



# MANY HAPPY RETURNS LTD

Spring 2009

## Telephone Numbers

Always worth a quick reminder:

Telephone 01625 431731

Fax 01625 511417

Email [MANYHAPPYRETURNS@BTCONNECT.COM](mailto:MANYHAPPYRETURNS@BTCONNECT.COM)

[MANYHAPPYRETURNSTAX@HOTMAIL.COM](mailto:MANYHAPPYRETURNSTAX@HOTMAIL.COM)

OFFICE HOURS ARE MON - FRI, 9 AM TO 5PM ONLY.

## STAFF CHANGES

None. We are all still here beavering away on your behalf. To remind you of our schedules, Belinda is in daily from 9am – 1pm, Arthur is in Tuesday, Wednesday, and Thursday from 9am – 4pm and Helen is in on Monday and Friday from 9.30am to 2pm. All of these are likely to shift about a bit as we operate as flexible a work pattern as we can. Ruth is here every day except Tuesday and is available from 10am – 5pm. Mike is still here except when he is not.

## PAYMENT OF YOUR PERSONAL INCOME TAX BILLS

*For those many of you who this year have forgotten, you will not get a formal tax bill unless your tax Return was sent in by the Revenue's cut off (sometime in November). They will usually send you a blank payslip around Christmas for payment if the correct amount is not known.*

*We do not wish to take this responsibility so please note that in future you should send your own cheques off to the Collector of Taxes and not to us in January and July.*

## ABBEEY TAX PROTECTION

If you have a complex personal Return or income from property, I suggest that you take up the insurance option at £45 per Return. Our own fees remain at £65 +VAT per hour for investigation work and you will be charged at this rate, whether you are covered or not. We do not get many investigations, but they are pretty unpleasant when they arrive.

I think fee-insurance for all self-employed clients whether sole, partners or Companies is well worthwhile. Please also see a copy of the Sunday Times' article in January.

Contact us if you want to join. It will cost you £45 for your Personal Tax Return and/or £120 for your Business Tax Return (Corporate or Unincorporated). You need to pay the higher fee if you have a self employment supplement on your Return, no matter how small the turnover.

I am enclosing basic leaflets and *if you have already paid up or received an invoice, please ignore the ones enclosed, as we do not want you to pay twice.*

## Capital Allowances

These are given on purchases of capital items (computers, cars, furniture etc) and there is now a new 100% Allowance for purchases after 1/4/08. This does not apply to cars and there are other restrictions. The written down allowance on balances brought forward reduces to 20% (From 25%). For "expensive" cars (original cost £12K+) there is no longer a balance available on exchange or sale. Unused allowances go into a special pool on which you claim only 10%pa on the reducing allowance until you cease trading. You lose what is left. This will have a considerable effect when you change cars so please check with us on how much you will lose out. The Chancellor will have to recoup his apparent generosity on 100% allowances from somewhere!

## FEES

I am continuing to seek payment by monthly standing order. If you are not already paying by this method, I may ask you to complete a standing order when I send this year's Return.

If you are paying on an hourly basis, the fees from 1<sup>st</sup> April 2009 remain as follows:

Routine work @ £45+VAT per hour  
More Complex work @ £65+VAT per hour  
Investigation work @ £65+VAT per hour.

## POSTAL SERVICES

We do not guarantee to accept underfranked mail at all. If we do, we shall charge you the cost plus some token admin + VAT, so check before you post. By the same token, you must let us know if we get it wrong and we shall reimburse you.

We are all finding it difficult to adapt to the new system and we think the GPO is making millions out of people who over-stamp their letters. If you are sending out a lot of letters, a set of scales is probably worthwhile. Otherwise, if your letter is anything other than small and light it is best taken to a Post Office and hope they get it right. During the last year we have had many arguments with Post Office employees saying we have put on incorrect postage. They are often wrong and ill trained, so beware.

