

RNS

# The Little Blue Book

Issue 39 | Spring 2017

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Chartered Accountants  
Independent Financial Advisers

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# Welcome

## To the Spring, 2017, edition of our Little Blue Book.

It is an important time of the year: the start of a new tax year, the Chancellor's last Spring Budget – and our team stepping up training as they prepare for the North Lincolnshire Half Marathon!

More of our brave colleagues later.

While some commentators thought it a low key Budget, Philip Hammond produced a variety of measures that will impact on many of our clients. We look at the key announcements.

Our profile series focuses on one of our longest serving members of the team, Sharon Clarke.

Among other articles, we celebrate clients' successes and also look at inheritance tax, pensions and VAT.

I hope you enjoy reading it. Please feedback any comments through your partner here or email [action@rnsca.co.uk](mailto:action@rnsca.co.uk)

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# Discount delight

## Del Boy's biggest fan opened his latest discount warehouse in Scunthorpe – with a little help from RNS.

Doug Wadham is behind Trotters Traders, a new £1.1-million retail development on Brigg Road.

The previously disused warehouse became the fifth such store in Lincolnshire, the business named in tribute to Only Fools and Horses, Doug's favourite TV comedy.

But he's the first to acknowledge the help given by a supporting cast, which includes RNS Chartered Accountants.

Doug said: "Everybody needs help from good, trusted people. Del Boy had Rodney and Uncle Albert, I have Robert Smith at RNS!

*"Robert's help and support in getting this latest warehouse off the ground has been invaluable.*

*"He's done the business planning – that made it easier for the bank - and helped with the tax aspects.*

*"He's an important part of our successful team."*

Doug said 20 full and part-time jobs had been created with the opening.

*"We've a highly successful formula that has worked since we opened our first discount warehouse in 2008.*

*"This will be our fifth. The bigger we get, the stronger our negotiating position with our suppliers and that means cheaper prices for the public.*

*"I'm certain the people of Scunthorpe will love the bargains we will have on offer."*

Doug said the new store stocked more than 12,000 different lines, including tools and pet supplies, and is open seven days a week.

*"I'd like to thank the staff, and particularly general manager Dave Potts, for all the hard work that's been put in to ensure we open on schedule and have a great retail offer for the people of Scunthorpe."*

Robert wished him and the rest of his team well with the expansion.

*"It's great to see the warehouse opening after all the planning and anticipation," he said.*

*"I'm pleased to play a small part in a very successful business. Congratulations to Doug, son Ryan and the team."*

More details about the business can be found at [www.trotters-traders.co.uk](http://www.trotters-traders.co.uk)



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*Celebrations at the opening of the Scunthorpe branch of Trotters. Managing Director Doug Wadham (second left) and his wife Roz (third right) are joined by (left to right) general manager Dave Potts, the Mayor of North Lincolnshire Cllr Trevor Foster, RNS Chartered Accountants partner Rob Smith and NatWest bank's Dave Rogers.*



# Financial markets

*Partner at RNS Independent Financial Advisors  
Andrew Clayton reflects on the financial markets.*

The last six months have been positive for investors.

The focus has been on the promise of fiscal stimulus to promote growth. UK investors have continued to benefit from a weaker pound with overseas earners and exporters being among the top performing stocks. The bad news is that import prices are rising.

The UK's FTSE 100 Index broke new ground. The equity market in the United States also hit new all-time highs, with financial and industrial shares leading the way.

There is a strong sense that governments across the world are now less focussed on austerity than they have been.

From an investment perspective this shift has created stronger demand for equities compared to more conservative stock such as government bonds.

UK equities have done well. Although the domestic outlook remains unclear we believe that shares can make further progress and the UK market's dividend yield remains higher than most.

US equities have also done well. Earnings growth is back in positive territory, which has been supportive.

As well as encouraging hard economic data there are also promises from newly elected President Trump to evaluate.

Despite some fears, a sharp downturn appears unlikely at the moment. But some of the promises need to come to fruition for the momentum to be maintained.

For now Europe has weathered its various political storms. The French election in May poses the greatest threat but

overall a regime change is looking unlikely at the moment.

