



Welcome to our April Newsletter

Easter has now passed but is about new beginnings, rebirth and new life. Why not start some new habits - start by making minor changes to your everyday drill. Explore a new cuisine. Take an alternate commuting route to work. Keeping things a little different will give you much needed variety.

This month we are thinking about the good habits of the wealthy. What sets them apart? Our Book of the Month, Rich Habits by Thomas C Corley will give you a great insight into what principals you can live your life by to ensure financial success. We also have a Business Skills section on page 2 which will be sure to kick start your new habits to help ensure a successful year. A big well done to all the team at James Todd who took part in the Fancy Dress Bikeathon on 18th March. Some imaginative outfits and high energy were order of the day as the team biked their way from London to Edinburgh (in the comfort of the office!) to raise money for Sport's Relief. We still welcome donations, so if you can, please visit our 'Giving' page.

<https://my.sportrelief.com/sponsor/jamestoddandco>



Quote of the Month

"Early to bed and early to rise, makes a man healthy, wealthy and wise"

Benjamin Franklin

IMPORTANT DATES TO REMEMBER



Start of higher stamp duty rates for second residential properties	1 st April
Single-tier state pension comes into effect	6 th April
EC sales lists for March 2016 to reach HMRC (if paper submission)	14 th April
PAYE/CIS for month ended 5 th April to be paid (by post)	19 th April
EC Sales lists for March 2016 if submitted online to be filed	21 st April
PAYE/CIS for month ended 5 th April to be paid (electronically)	22 nd April
Filing of Accounts year ended 31 st July 2015	30 th April
Payment of Corporation Tax for period ended 31 st July 2015	1 st May
Start of daily penalties of £10 per day for up to 90 days where 2014/15 Tax Return not filed	1 st May

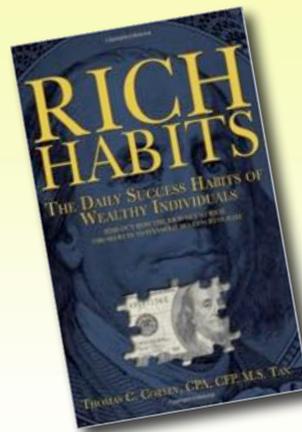
IMPORTANT RATES

\$ PER £ = 1.44 / € PER £ = 1.27
BANK BASE RATE = 0.5%

Book of the Month

Rich Habits

By Thomas C Corley



JC Jobs was a struggling accountant, whose wife died because he could not afford the medical care she needed. He became fanatical with finding the secret to financial success. The 'Rich Habits' are ten principles JC Jobs created through years of researching the daily success habits of his wealthiest clients. Well worth a read.

Michelle

April Quiz

Win a copy of our book of the month

Q. Solve the puzzle:

- 2+3=8,
- 3+7=27,
- 4+5=32,
- 5+8=60,
- 6+7=72,
- 7+8=??

The answer to March's Quiz:

- The series lists numbers that are flanked by two prime numbers.
- 4 (3 and 5 are prime)
- 6 (5 and 7 are prime)
- 12 (11 and 13 are prime)
- 18 (17 and 19 are prime)
- 30 (29 and 31 are prime)
- etc
- thus
- 138 (137 and 139 are prime),
- 150 (149 and 151 are prime),
- 180 (179 and 181 are prime)

Enter via email:

info@jamestoddandco.co.uk
Congratulations to the winner of the March Quiz, Ian Pratt



Chichester



Isle of Wight



Business Skills – Forming Habits



In our March newsletter we gave some examples of good habits that highly successful and wealthy people live by. Good habits are the foundation for success; successful people differ from unsuccessful people in

their habits. To be successful we must identify our strengths and weaknesses, which isn't an easy task as our egos get in the way! JC Jobs advises those of us seeking wealth to take a piece of paper and form two columns. List your bad daily habits under the first column. Then invert each of your bad daily habits into a good daily habit and write it opposite in column two.

Bad daily habit

I watch too much television.

I don't return phone calls right away.

Good daily habit

I limit myself to one hour of TV per day.

I will return every phone call today.

For thirty days follow your new Good Daily Habits. Review them three times a day. The object is to complete at least 80% of your good daily habits each day.

Successful people are slaves to their good daily habits. This is the most important Rich Habit!

