

Alden & Co

Chartered Certified Accountants



Welcome.....

.....to the first Alden & Co newsletter for 2014! We thought it apt to send you the latest news and updates from the world of tax and business finance at the beginning of the financial year 2014/15. If you have any questions or concerns on any tax and financial areas of your business, or personal finance please feel free to call Keith or Ojoe on 01487 825656.



Income Tax

The basic personal allowance (the amount that you can earn tax free) for 2014/15 has increased to £10,000 and to £10,500 for 2015/16. However, the basic rate band has reduced from £32,010 to £31,865 for 2014/15 and will further reduce in 2015/16 to £31,785. What effect does this have? This means that a basic rate taxpayer will pay £112 less income tax in 2014/15 and £212 less in 2015/16 compared to 2012/13. Nevertheless, a 40% taxpayer will pay £83 less in 2014/15 and £167 in 2015/16. The additional rate of

45% remains unchanged at the threshold of £150,000.

VAT

The Vat registration and deregistration thresholds increased with effect from the 1st April 2014 to the following: Registration £81,000 Deregistration £79,000

HMRC Let Property Campaign

The HMRC Let Property Campaign is an ideal opportunity for you to bring your tax affairs up to date.

If you let out a residential property in the UK or abroad please be aware HMRC is targeting tax evasion by residential landlords. If you have any concerns, then please call us for further information and to find out how we can

help.



Annual Investment Allowance - AIA

Starting on the 1st April 2014 the AIA has increased for companies from £250,000 to £500,000; this will remain until the 31st December 2015. However, for sole traders and partnerships, the AIA changes start on the 6th April 2014 to 31st December 2015. After which it will return to £25,000.

Remember, the timing of your capital expenditure is important, especially if you have a year-end other than the 31st March to the 5th April. These rules are rarely as simple in application as they first sound. As usual you have to do the maths to make sure you make best advantage of the rules.

If you would like to find out more, give us a call.

Increased Pension Flexibility



0% Starting rate for savings income

The starting rate for savings is currently 10%. This will be reduced to 0% for the first £2,880 in 2014/15 and to £5,000 in 2015/16.

These and many other budget announcements do not become law until the finance bill 2014 receives Royal Assent later in the year and as usual there will be some tweaks, amendments and some devil in the detail.

If, in the meantime, you have any queries regarding tax or business and financial matters please ask, we are only too willing to help.

If we are unable to assist ourselves we will be able to point you in the right direction.

From 27th March 2014 more flexible pension draw down and more generous trivial commutation rules will be available. This may prove to be more useful as a tax-planning tool making it easier to receive tax relief at 40% and deferring until you are a 20% taxpayer in retirement thus saving 20% tax.

Contact us :

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