

CHRISTMAS 2015

We would like to take this opportunity to wish you, your families and staff a Merry Christmas and a Happy New Year. We would also like to thank you for your business this year and look forward to working with you in 2016.

If you are passing any of the offices on the run-up to Christmas please feel free to pop in for a drink and a mince pie. It would be great to see you.

Our offices will be closed from 5pm on Wednesday 23rd December and will reopen at 9am on Monday 4th January 2016.

NAME CHANGE

We have started to trade through a limited company, **Hindleigh Accountancy Services Ltd.** We will continue to use the trading name **P A Hull and Co** and the new company has taken on the registrations with the **Institute of Chartered Accountants in England and Wales.**

We would like to reassure you that the staff and partners at all offices will remain the same and your terms of engagement will transfer to the new company but do give Catharine or Matthew a call if you have any questions.



PRIZE DRAW

Each year, we are having a prize draw for clients who get their tax return information to us by the end of November. We are delighted to announce that this year's winner was Mrs Elaine Brogden of Grove Properties Limited and her name was drawn by Mr Allan Wilson of Hindley Kitchen Centre.

Elaine, very kindly, donated her iPad Mini to raise money for Breast Cancer Now at a recent charity auction. Congratulations Elaine!

SELF ASSESSMENT RETURNS



As ever January will be a busy month and we would urge anyone that hasn't brought in their information for their 2015 tax return to do so as soon as possible. The filing deadline is **31 JANUARY 2016.**

Penalties for late submissions will be charged, even if there is no tax to pay.

Do not delay! Bring your information in today!

Hindley Office;

Tel: 01942 737 375, Fax: 01942 737 376,
E-mail: hindley@pahull.co.uk

Newton-Le-Willows Office;

Tel: 01925 221 918, Fax: 01925 291 300,
E-mail: matthew@pahull.co.uk

Aspull Office;

Tel: 01942 833 204, Fax: 01942 833 660,
E-mail: matthew@pahull.co.uk

FUTURE TAX RELIEF RESTRICTIONS FOR PROPERTY RENTALS

From April 2017 further restrictions on tax relief will apply to loan interest paid in residential rental businesses for individuals, partnerships and trusts, with the restriction in relief being phased in over four years, as follows:

In 2017/18 the deduction from property income (as is currently allowed) will be restricted to 75% of finance costs, with the remaining 25% being available as a basic rate tax reduction (see below).

- In 2018/19, 50% finance costs deduction and 50% given as a basic rate tax reduction.
- In 2019/20, 25% finance costs deduction and 75% given as a basic rate tax reduction.
- From 2020/21 all financing costs incurred by a landlord will be given as a basic rate tax reduction (ie 20%).



TAX ON SAVINGS INCOME

A new personal savings allowance of £1,000 will be introduced from April next year, removing the first £1,000 of savings income from income tax.

However, higher-rate taxpayers will benefit from a smaller personal savings allowance of only £500.



HOW DIVIDENDS WILL BE TAXED FROM APRIL 2016 ONWARDS

As a result of changes announced during the Summer Budget, the way of calculating dividend tax is to be changed, There will now be three new dividend tax rates, as follows:

Basic Rate (7.5%)

Higher Rate (32.5%)

Additional Rate (38.1%)

A new 'dividend allowance' of £5,000 will also be introduced from April 2016 but the changes are likely to mean that most director/shareholders of limited companies will be paying more tax after next year. We will work with you to mitigate the effects of this as far as possible and to make sure you are ready for the new tax charges when they come in.

PERSONAL ALLOWANCE

The personal allowance will be increased to £10,800 for 2016-17 and £11,000 for 2017-18. The basic rate limit will be increased to £31,900 for 2016-17 and £32,300 for 2017-18. As a result, the higher rate threshold will be £42,700 in 2016-17 and £43,300 in 2017-18.

From 2016-17, there will be one income tax personal allowance regardless of an individual's date of birth.

ANNUAL INVESTMENT ALLOWANCE

From 1st January 2016 The Annual Investment Allowance will be reduced from £500,000 to £200,000 per annum.

The Annual Investment Allowance provides a 100% tax write off for the cost of most plant and machinery acquired by businesses, an exception to this is motor cars.

Please contact us to help you maximise tax relief for capital expenditure as the timing of expenditure can be critical.

Please visit:

www.pahull.co.uk to find out more

EMPLOYMENT ALLOWANCE

The annual employment allowance will increase to £3,000 from April 2016. The allowance is set against employer's National Insurance Contributions and is usually used to reduce the amount of PAYE paid over to HMRC at the start of the tax year.

