



STAFF CELEBRATE 60TH ANNIVERSARY FOR ROTHMANS ACCOUNTANTS

Staff from all 12 offices of Rothmans Accountants, one of the South's longest-established and largest practices, joined together this week to celebrate the firm's 60th anniversary.

The celebratory afternoon was held at the Guildhall, Winchester, where the firm was first founded in 1955 by Algy Rothman. The firm became known as Rothman Pantall & co. five years later when Geoff Pantall joined.

Over the past six decades, Rothmans has steadily expanded, and now has offices in Hampshire, Surrey, Sussex, Wiltshire and London, employing nearly 180 staff.

Staff celebrated this milestone with Champagne and a traditional English tea, while enjoying a look back through the past 60 years in a presentation by Senior Partner, Martin Osborne.

The event was also an opportunity to mark the contribution given by its longest-serving staff, including Partner John Poulter, who has been with the firm for 50 years.

Senior Partner, Martin Osborne, said, "During the past 60 years, we have been privileged to look after generations of families and businesses and are proud not only of the rewarding relationships we build with our clients, but also our involvement in the local communities where we are based.

"This event has been an excellent way to thank staff for the important role they play in the firm's continued success and to raise a glass to toast our next 60 years and beyond!"



Martin Osborne
Senior Partner

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2015 SUMMER BUDGET

Delivering the first Conservative-only Budget in nearly 20 years, Chancellor George Osborne announced a series of bold measures affecting business, tax and welfare in his 2015 Summer Budget.

Heralding the Second Budget as a 'big Budget for a country with big ambitions', the Chancellor unveiled his announcements with the stated aim of moving from a 'low wage, high tax, high welfare economy to a higher wage, lower tax, lower welfare country'.

BUSINESS TAX AND INVESTMENT INCENTIVES

Corporation tax rates are as follows:

Financial year to	31 March 2016	31 March 2015
Taxable profits		
First £300,000	20%	20%
Next £1,200,000	20%	21.25%
Over £1,500,000	20%	21%

The corporation tax main rate will be 19% for the financial years beginning 1 April 2017, 1 April 2018 and 1 April 2019, and 18% for the financial year beginning 1 April 2020

Annual Investment Allowance (AIA)

The maximum amount of AIA is currently £500,000 for all qualifying expenditure on plant and machinery from 1 April 2014 for corporation tax and 6 April 2014 for income tax. This limit will be reduced to £200,000 (instead of the previously announced £25,000) with effect from 1 January 2016.

Goodwill

Legislation will be introduced to remove corporation tax relief for companies who write off the cost of purchased goodwill and certain customer related intangible assets. This will apply to accounting periods beginning on or after 8 July 2015.

Any losses arising on a disposal, on or after 8 July 2015, of goodwill that is subject to the new rules, will be treated as non-trading debits and will not be included in the calculation of trading losses.

Corporation tax payment dates

The Government will introduce new payment dates for companies will annual taxable profits of £20m or more. Where a company is a member of a group, the £20m threshold will be divided by the number of companies in the group. Affected companies will be required to pay corporation tax in quarterly instalments in the third, sixth, ninth and twelfth months of their accounting period. This will apply to accounting periods starting on or after 1 April 2017.

Research and development

Legislation will be introduced to make an institution of higher education or a charity ineligible to make a claim for the

Research & Development Expenditure Credit in relation to any expenditure incurred on or after 1 August 2015. This change does not affect 'spin out' companies used by universities or charities to commercialise their research.

NATIONAL INSURANCE CONTRIBUTIONS (NICs)

2015/16	Employee (primary)	Employer (secondary)
Class 1 – (not contracted out)		
Payable on weekly earning of:		
Below £112 (lower earnings limit)	NIL	-
£112 - £155 (primary threshold)	*0%	-
Up to £156 (secondary threshold)	-	NIL
Above £156	-	13.8%
£155.01 - £815 (upper earnings limit)	**12%	-
£156.01 - £815 (upper secondary threshold – under 21s)	12%	0%
Above £815	**2%	-

*No NICs are actually payable but notional Class 1 NIC is deemed to have been paid; this protects contributory benefit entitlement.

**Over state pension age, the employee contribution is generally nil.

Employment Allowance		up to £2,000 (per year)
Class 1A	On relevant benefits	13.8%
Class 2	Self Employed Small Profits threshold	£2.80 per week £5,965 per annum
Class 3	Voluntary	£14.10 per week
Class 4	Self employed on annual profits £8,060 - £42,385 Excess over £42,385	*9% *2%

*Exemption applies if state pension age was reached by 6 April 2015.

Apprentices

Employer NICs up to the upper secondary threshold for apprentices aged under 25 will be abolished from April 2016.

Changes to the Employment Allowance

From April 2016 the Employment Allowance will increase to £3,000. However, companies where the director is the sole employee will no longer be able to claim this allowance.

