

## BRIBERY ACT



From 1 July 2011 the Bribery Act 2010 came into force. The act consolidates existing piecemeal anti-bribery legislation and enhances it significantly. Described as the "toughest bribery legislation in the world" the Act will affect all businesses in the UK.

### **There are four types of offence in the Act:**

- 1** Bribing, i.e. promising, offering or giving bribes whether directly or indirectly.
- 2** Being bribed, i.e. requesting, receiving or agreeing to receive a bribe.
- 3** Bribing a foreign public official (including foreign government officials and individuals working for foreign organisations).
- 4** Failing to prevent bribery – a corporate offence where an organisation may be guilty if someone acting on its behalf commits an offence.

UK businesses will need to know the ramifications of the new legislation including that bribery need not take place in

the UK and there is no requirement for the company to encourage it, or even be aware of it taking place.

There are also implications in other areas. For example, corporate hospitality will need to be "reasonable and proportionate" and "facilitation payments" will be prohibited.

Such tough and demanding legislation places further burdens on British industry, particularly in overseas markets. The constructive advice for UK business is that they can protect themselves from much of the impact of the legislation by having adequate anti-corruption training, policies and procedures in place which are fully understood by the staff and imbedded in the company's culture.

For further information, the government has published 'The Bribery Act 2010 Quick Start Guide and Guidance' which can be downloaded at [www.justice.gov.uk/guidance/making-and-reviewing-the-law/bribery.htm](http://www.justice.gov.uk/guidance/making-and-reviewing-the-law/bribery.htm)



Andrew Bennett  
**Partner Chandlers Ford**

## LOW CO<sup>2</sup> EMISSION CARS

For some time one of the governments key environmental policies has been its use of taxation. Current legislation provides tax breaks for businesses using low CO<sup>2</sup> emission company cars, and significant disincentives at the high end of the CO<sup>2</sup> scale.

The main areas where this is evident are:

### 1. Capital allowances

100% write off of the cost of new company cars is available in the year of purchase for those with emissions lower than 110 g/km. However, only 10% per annum can be written off those with more than 160 g/km.

### 2. Benefits in kind

Employees are taxed as a percentage of the list price of the car based on the level of

CO<sup>2</sup> emissions. For those below 100 g/km the rate is only 10%.

### 3. Vehicle excise duty

For cars emitting below 100 g/km there is no duty, while for those over 255 g/km the first year rate is £1,000 and then £460 per annum thereafter.

### 4. Congestion charges

There are no congestion charges for cars emitting below 100 g/km.

Many businesses believe that the above information will only apply to cars such as 'Smart cars' or electric cars, however, most major manufacturers have low CO<sup>2</sup> emission cars in their ranges. As an example the Lexus CT200h at 94 g/km and costing £27,000 would have a benefit

in kind of £4,580 (including private fuel), costing a 40% tax paying employee only £153 per month. In addition to the 100% write off for the business, there is no vehicle excise duty and no congestion charges.

It is essential that businesses look in detail at their company car choices, particularly those buying fleets. Considerable savings can be made for both businesses and their employees. When opting for low CO<sup>2</sup> emission cars, in most cases employers' NI can also be saved, fuel costs are lower... and of course it is kinder to the environment!

We can assist in providing information to enable cost and tax efficient car choices to be made.



## ADDITIONAL PATERNITY LEAVE

New regulations come into force in respect of fathers of babies born on or after 3 April 2011. From then parents will have increased flexibility in how they take maternity and paternity leave and the right to additional paternity leave and pay.

The new provisions are designed to encourage fathers to have an increased role in the care of their children. From now on where the mother returns to work early from their statutory

maternity leave, they can “transfer” the remaining period of leave to the father. This is known as “additional paternity leave” (APL) and is in addition to the old arrangements known as “ordinary paternity leave” (OPL).

During APL the father will also be entitled to statutory paternity pay at the same rate as the statutory maternity pay “lost” by the mother and will be payable by the father’s employer.

APL must be taken before the child’s first birthday and the child must be over 20 weeks old. This means that the APL can be for a period of between 2 and 26 weeks.

Ordinary paternity leave (OPL) of one or two weeks continues to be available for fathers who have 26 weeks service with their employer. During OPL fathers are eligible to receive the lower of 90% of their average weekly earnings or (currently) £128.73 per week.

## FLEXIBLE WORKING CONSULTATION

In addition to the above, the government has launched a consultation on plans to introduce a further system of flexible parental leave from 2015.

**The ‘Modern Workplace Consultation’ includes the following:-**

Flexible parental leave

18 weeks maternity leave and pay – in one continuous block around birth

Four weeks of parental leave and pay exclusive to each parent to be taken in the first year

30 weeks of additional parental leave available to either parent – of which 17 weeks would be paid and can be broken in blocks between parents

Flexible working – extending the right to request for all workers who have been with their employer for 26 weeks.



