

NEWSLETTER

Income Tax payments due 31st July 2006

Whilst all clients should be aware of amounts due, if any demands from the Revenue differ to what we calculated kindly contact David Kelly at the office.

Directors Remuneration

For those with companies where directors draw the basic remuneration, the rate which applies from the 6th April 2006 is £96 per week (£416 per month)

Outstanding Tax Returns

If you have not yet responded to our earlier request for information to complete your self assessment tax return to 5th April 2006 could you kindly attend to this as soon as possible.

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KEEPING YOUR AFFAIRS TO DATE

We would ask all clients to join us in an effort to keep your affairs well to date so we are able to meet the challenges which will be created by the new proposed deadlines for submitting accounts and returns i.e.:

Companies House

Company accounts currently have to be lodged ten months after the accounting year end. Proposals are currently aimed at reducing this to seven months after the accounting year end.

Self Assessment Tax Returns

These currently have to be lodged no later than 31st January after the tax year end of 5th April. Again proposals have been tabled to reduce this to 30th

November after the tax year end.

Corporation Tax returns and Company accounts

The current limit for submitting these to H.M.Revenue & Customs is twelve months after the accounting year end, which they intend to reduce to nine months after the accounting year end.

By keeping you affairs to date we are best able to assist in avoiding unnecessary fines and surcharges whilst providing at an early date details of tax liabilities associated with any necessary tax planning. The provision of information to third parties is also facilitated.

VAT Limits

For traders below the current turnover threshold of £61,000 per annum can we remind them that should they feel their turnover is approaching the limit, to forward as soon as possible to our office a schedule of monthly turnover for the last twelve months.

Website and e-mail

Our website address continues to be 'northfieldaccounting.co.uk'

Our email address however will change to

davidkelly@northfieldaccounting.co.uk

If you experience any difficulty with this, our old address of : 'djknorthfield@yahoo.co.uk' will remain active for the foreseeable future.

NEW CONSTRUCTION INDUSTRY SCHEME (CIS)

(from 6th April 2007)

The main points regarding this scheme are as follows:

- Existing contractors and subcontractors will be automatically transferred to the new scheme
- There will no longer be any CIS cards, certificates or vouchers.
- Contractors must make monthly returns of all payments to subcontractors after first

considering and declaring to H M Revenue & Customs (HMRC) that the subcontractors status is genuinely that of self employment.

- Contractors must contact HMRC before making any payments to new subcontractors to determining if such payments are paid gross, with 18% tax deducted, or tax deducted at a higher rate.

Contractors issue monthly statements to subcontractors of all

payments and of any tax deducted. Total returns have to be submitted with payment of tax deductions by the 19th of the following month to HMRC.

- By now existing contractors should have received the booklet 'New CIS update' from HMRC and in November of this year HMRC should issue to each contractor a list of registered subcontractors.