Unfortunately, the government has also announced that companies whose only employee is the director or their partner will no longer be entitled to the allowance from April 2016.

CLAIM FOR WEAR & TEAR ALLOWANCE

The Wear and Tear Allowance currently allows landlords who let out a furnished property to deduct 10% of the gross rent in computing their liability to tax, less any costs or utilities that would ordinarily be borne by the tenant.

The UK Government has announced that this relief will be withdrawn from April 2016 and instead a new basis for landlords to claim the cost of renewing capital items will be introduced. The full details are yet to be known but we will keep you updated.

MARRIAGE ALLOWANCE

The new Marriage Allowance was introduced in April 2015 and lets you transfer £1,060 of your Personal Allowance to your husband, wife or civil partner. This reduces their tax by up to £212. To check if you are entitled to receive the new allowance you can visit HMRC's website on the following web address.

<https://www.gov.uk/marriage-allowance>

Hindley Office;

Tel: 01942 737 375, Fax: 01942 737 376,
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AUTO-ENROLMENT

As you should now be aware, the government has introduced new legislation concerning the compulsory offering of pension schemes by employers to employees. If you are an employer, compliance with this legislation is not optional and cannot be ignored. Regardless of whether you or your employees intend to enrol in a pension scheme, action is still required by you as an employer to ensure that you comply with the new laws. Failure to comply can result in substantial penalties.

To help our clients understand the changes and prepare for the new rules we recently held a client seminar on Auto Enrolment. We now intend to hold a second seminar on Thursday 21st April 2016 and this will be held at Mercure Wigan Oak Hotel, Riverway, Wigan, WN1 3SS.

We would urge the attendance of all employers who have yet to make arrangements to comply with the new laws. **To book your place please contact our office or send confirmation to leah@pahull.co.uk**

NEW NATIONAL LIVING WAGE RATE

The national living wage rate to be paid by employers is now expected to rise to £9 an hour by 2020. Combined with the proposed increase in the personal allowance to £11,000 for 2016/17, this means that employees will keep more of what they earn. However, tax credits received to top up their income will be significantly reduced for new claimants.

Employers will need to assess the impact of this change on business profitability. We can help you consider this in more detail in light of other contributing factors such as proposed changes to employer national insurance contributions and the corporation tax rate.

For more information on this subject, and on the changes to Employer NICs, please visit our website or contact our offices to discuss.

CHANGES TO TRAVEL EXPENSES

Effective from April 2016 workers employed through intermediaries such as umbrella companies or limited company directors who are working inside IR35, can no longer claim for travel and subsistence costs as expenses and incur tax relief on these costs. However, these new rules will only apply to workers who are under the direct control, supervision and direction of their end-client, or are essentially working inside IR35.

CHANGES TO HMRC BANK ACCOUNTS

From February 2016, HMRC will move its bank accounts to Barclays. Most taxpayers paying their bills electronically will be unaffected. However, customers who currently pay using Bank Giro or Transcash payslips should consider alternative ways to pay such as electronic payments.

From February 2016 people making payments from overseas must use a new IBAN number when making payments through their bank. This will be published on www.gov.uk prior to Feb 2016 and we understand that anyone likely to be affected will be contacted directly.

MEET OUR LATEST TEAM MEMBER KEISHA



Name: Keisha Culshaw

Age: 18

Interests: Exercising and Dancing

Hi, my name is Keisha Culshaw and I am 18 years old. In April 2013, whilst still at college, I did work experience with P A Hull & Co. I enjoyed this so much that I returned to gain more experience and knowledge on the subject of accounts. I officially started working at P A Hull & Co in August 2015 after completing my A Level studies. I recently commenced my studies toward the AAT qualification with aspirations to further advance my skills and knowledge of accounts.

I have had a lovely time so far at P A Hull & Co; working and speaking with clients and I am looking forward to meeting more of our clients soon.

CONTACT US

🏠 Hindley Office;

Catharine Hothersall, Beech House,
23 Ladies Lane, Hindley, Wigan, WN2 2QA
Tel: 01942 737 375, **Fax:** 01942 737 376,
E-mail: hindley@pahull.co.uk

🏠 Newton-Le-Willows Office;

Matthew Hothersall, 34 Queen Street,
Newton-Le-Willows, WA12 9AZ
Tel: 01925 221 918, **Fax:** 01925 291 300,
E-mail: matthew@pahull.co.uk

🏠 Aspull Office;

Matthew Hothersall, 30 Bolton Road,
Aspull, Wigan, WN2 1YY
Tel: 01942 833 204, **Fax:** 01942 833 660,
E-mail: matthew@pahull.co.uk