assessment

With another tax year beginning, our attention now turns to the completion of Self Assessments for the tax year ending April 5th 2011.

The deadline for submission is January 31st 2012. We therefore ask for all required information to be forwarded to us as soon as possible to enable returns to be submitted in good time.

Anyone who is not currently submitting a return may be required to do so if a new source of income arises—or a capital gain.

If you need help, please give us a call.