Our post now arrives between mid morning and mid afternoon except on Saturday, when it comes at 7.55. As always, we ask you please to avoid sending Registered, Recorded or Special delivery mail to arrive early on Saturday morning as we slumber. Instead of sending it Friday, go in on Saturday or Monday to post it!

I enclose a copy of the current rates and measurements. See if you can design anything more complex!

## TECHNICAL STUFF - Limited Companies

Companies House penalties are now much higher than they used to be and the timetable is as follows:

Accounts not more than 1 month late	£150 automatic penalty
Accounts more than 1 month but no more than 3 months late	£375 automatic penalty
Accounts more than 3 months but no more than 6 months late	£720 automatic penalty
Accounts more than 6 months late	£1500 automatic penalty

Accordingly, our Many Happy Returns Ltd company records deadline now reduces to 3 months after your year end. If you get all of your records to us within 3 months after the Company's year end and we miss the above deadline due to our own delays, we pay the fine. If you get your records to us after our 3 month deadline we take no responsibility whatsoever for submission of late accounts. Mike sends in (most) of our company Abbreviated Accounts electronically by Webfiling which means that we can send them in with an immediate record at Companies House. We have sent a couple in on the day where late but I really, really hate being so close to the deadline.

In order to do routine work with Companies House directly over the Internet, we need to have registered with a unique reference and we now require that your Registered Office is here at 1 Holly Road. If it is not, contact us and see whether we are still able to prepare your accounts as we took a policy decision last summer that we would not act for companies where their Registered Office is other than 1 Holly Road.

***Please note that all these penalties apply also to Dormant Companies.***

## Tax Returns

In the Good Old Days, if we sent in a Return with an entry which was subjective (i.e. Is it allowable? Is it wholly or partly allowable? How much of it is allowable?) and the Revenue queried it, usually any amendment was made without any charge other than the increased tax (no, it never went down!) plus interest from the due date if the amendment was made after that date. The Revenue's new position (from 2007/08) is that any Return which is subsequently amended is "incorrect" and therefore subject to penalties. Whilst this is unreasonable it is a fact and Many Happy Returns Ltd can take no responsibility for any entry made where the Revenue successfully *argues* a change. Obviously, if we just write in the wrong figure we shall take responsibility but where the entry is subject to interpretation and is challenged that is a different matter.

Whilst this sounds ominous, it actually happens seldom because the main thrust of self-assessment is just that and the Revenue only queries a tiny proportion of Returns sent to them. We also hope that most of the debatable points we get right. We tend to err on the side of caution but even then the Revenue can be officious and self-righteous (in our humble opinion!).

This moves us onto another point which has come up a few times in the year when we have been asking you searching questions and I can put it little better than Peter Howarth did in correspondence with a client who thought we were just asking questions to increase our fees and cause him unnecessary apprehension:

***You are required to self-assess your tax liability, so the law requires that you get this right. Long gone are the days of waiting to see if HMIT asks anything and hoping he just doesn't find out. You have asked Many Happy Returns Ltd to assist you to do this and we commit a serious offence if we assist in submitting an incorrect Tax Return; it is expected that we make reasonable enquiry to ensure the Return is correct as far as we are able.***

I would have to add my own comment that when we are asking you questions we are seeking to ensure that the Return is correct. When the Revenue is asking you questions it is seeking to show that the Return is wrong, so it is much better if we have gone through as much as we can before we send the form in.

Moving on from this, we give you advice on how your Return should be completed and you authorise us to send it in as "complete and correct in all respects". If you disagree with the completion of your Return that is your prerogative, but it is difficult for us to send it in if you have not taken our advice. *The Return is submitted by Many Happy Returns Ltd on your behalf* and in 99.9% of cases this is agreed by us both. During 2007/08 we had a couple of occasions when clients disagreed with certain entries which we had made. In this situation, our solution was to obtain specific, written (not e-mailed), signed instructions on the point and we sent in the Return on that basis. Obviously, this then put us in a difficult position should the Revenue then query this Return both because of the Peter's explanation above and the fact that we should find it difficult to defend your point of view if we had recommended a different entry. What we did was to send the Return in as a Bureau only (which we are authorised to do) and we then resigned as Agents acting. We shall continue to do this should the position arise in the future.

