

DID YOU FILE YOUR TAX RETURN ON TIME?



HM Revenue and Customs have recently announced that over 7 million of us filed our tax return by the 31 January deadline, a 10% increase on the number filed on time last year.

However with a reputed 10 million requests for returns issued what if you are one of those not to have filed on time?

Changes to the penalties imposed

This year represents a change to the way in which fines for late filing will be issued. In the past a £100 penalty would be issued for failing to deliver by the due date, with a further £100 if still outstanding by 31 July. However these penalties were reduced to zero if no tax was outstanding. A significant number of the returns not completed on time were where the tax owed was Nil.

For the current year the £100 penalty will be imposed on late returns regardless of the amount of tax outstanding, thereby catching

a lot of people who previously would have avoided the charge.

In addition, the calculation of the second penalty has also been altered to now be imposed after only three months following the initial filing deadline – 1 May 2012 – and will be charged at £10 per day for up to a maximum of 90 days. A return filed on 31 July this year would therefore incur a penalty of £1,000 compared to a maximum of £200 last year. Should it be any later than this, HM Revenue and Customs will impose further penalties at six months late and 12 months late of £300 (or 5% of the tax due) at each date, a potential tax penalty of £1,600 on a return where no tax was due!

HMRC have, however, subsequently announced that they will cancel penalties if the taxpayer did not need to be in the Self-Assessment system and they call HMRC to confirm this by 31 March 2012.

The impact of the above will see the revenue generated from penalties increase significantly. Late filing penalties last year generated just over £20 million. Some commentators are suggesting that the figure this year will be three or four times that amount and others suggest considerably more.

So, if you have not filed your return yet, our advice to you is simple – don't delay, unless you are happy to pay up to £1,600 in penalties.



Andrew Spencer
Director Havant



ACADEMIES UPDATE

The Academies Act 2010 allowed outstanding schools to become academies giving them greater autonomy and financial freedom. Later in the year, the opportunity was made available for less well-performing schools to also convert, in partnership with the stronger schools.

Interest from schools has been significant. By the end of last year 1,194 schools had converted and a further 581 had registered an interest and were in the various stages of conversion.

The primary fiscal guidance for the newly-established academies is still 'The Academies Financial Handbook'. This is a document issued over five years ago in the context of failing schools being required to convert to Academy status.

The Young People's Learning Agency (YPLA) has now issued an accounts

direction, replacing chapter 5 of the handbook regarding annual accounts. It includes a very useful model annual report and financial statements for academies, which reflects the latest Companies Act, Charity Commission and YPLA requirements.

Areas highlighted for guidance include:

- Land and buildings
- Local government pension scheme
- Other assets and liabilities transferred on conversion
- Federations

Accounting for Academies involves a number of highly technical areas of financial reporting. Rothmans has a clear understanding of the issues facing both converting and newly-converted schools. We are able to support the Governing Body, as well as staff, in meeting their statutory obligations and getting best value from the resources available.

If you are an Academy, a converting school or considering the benefits of Academy status, we are more than happy to discuss your school's position and how we can assist. Please contact us for more information or to arrange an appointment.



Daren Laidlaw
Partner Segensworth & Portsmouth North



WORK PLACE PENSIONS UPDATE

The government has recently announced that it has put back full implementation of its plans for automatic enrolment into employers' pension schemes.

Although the start date for the largest employers remains at October 2012, smaller businesses are now being given more time to implement the changes, with all firms having complied by 1 April 2017.

Minister for Pensions Steve Webb said:

"Our society and economy needs to be based on a foundation of saving, not debt. Automatic enrolment will help millions save, and to not act will leave people poorer in retirement. That is why I am confirming today that automatic enrolment will start on time and all employers will be part of it.

We recognise that small businesses are operating in tough economic times so we are softening the timetable for implementation to give them some additional breathing space. This is a sensible step that ensures long term pension issues are addressed while meeting the short and medium term needs of small business. We are committed to ensuring the employees of these small businesses get the chance to save and that is why no one will miss out."

The revised dates are now as follows:-

No of employees	Implementation dates		
250 or more	1 October 2012	to	1 February 2014
50 - 249	1 April 2014	to	1 April 2015
30 - 49	1 August 2015	to	1 October 2015
Less than 30	1 January 2016	to	1 April 2017

Firms that begin trading between April 2012 and September 2017 will have implementation dates from 1 May 2017 to 1 February 2018.

Under the "auto enrolment scheme" qualifying workers will be enrolled into a workplace pension scheme and will have to actively opt out if they do not want to be a member.

Contributions will start at 1% from the employee and 1% from the employer. Once all employers have implemented the scheme, contributions will increase in stages with firms eventually putting forward at least 3% of their employees' salary, and the employee adding at least 4%. Their contributions will also benefit from 1% tax relief. Full contributions must be paid from 1 October 2018.