Upper Earnings Limit

It was announced that the NICs Upper Earnings Limit will increase to remain in line with the income tax higher rate threshold, which will rise to £43,000 in 2016/17 and up to £43,600 in 2017/18.

Class 2 and Class 4 NICs

The Government has previously announced its intention to abolish Class 2 NICs and to reform Class 4 NICs to introduce a new benefit test. The Government will consult on the detail and timing of these reforms later in 2015.

VALUE ADDED TAX (VAT)

From	1 April 2015
Standard rate	20%
VAT fraction	1/6
Reduced rate	5%
Current Turnover Limits	
Registration – last 12 months or next 30 days over	£82,000 from 1 April 2015
Deregistration – next 12 months under	£80,000 from 1 April 2015
Annual and Cash Accounting Schemes	£1,350,000
Flat Rate Scheme	£150,000

NATIONAL MINIMUM WAGE (NMW)

THE NMW rates are as follows:

Age	21 +	18-20	16 & 17	Apprentices*
From 1 Oct 2014	£6.50	£5.13	£3.79	£2.73
From 1 Oct 2015	£6.70	£5.30	£3.87	£3.30

*Rate applies to apprentices under 19, or those 19 and over in the first year of apprenticeship

With effect from 26 May 2015, the maximum financial penalty for employers who flout the NMW has increased to £20,000 per worker. This compares with a previous penalty of 100% of the total underpayment which was subject to a maximum of £20,000 per notice.

From April 2016 a new National Living Wage (NLW) in the form of a premium on top of the NMW will be introduced for workers aged 25 and above. Initially set at £7.20, it is expected to rise to over £9 by 2020.

INCOME TAX AND PERSONAL SAVINGS

Income Tax	2015/16	2014/15
Basic rate band – income up to	£31,785	£31,865
Starting rate for savings income	*0%	*10%
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate – income over	£31,785	£31,865
Higher rate	40%	40%

INCOME TAX AND PERSONAL SAVINGS (cont.)

Income Tax	2015/16	2014/15
Dividend upper rate	32.5%	32.5%
Additional rate – income over	£150,000	£150,000
Additional rate	45%	45%
Dividend additional rate	37.5%	37.5%
Starting rate limit (savings income)	*£5,000	*£2,880

*If an individual's taxable non-savings income exceeds the starting rate limit, then the starting rate limit for savings will not be available for savings income.

PERSONAL ALLOWANCES (PA)

	2015/16	2014/15
Born after 5 April 1948	£10,600	£10,000
Born between 6 April 1938 and 5 April 1948	*£10,600	*£10,500
Born before 6 April 1938	*£10,660	*£10,660

Married Couple's Allowance (MCA)

Either partner born before 6 April 1935 (relief restricted to 10%)	*£8,355	*£8,165
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Transferable Tax Allowance

For certain married couples and civil partners born after 5 April 1935 (relief restricted to 20%)	£1,060	-
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*Allowances for those born before 6 April 1938 are reduced by £1 for every £2 that adjusted net income exceeds £27,700 (£27,000) to a minimum PA of £10,600 (£10,000) and to a minimum MCA of £3,220 (£3,140).

Where adjusted net income exceeds £100,000, PA is reduced in the same way until it is nil regardless of the individual's date of birth.

The higher personal allowances for those born before 6 April 1938 will be removed with effect from 2016/17, so that everyone regardless of their age is entitled to the same personal allowance.

The personal allowance will be increased to £11,000 for 2016/17. The basic rate limit will be increased to £32,000 for 2016/17.

Restricting finance cost relief for individual landlords

New legislation will mean that landlords will no longer be able to deduct all of their finance costs from their residential property income to arrive at their property profits. They will instead receive a basic rate reduction from their income tax liability for their finance costs. This will be added gradually from 6 April 2017.

Reform of the Wear and Tear Allowance

The Government will, with effect from April 2016, replace the Wear and Tear Allowance with a new relief that allows all residential landlords to deduct the actual costs of replacing furnishings.

Rent-a-Room Relief

From April 2016 the level of Rent-a-Room relief will be increased from £4,250 to £7,500.

Pensions: reduced Annual Allowance for top earners

For those with income (including the value of any pension contributions) above £150,000, the benefits of pensions tax relief will be restricted by tapering away their Annual Allowance to a minimum of £10,000. This will be effective from 6 April 2016.

Eligibility for non-domicile status for UK born individuals

From April 2017, individuals who are born in the UK to parents who are domiciled here, will no longer be able to claim non-domicile status whilst they are resident in the UK.

Abolition of non-domicile status for long domicile residents

Legislation will be introduced so that from April 2017 anybody who has been resident in the UK for more than 15 of the past 20 tax years will be deemed to be domiciled in the UK for tax purposes. A technical consultation will be published later in the year.