Brian Corlett  
**Partner Ringwood**





## ACADEMIES – ROTHMANS LAUNCHES NEW SERVICE

The Academies Act was passed in 2010 making significant changes to the framework for academy schools and widening the opportunity for schools to move to Academy status. This is clearly appealing as it provides the school management team with greater control over their finances. As a result many schools are currently considering their options with some having already converted to Academies.

Rothmans has specialist expertise in this area and is presently working with several schools. As well as advising on

the conversion process, advice is being provided on Department for Education three year business plans, statutory and legal requirements as well as Whole Government Accounts. In addition, schools will need to consider whether accounting, payroll and bookkeeping can be managed using existing resources or whether this should be outsourced.

It is essential to have specialist financial and accounting advice at an early stage and Rothmans provide an initial meeting, free of charge, to discuss individual schools requirements.

For a copy of our new Academies brochure please visit our website [www.rothmansllp.com/uploads/AW\\_RP\\_Academies\\_Brochure.pdf](http://www.rothmansllp.com/uploads/AW_RP_Academies_Brochure.pdf)



Daren Laidlaw  
Partner Segensworth

# IN SHORT...

## REAL TIME INFORMATION

The government plans to amend the PAYE system by introducing real time information (RTI).

This means that every time you run the payroll, you must send in details of how much tax and national insurance you have deducted. There are up to 102 pieces of information that must be sent.

**The proposed timetable is:**

January 2013: large employers move to RTI

April 2013: medium-sized employers move to RTI

August 2013: small employers move to RTI

October 2013: every employer has moved to RTI

More details will be published shortly.

TAX PERIOD	2010 / 12
PAY DATE	26/03/2010
TAX CODE	603 L
TAXABLE PAY T/D	22048.96
PREVIOUS GROSS PAY T/D	0.00
PREVIOUS TAX T/D	0.00
TAXABLE PAY T/D	22048.96
TAX PAID T/D	3201.80
GROSS NI PAY T/D	22048.96
EES NI TO DATE	1797.06
SSP T/D	0.00
SMP/SPP/SAP T/D	0.00

## AGE EQUALISATION

The government has brought forward by two years from 2020 to 2018, the age at which men and women reach state retirement age. This is also the age at which individuals stop paying national insurance. From 2018 to 2020, the common retirement age will increase to 66 for men and women.

This change affects all women born after 5 April 1950 and all men born after 5 April 1953. Some women will find that this latest change defers their state retirement age by up to two years.

We can provide further information and advice if required.



## CAR MILEAGE RATES

A. For employers providing company cars to employees. Advisory fuel rates from 1 June 2011 are as follows:-

Petrol		Diesel	
Engine size	Rate	Engine size	Rate
1400cc or less	15p	1600cc or less	12p
1401cc – 2000cc	18p	1601cc – 2000cc	15p
Over 2000cc	26p	Over 2000cc	18p

B. For employers paying mileage to employees for use of their own cars. HMRC approved mileage rates from 6 April 2011 are as follows:-

45p per mile for the first 10,000 miles  
 25p thereafter

If you would like to discuss your car policy, please contact us.

## ROTHMANS APPOINTS NEW PARTNER

Rothmans has appointed Habib Brora as a partner at their Eastleigh office.

Habib, who lives near Eastleigh, joined Rothmans in 2000 as a trainee accountant after finishing his accounting degree at Portsmouth University. He was made a Director of the firm in 2009.

With expertise in all areas of tax and accounting, Habib specialises in helping owner-managed small and medium-sized businesses, charities and personal clients make the most of their assets.

"I am extremely proud to have been made a partner at one of the finest accountancy practices in the South of England", Habib says.

"Rothmans take a proactive and personal approach to their services and I believe that my job is to help clients fulfil their personal ambitions as well as helping their business grow and prosper.

"I greatly enjoy building a relationship with clients so that they know they can pick up the telephone to ask me for practical advice to help them plan for the year ahead, as well as work with them at the end of their financial year."

Richard Showan, partner at Rothmans, comments: "Since Habib joined us he has made a tremendous contribution to the continued success of the practice. This new promotion brings the total number of

partners at Rothmans to 22 and is a testament to Rothmans' commitment to delivering excellent service to our expanding client base."



Habib Brora  
Partner Eastleigh



## NATIONAL SAVINGS CERTIFICATES – NEW ISSUE

National Savings have announced details of a new issue of index linked savings certificates, over a year since the last issue. Although National Savings have said that the issue will be kept open for a substantial period, it is subject to withdrawal at any time.

This offers a return of 0.5% per annum plus RPI index-linking. The actual rate of interest received will vary depending on the rate of inflation over the investment term. Assuming an inflation rate of 4.5%, it would be equivalent to 10% for an additional rate tax payer, 8.33% for a higher rate and 6.25% for a basic rate tax payer.

The investment grows at a compound rate over the 5 years.

### Who can invest?

Anyone aged 7 or over.

### Minimum purchase

£100

### Maximum purchase

£15,000

### Investment term

Only 5 year investment terms are available (although funds can be accessed early with penalties).

### Application

Can be made online, by phone or by post.

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