The Bottom Line

Extracts from Money Week

- 119 How many apps have been downloaded per iPhone sold. Fewer than a quarter of them are used in a typical month. (11/3)
- 6.8m How many people visited the British Museum in London last year. It was Britain's most popular attraction for the ninth successive year. (11/3)
- 16 The number of decks on the world's largest cruise ship, the Harmony of the Seas. The 227,000-tonne vessel has room for more than 6000 passengers. The crew numbers 2000. (18/3)
- 807,000 The number of women currently running their own business part-time in the UK, the highest figure since records began in 1992. (4/3)
- 22,000 The number of Starbucks outlets worldwide. It has a presence in 67 countries, and now plans to open a branch in Italy. (4/3)
- \$12.8bn What it would cost to buy one of everything on Amazon. The shopping portal boasts 497 million items at an average price of \$26.86. (4/3)

Employment Law Changes – April 2016

The rates of statutory maternity pay, statutory paternity pay, statutory shared parental pay and statutory adoption pay are frozen due to the low rate of inflation

Unlike in previous years, there will be no increase to statutory adoption, maternity, paternity or shared parental pay rates in April 2016. Rates are frozen as of 2015/16 at £139.58 per week (or 90% of the person's average weekly earnings if that is less than £139.58).

This rate will apply to most employees for the 33 weeks of statutory maternity/adoption pay which come after the initial enhanced, six-week period of maternity/adoption leave when 90 per cent of weekly earnings is payable. The £139.58 rate also applies to the two weeks of paternity pay and up to 39 weeks of shared parental pay.



The rates of statutory sick pay remain frozen

The weekly rate of statutory sick pay remains at £88.45 for 2016/17.

Dismissal rates

The rates which are changing apply to dismissals that have a termination date of 6 April 2016 or later (the old rates apply to dismissals occurring before this date). The new rates include:

- maximum amount of a week's pay for calculating statutory redundancy pay and the basic award for unfair dismissal - £479, up from £475
- maximum statutory redundancy payment or basic award for unfair dismissal - £14,370, up from £14,250
- maximum compensatory award which can be made after a successful 'ordinary' unfair dismissal tribunal claim - £78,962, up from £78,335
- maximum potential award for unfair dismissal when the basic and compensatory awards are combined - £93,332, up from £92,585.

Employer National Insurance contributions are abolished for apprentices under age 25

As part of the Government's drive to encourage employers to create more apprenticeships for young people, from 6 April 2016, employers will not have to pay Class 1 national insurance contributions on earnings up to the upper earnings limit for apprentices aged under 25.

Single-tier state pension introduced

The Pensions Act 2014 introduces a new state pension for people reaching state pension age on or after 6 April 2016, replacing the previous basic state pension and additional state pension.

Budget round up



All our clients should have received our 2016 Budget Report. If you haven't or would like extra copies, please contact us. Here are some key points for small businesses.

SMALL BUSINESS RATES: Any small business occupying a property with a rateable value of £12,000 or less will pay no business rates from April 2017. Currently, this relief is only available for the value of up to £6,000. There will also be a tapered rate of relief on properties with a rateable value of between £12,000 and £15,000.

STAMP DUTY ON COMMERCIAL PROPERTY: Whereas rates have been previously applied to the whole transaction value, the rates will now only apply to the value of the property above each tax band. The new rates and tax bands will be as follows:

- 0% for the portion of the transaction value up to £150,000;
- 2% between £150,001 and £250,000; and
- 5% above £250,000.

TWO NEW TAX FREE ALLOWANCES: From April 2017 there will be two new tax-free £1,000 allowances; one for income from property, and one for providing services or selling goods. These measures will be particularly useful for individuals who occasionally sell their crafts or share their skills, or occasionally rent out their spare room.

CORPORATION TAX: Corporation tax has already been cut from 28% to 20% back in 2010, and will be cut back again to just 17% by April 2020.

INCOME TAX: the personal allowance is to increase to £11,500 in 2017 and the higher rate threshold will rise to £45,000.

NIC CLASS 2: from April 2018, class 2 NIC is to be abolished, representing a tax cut of £134 on the average per person. This was considered by many to be an out-dated and complex feature of the NIC system, given the amounts involved, this simplification is a much welcomed announcement.

EMPLOYMENT INTERMEDIARIES: tax relief for travel and subsistence: despite numerous representations against the proposals and a lapse of time since the original announcement, the government has confirmed that it will proceed with legislating to restrict tax relief for travel and subsistence expenses for workers engaged through an employment intermediary, such as an umbrella company. The legislation is to be introduced in the Finance Bill 2016. This could lead to the true cost of operating via an umbrella company or a personal service company being significantly more costly than originally envisaged.

INDIVIDUAL SAVINGS ACCOUNTS: the Government is to increase the ISA limit to £20,000 from April 2017. The Government is to also introduce a new lifetime ISA for those under 40. They can save up to £4,000 per year, and the Government will pay a 25% bonus for every £1 they put in. Contributions can be made up to age 50. Funds can be withdrawn at any time to fund the purchase of a home (under £450,000) or from age 60 to use in retirement.