If more information is required please contact us.



Martin Osborne
Partner Segensworth & Portsmouth North

WHEN WILL YOU RETIRE?

The Chancellor has confirmed that the state pension age will rise in line with life expectancy. This could mean that anyone under the age of 30 could be working until well into their seventies.

George Osborne has also announced that for those between the ages of 44 and 51, they will not receive a state pension until age 67. This brings forward the date proposed by the last government by eight years and could save the exchequer about £60 billion. Women in this age bracket will be hit particularly hard as their pension age had already been announced to rise

from 60 to 65 between now and 2020, and now face a further two years wait.

The Office for National Statistics predicts that life expectancy is increasing by at least 1.5 years in every decade. At this rate a 16 year old now could be retiring at age 72 or 73 and a 30 year old at 70 or 71.

A basic state pension is currently about £5,300 per annum and, so, the new dates will have a significant impact. In addition, the second state pension (based on earnings) will also be postponed, further increasing the financial burden.

For most people, there will be no choice but to work longer, however, an alternative is, of course, to save more during your working life to fund an earlier retirement.

To obtain a state pension forecast which shows the total state pension you would expect in today's money and your retirement date, contact Future Pension Centre on

0845 300 0168 or visit

www.direct.gov.uk/pensions



ROTHMANS NEWS

ROTHMANS APPOINTS ROBIN LLOYD

The partners are delighted to announce the appointment of Robin Lloyd, who joins as a director in the Chandlers Ford office. Robin, who lives in Southsea with his family, was previously with a top 6 practice for over 6 years, having originally started his career with a large independent Hampshire firm.

Robin has over 22 years practice experience and has acted for a wide range of clients but specialises in advisory services to the small and medium size market, particularly in the recruitment, manufacturing and technology sectors.

Well known in the professional market place, Robin is looking forward to his new role: "I am delighted to be joining the Rothmans team in Chandlers Ford and the wider firm. Hopefully I can use the experience I have had in a larger practice to assist both the partners and staff as well as help the SME client base that I know and grew up with!"



Robin Lloyd
Director Chandlers Ford



BUDGET SEMINAR

We are pleased to confirm the annual Rothmans' Budget Seminar will be held on the evening of Thursday 22nd March at the Rose Bowl – the day after Budget Day.

Tim Good is not presenting for us this year, but the equally entertaining and very informative Giles Mooney, a fellow partner in the Professional Training Partnership and colleague of Tim's, will be wading through the detail to provide a "hot off the press" insight to the 2012 Budget. As usual, drinks, a light buffet,

and an opportunity to network will follow. Giles is a Chartered Accountant and Chartered Tax Advisor and has been involved in UK tax training for over ten years. He has been presenting across various media channels for seven years.

If you wish to pre-register for the seminar, please email: keelypettit@rothmansllp.com or call Keely on 023 9248 2683. Further details will be available on the website and distributed in due course.



"Giles Mooney is extremely knowledgeable in his subject and is full of practical advice. Extremely amusing speaker."

ROTHMANS NEWS

ROTHMANS SPONSORS VENUS AWARDS

Rothmans are proud to support 'The Venus Awards', celebrating women in business in the Southampton or SO postcode area.

Launched on 9 January, women from Southampton can enter the awards under their new title "The Venus Awards". You can nominate yourself, your female friends, business associates or colleagues into a selection of award categories at www.venusawards.co.uk.

Rothmans is sponsoring the 'New Business Award' and are looking forward to seeing

nominations come in from Southampton based businesses.

Says founder Tara Howard, "We are delighted to give Women in Business in Southampton and the SO postcode region the chance to be rewarded, as they deserve! With three of the categories aimed at women employed in businesses, the award will give ALL working women in business a chance to be rewarded."



A NEW ERA AT ROTHMANS SOUTHAMPTON

After 30 years as resident partner at the Southampton office in Oxford Street, Simon Elliott, will be retiring at the end of March 2012. Simon has established a strong Rothmans presence and an extensive client base in the Southampton area.

He will be handing over the office to Sue Sullivan, audit partner and Peter Dawson, tax specialist, both of whom are highly experienced and long-standing partners in the firm. The new partners are taking over at an opportune time to further expand Rothmans' service offering in Southampton.

"Oxford Street is in one of Southampton's

planned regeneration areas in the city centre which it is hoped will attract new businesses to the area. This presents us with an exciting opportunity to build on the platform Simon has developed", says Sue Sullivan, "Peter and I are looking forward to developing our relationship with existing clients and welcoming all new businesses and individuals wishing to engage our services."

All at Rothmans appreciate Simon's considerable input over the years and wish him a long, happy and healthy retirement with a fond farewell also to Simon's wife, Chris, who has for many years so efficiently handled the internal administration at the office.



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