



JOHNSTON  
CARMICHAEL

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**A new year often signals new beginnings, new plans and commitments. As the economy continues to splutter amid whispers of a double dip recession, it is vital to review your current situation and plans for the future. How satisfied are you with your financial plans? Is your business on track? Are you happy with your inheritance tax plans? This month we give you some pointers on areas you may wish to re-visit when planning for the year ahead.**

## Time to review your business plan?

Whether you have been in business for decades, or are in the fledgling stages, reviewing your business plan at the start of the year can help you to get, and/or stay, on track.

We can help you to do this, and our objective view can often work wonders when it comes to taking a step back and re-assessing your goals and how to achieve them.

Points to consider when reviewing your business plan for 2012 include:

1. How did the business perform against last year's plan?
2. What are your key opportunities and challenges for the year ahead?
3. What have been your biggest successes or failures over the last year?
4. Has the last year seen any relevant changes to your market, competition or customers?
5. Are there any changes that need to be made as a result of the above?

Your business finances, budgeting and forecasting go hand in hand with your business planning, and the following also need to be reviewed in the same light:

- Cashflow projections
- Profit projections
- Balance sheet projections

*Reviewing and realism are just two of the keys to efficient planning and growth - we can help you with this - and we want to help you to succeed. Please contact us to find out more.*

## 31 January 2012 - have you sent us all we need to complete your 2011 Tax Return?

2011 tax returns have to be filed before 31st January 2012. If you have not yet submitted your tax return information for the tax year ending 5 April 2011 do please let us have it as soon as possible. HMRC has a new penalty system in place that means the automatic late return penalty of £100 will apply even if there is no tax to pay, or the tax itself is paid on time.

The new penalty system means that returns filed six months late could incur fines of up to £1300.

Please note that if you have made any gifts using the Gift Aid scheme, we can include these in your 2011 return and gain tax relief even though any payments may have been made after 5 April 2011. In this instance please advise us of the payment amount, beneficiary and date of payment.

## Changes to fuel advisory rates

HMRC has changed the fuel advisory rates for the third time this tax year. The new rates apply to all journeys on or after 1 December 2011 until further notice.

For one month after the date of change, employers may choose to use either the previous or new current rates.

The latest change is to the LPG rate, but the Diesel engine sizes also changed in June.

Engine capacity	Petrol	Diesel	LPG
Up to 1400cc	15p	12p	10p
1401 – 1600cc	18p		12p
1601 – 2000cc		15p	
2001cc +	26p	18p	18p

These rates are due for review in March 2012, unless the cost of fuel varies significantly in the meantime.

## YOUR MONEY

### Time to review your inheritance tax planning?

As with business plans, reviewing your personal finance plans will help you to make the most of your money. Inheritance tax (IHT) is an area that many overlook, but planning ahead is essential to make sure you don't get caught out by hefty taxes.

Points to bear in mind include:

- Inheritance tax is payable on the sum of a person's assets at death, plus any gifts that have been made within the last seven years, that exceed the current threshold of £325,000;
- Gifts of less than £3,000 per tax year are exempt from IHT;
- Regular gifts from income are also exempt from IHT as long as they do not reduce the usual standard of living and capital is not used;
- Gifts to registered charities and the major political parties are exempt.

The draft clauses of the Finance Bill 2012, also set out legislative plans to provide a reduction in the rate of IHT from 40 per cent to 36 per cent, where 10 per cent or more of an estate is left to charity. This is due to take effect from 6 April 2012.

*We can help you to review your inheritance tax planning to avoid unexpected tax bills. Please contact us for more information.*

### What happens if you don't have a Will?

Recent figures suggest that as many as 60 per cent of Brits do not have a Will in place, but what happens if you don't have a Will?

A Will allows you to plan, it means that your property and belongings are transferred and divided as you wish. It can also help you to plan to reduce inheritance tax and allows you to leave part or all of your estate in trust.

All these planning advantages are lost without a Will, in particular, a surviving spouse or civil partner will not automatically receive everything. While a partner where no marriage or civil partnership has taken place may receive nothing.

*Dying without a Will is known as intestacy, and the rules vary between England, Wales and Northern Ireland, and Scotland. Please contact us for more information and for advice on writing or updating your Will.*

### January's Money Facts

Current bank rate	0.5%
Quantitative Easing Scheme	£275 billion
Current inflation	4.8%