HEADLINE CAPITAL GAINS TAX RATE: the headline rate of capital gains tax is to be reduced to 10% for gains falling within the basic rate band and 20% for gains falling within the higher rate band. For residential property, the rates remain at 18% and 28%. The rate of tax on the disposal of shares in companies owning residential properties is not clear.



The National Living Wage

From April 2016, all workers aged 25 and over, unless in the first year of an apprenticeship, are legally entitled to at least £7.20 per hour. Please make sure you have checked your payroll and are compliant. For employees earning the minimum wage and working 40 hours a week, this means an additional cost to the company of £1183 per annum, including employer's NI.

£50 Trivial Benefits Exemption

From April 2016 trivial benefits for employees that cost no more than £50 will be tax and NI free as long as the benefit is not:

- Cash or a cash voucher
- Provided as part of a salary sacrifice scheme
- Provided in recognition of services performed by the employee as part of their employment.
- The exemption for directors or company secretaries of close companies (controlled by five or fewer people) is capped at £300 per annum. The cap also applies to employees of the company who are part of a director's or company secretary's family.



Excel Top Tip

Formatting dates

If you receive a spreadsheet and the date looks like a series of digits such as 42243, however when you try to format it as a date it doesn't work, try the following:

Select the date column and under the data tab choose the text to columns button

Leave the selection on delimited and click next

Unclick any of the delimiter boxes and click next

Under column data format choose date, and select DMY in the adjacent box

Click finish.

The date column should now have been converted to dates and correctly formatted.

Excel stores dates as the numbers of days elapsed since 1st January 1900. 42243 is actually the date 27th August 2015.

Tax on overdrawn director's loans

As of 6 April 2016, the rate of tax charged on loans to participators and other arrangements, currently 25%, will be linked to the dividend upper rate, which will be 32.5%. The measures aim to prevent owners of close companies avoiding personal tax by remunerating themselves through loans or advances which are not repaid, or other arrangements rather than taking dividends or salaries.

Mandatory online filing of CIS returns and verifications

Over 85% of contractors are already submitting their CIS returns online, however from April 2016 everyone will have to use the online service. HMRC will no longer be accepting any paper forms from that date.

To increase filing accuracy, this change will see the introduction of online amendments, online messaging and alerts.

HMRC are also improving the online verification service and from April 2017 everyone will also have to use the online service, HMRC will no longer accept telephone verifications from that date.

Contractors currently sending paper returns, will need to register for HMRC's online services as soon as possible.

At James Todd we provide a complete CIS service and can carry out this time consuming admin for you, freeing you up to run your business. If you would like to discuss our services and receive a quote, please do contact Lisa, our payroll administrator.

Penalties for non-payment of the National Minimum Wage increase

The penalty for employers found not to have paid the national minimum wage doubles from 1 April 2016. The financial penalty imposed on employers that fail to pay employees the national minimum wage will increase to 200% of the amount by which a worker has been paid below the national minimum wage. The enforcement rule is the same for non-payment of the national living wage.

Thinking of outsourcing your payroll?

With new legislation, RTI (Real Time Information) and Auto Enrolment coming into force, payroll is becoming more complex and technical and can demand a lot of your time, which may be more productively spent on other areas of the business. By outsourcing the payroll you can provide your company with the attention it deserves, as well as enjoying the protection, knowledge and expertise that an outsourcer can provide. Contact our Payroll Administrator, Lisa Stemp on 01243 534286, who can provide you with a very competitive quote.

Is it time to pay your fees?
Why not **smooth** your cash flow and **pay monthly**?



To the valued clients of James Todd & Co, we are pleased to offer the opportunity to apply to use a monthly facility called Fee Plan, provided by Premium Credit Limited.

This facility enables you to spread the cost of your accountancy fees by monthly Direct Debit, which can be a more affordable way to pay. Direct Debit isn't only for household bills; businesses can benefit as well.

Premium Credit can benefit your business by:

- Helping cash flow
- Giving you an additional Line of Credit to free up your capital for other business purposes
- Reducing financial burden
- Offering a competitive transaction fee



Simply contact us for more information on how you can spread the cost to help make 2016 a little more affordable.

Download our Tax App!

Using the latest technology, our App has been developed to provide you with useful tax tools and information via your mobile device. Available for iOS and Android mobile phones and devices.



This newsletter is written for the general interest of our clients and is not a substitute for professional advice.

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