Whilst responsibility for the Return you have signed remains firmly yours, we are in a completely untenable position if you instruct us to complete a Return against our own advice and we obviously cannot continue to act on your behalf.

Again, this is rare but in these days of being clapped in irons if we do and put on the rack if we don't, we have to make our own position very clear.

## Deadlines

*Some or all of the comments may not apply to you. Please do not be offended – just ignore the irrelevant bits*

### Calendar of Events

1<sup>st</sup> March - 5% penalty imposed by HMRC for 2007/08 income tax still not paid

6<sup>th</sup> April - Tax Returns and our reminder letter issued

11<sup>th</sup> April - last date for employers paying PAYE before interest starts to run

19<sup>th</sup> May - deadline for employers to get PAYE details to the Inland Revenue, after which penalties are charged.

30<sup>th</sup> May - **your employer's deadline for getting your P60 to you**

7<sup>th</sup> July - **your employer's deadline for getting your P11d to you**

31<sup>st</sup> July - second payment on account for 2008/09. £100 penalty (another) for 2007/08 Tax Returns still not sent in.

1<sup>st</sup> August - further 5% penalty by HMRC for 2007/08 tax still not paid.

31<sup>st</sup> October - Paper Tax Return deadline, although we send all of ours electronically.

1<sup>st</sup> November - MHR Ltd charges an extra 25% over your agreed fee for records sent in on or after this date.

1<sup>st</sup> December - MHR Ltd may decline to prepare your Accounts or Return if your records come in after this date. This applies to personal records and Accounts with a year end 31<sup>st</sup> March or 5<sup>th</sup> April

30<sup>th</sup> December - **Revenue deadline for getting your underpayment of less than £2000 in next year's PAYE code number; this does not apply to the self employed.**

31<sup>st</sup> January - Will cost you £100 if the Revenue has not received your Tax Return on or by this day. The website has collapsed in the past with the volume of Tax Returns being submitted at the last minute. Interest runs on unpaid tax from 1<sup>st</sup> February. If you have not paid by now it is too late to avoid interest, as the Revenue no longer accepts payments in its offices. Your quickest method of payment is by cheque in the envelope provided by the Revenue. Or you can pay via your Bank (3 day clearance) or the GPO (10 day clearance).

1<sup>st</sup> February - writer collapses in cool place with cold glass of wine and takes no phone calls.

For Limited Companies, MHR Ltd asks that your records be with us within 3 months after the **company's year end. There is currently no extra charge but we do not guarantee to meet the relevant deadlines if records come in later than this.** We shall not in that case meet any penalties imposed by Companies House or the Inland Revenue for late submission of accounts.

See above for new penalty regime.

*If you do everything well within time, that is fabulous and we love you. The above timetable is not directed at you or meant to get at you in any way. You can skip over it smugly knowing that it does not apply to you. This is a Newsletter and will be sent to everyone, be you perfect or with room for improvement!*

## Location, Location

Turn off Oxford Road opposite the Ox-fford pub. Go at right angles to the main road up some cobbles. After 30 metres the road narrows and changes from cobbles to a new tarmac surface. We are the former bungalow on the right with a laurel hedge - come to the white door.

Clowes street is not a continuous road and so it is not possible to get directly from Chester Road to Holly Road. Go to the roundabout and down Oxford Road instead.



When you enter 1 Holly Road, you will of course be greeted politely by ourselves, but rather more rapturously by Sasha. Ignore her if you are able - we are (still) training her to ignore you (but bite burglars) and she is learning but there is still an initial frolic (and the dog gets excited too). Guard your possessions with your life if you sit down for a cup of tea with us as we confine the dog to her filing room. Please also use the post box in the porch. Sasha is no longer shredding papers (as much) but we cannot guarantee she won't slide back into her old ways.