INDIVIDUAL SAVINGS ACCOUNTS (ISAs) AND CHILD TRUST FUNDS (CTFs)

2015/16 limits:

Overall investment limit	£15,240
Junior ISA and CTF limit	£4,080

Regulations will be introduced in Autumn 2015, following consultation on technical detail, to enable ISA savers to withdraw and replace money from their cash ISA without it counting towards their annual ISA subscription limit for that year.

Personal Savings Allowance

As previously announced, with effect from April 2016, a tax-free Personal Savings Allowance is to be introduced for interest income. This will apply for up to £1,000 of a basic rate taxpayer's savings income and up to £500 of a higher rate taxpayer's savings income each year. It will not be available for additional rate taxpayers, but will be in addition to the tax advantages currently available to savers from ISAs.

Annuities

As previously announced, changes will be made with effect from April 2016 to allow people who are already receiving income from an annuity to sell that income to a third party as and when they choose. There will be a consultation on how best to remove the barriers to the creation of a secondary market in annuities.

Pension lifetime allowance

Also as previously announced, the Government intends to reduce the pension lifetime allowance to £1m with effect from 6 April 2016. Fixed and individual protection regimes will be introduced alongside

the reduction in the lifetime allowance to protect savers who think they may be affected by this change. Provisions to increase the allowance in line with CPI from 2018 will be included.

Inheritance tax (IHT) nil-rate band

The IHT nil-rate band was previously frozen at £325,000 until April 2018. It will now remain frozen until April 2021.

IHT – main residence nil-rate band

The Government will introduce an additional nil-rate band when a residence is passed on death to a direct descendant. This will be £100,000 in 2017/18 and will increase by £25,000 each year until it is £175,000 in 2020/21.

IHT and non-domiciles

From April 2017, the point at which an individual who is classed as a non-domicile is deemed to be domiciled for IHT purposes will be brought forward to 15 out of 20 years. The Government will also treat individuals who were born in the UK to parents who are domiciled here, as a UK domiciled whilst they are in the UK. This aligns IHT with the changed to the income tax and CGT regimes.

IHT on UK residential property of non-domiciles

The Government will legislate to ensure that from April 2017, IHT is payable on all UK residential property owned by non-domiciles including property held indirectly through an offshore structure. This will apply regardless of their residence status for tax purposes and so will also include non-domiciles who are not UK resident. A full consultation will take place later in the year.

IR35 REFORM

The Government will consult on how to 'improve the effectiveness' of existing intermediaries legislation ('IR35'). A discussion document will be published after the Budget.

EXTENDING AVERAGING FOR FARMERS

As previously announced, the averaging period for farmers will be extended from two years to five years as of April 2016. The Government will publish a consultation at a late date.

JOHN POULTER CELEBRATES 50 YEARS AT ROTHMANS



John Poulter, Partner at the Winchester office of Rothmans Chartered Accountants, celebrated his 50th year at the firm in August which is an outstanding achievement.

John has the same passion for his work since the first day he started in 1965 and still relishes assisting businesses with their tax planning and helping business owners achieve their ambitions.

John is a general practitioner dealing mainly with Owner-Managed Businesses, corporation tax and personal taxation planning, including inheritance tax, VAT, business structures and raising finance. His portfolio of clients includes professionals from the world of television, antiques and medicine as well as a range of small to medium businesses.

Shortly after he joined the firm John was articled to the firm's founder, Algy Rothman, subsequently qualifying as a Chartered Accountant in 1973 and then becoming an Associated Member of the Institute of Taxation in 1975 (now known as the Chartered Institute of Taxation).

On reaching his 50th year at the firm John said: "I get a real buzz solving client's tax and business problems and have the same enthusiasm as I did when I first started. I love getting to know clients by offering a bespoke and friendly professional service".

DIVIDEND TAX

One of the announcements made in the Summer Budget in July was a major change in the taxation of dividends, which will take effect from April 2016. The legislation itself will be finalised later this autumn and we will include a full article on the changes in the next PIN. However, we include below a summary of the proposed changes:

From April 2016 the Dividend Tax Credit will be replaced by a new tax-free Dividend Allowance.

The Dividend Allowance means that the first £5,000 of your dividend income is tax free, no matter what non-dividend income you have.

The main rates of taxation on dividends are also changing, as follows:

You'll pay tax on any dividends you receive over £5,000 at the following rates:

- 7.5% on dividend income within the basic rate band
- 32.5% on dividend income within the higher rate band
- 38.1% on dividend income within the additional rate band

From April 2016 the notional 10% tax credit on dividends will be abolished and you will have to apply the new headline rates on the amount of dividends you actually receive, where the income is over £5,000 (excluding any dividend income paid within an ISA).

Dividends within your allowance will still count towards your basic or higher rate bands, and may therefore affect the rate of tax that you pay on dividends you receive in excess of the £5,000 allowance.

SAVE THE DATE

Annual economic update seminar and networking event with HSBC: presented by Liz Martins, HSBC Senior Economist

Date: Tuesday 20th October from 7.30am **Venue:** Robin Smith Suite, The Ageas Bowl, Southampton, SO30 3XH

Rothmans are pleased to announce their 2015 joint economic update seminar and networking event with HSBC. Guest speaker, Liz Martins, from HSBC's Global and European Economics team, will provide business owners with valuable insight into the current economic situation both here and internationally, and the prospects for business going forward. Liz is one of the UK's leading economic commentators. Working alongside Chief UK Economist, Simon Wells, she is responsible for forecasting short-term and medium-term indicators for the UK economy, with a particular specialisation in inflation.

More details will follow in due course but if you would like to express your interest to attend this Seminar please contact your local Rothmans branch.

BUSINESSES IN THE SOUTH DISCOVER THE WINNING FORMULA FOR SUCCESS FROM TOP BRITISH RETAILER

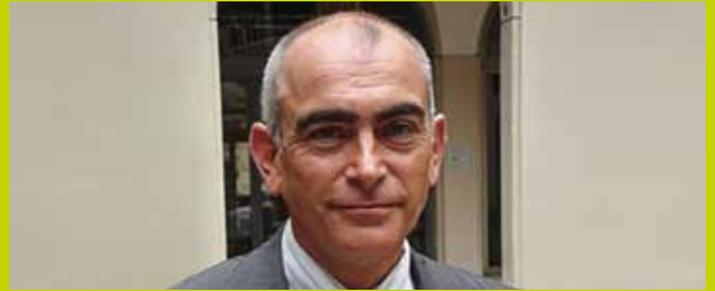
More than 100 of the South's business leaders got the opportunity to hear the secrets of staying ahead in today's competitive marketplace from the nation's favourite supermarket, Waitrose, at a Business Leaders Lecture in Winchester hosted by Rothmans.

The lecture, 'Winning in a changing and increasingly competitive marketplace', was given by Waitrose Commercial Director, Sam Dickson, whose innovative strategy has seen the supermarket's own brand products grow to double the market average over the past four years.

Following the lecture, Sam Dickson was presented with a cheque for £500 for national food bank charity, the Trussell Trust, which is supported by Waitrose.

The Business Leaders Lectures are aimed at further supporting the region's businesses, covering a number of topics from people with impressive track records in a range of industry sectors.

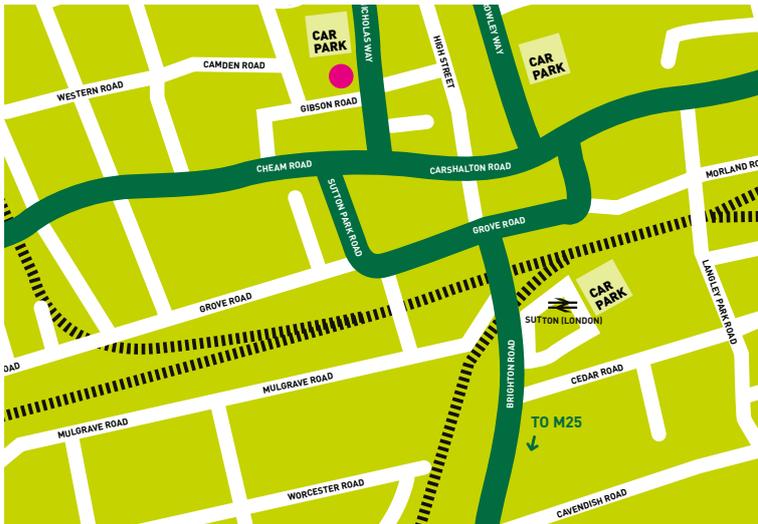
DIRECTOR APPOINTED



James Stares has been appointed to Rothmans Recovery Limited, the new insolvency arm of Rothmans Chartered Accountants. James, who lives in Salisbury, is a Licensed Insolvency Practitioner and Business Advisor, with more than 15 years experience in advising companies and other key stakeholders on business, management and financial risk. He specialises in providing constructive, practical and preventative solutions for businesses in difficulty across all industry sectors, including retail, manufacturing, service providers, hospitality and leisure. He is based in the firm's Salisbury office, with responsibility for servicing client needs across the Southern and Solent regions.

His wide-ranging expertise covers investigations, due diligence and advisory work, as well as leading business reviews for both borrowers and lenders.

Rothmans, set up the subsidiary company earlier this year as part of its continuing programme of expansion supporting businesses in the region.



CHANGE OF ADDRESS ROTHMANS SUTTON

Graham, Andy and the Team at Rothmans Sutton have moved from Old Inn House to just a short distance away at:

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Telephone, fax and email addresses will remain the same.

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