Europe has offered the best recovery potential for some time but progress has been steady so far despite some economic recovery and increasing confidence in most of the banking system.

Emerging Market equities fell initially following the US election. They now look better value and should benefit from higher demand. Trends in terms of social mobility and demographics continue to offer long-term growth opportunities for investors who accept the extra risks.

Taking a step back, and looking at the global picture, there are at least a couple of risks in this new environment. One is that many of the policy promises fail to come to fruition. Another is that they are too successful, and end up being over inflationary.

After such a good start to the year we should not be surprised if one of these concerns caused financial markets to wobble at some point. When investing there will always be risks.

But we must evaluate these risks in relation to the potential opportunities and overall we feel that the financial markets continue to offer a good risk adjusted return for investors in balanced portfolios. RNS can help arrange and review your investments. Please contact Andrew.



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# Staff profile

Name: Sharon Clarke Title: Senior Manager

How long have you worked at RNS: 38 years, starting as filing clerk, post girl, general admin and bookkeeper, qualifying as a member of the Association of Accounting Technicians in May 1982, attaining Senior membership in May 1989 and finally attaining Fellow Membership status in May 1994.

Interests out of work: Foreign travel is top of the list although I do enjoy dress making and a spot of gardening when the weather is nice!!

Favourite holiday destination: would have to be India I love the whole country from the frantic hustle and bustle of the cities, to tiger spotting in the jungles of the north, the temples and churches down to the glorious beaches of Kerala and Goa.

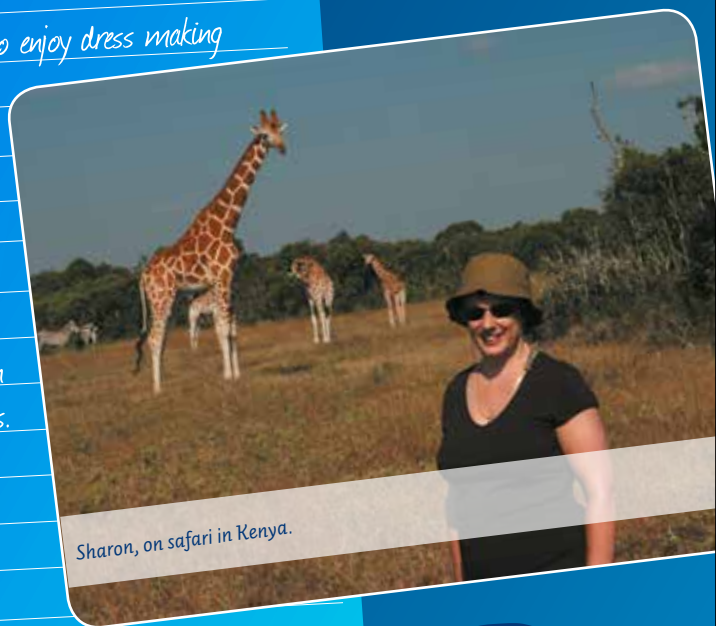
Favourite TV programme: Don't really have a favourite, although Death in Paradise is high on the list due to the beautiful location in the Caribbean. I enjoy nature programmes and crime dramas.

Favourite music: Again an eclectic mix from 70's pop to Rock. Seeing Bryan Adams at the O2 a couple of years ago had to be one of the highlights of the year.

Favourite food: I enjoy good old fish & chips, in fact, any fish dish but I think a Keralan fish curry would have to be top.

Favourite book: As a girl I was enthralled by Brighton Rock, but today I don't have a favourite. I enjoy crime dramas, especially involving forensics, and a romantic novel when lazing on a tropical beach.

Best thing about living in North Lincolnshire: I live in Lincoln, so strictly it's Lincolnshire for me. But I think we have the best of all worlds: towns and cities for shopping and dining out, the beautiful Wolds for walking, and the East Coast for weekends away. Who could ask for more?



Sharon, on safari in Kenya.

# Budget

Chancellor Philip Hammond's Spring Budget was not without controversy.

Here are some of the key announcements.

## Dividends

Dividends received by an individual are subject to special tax rates. The first £5,000 of dividends are charged to tax at 0% (the Dividend Allowance). Dividends received above the allowance are taxed at the following rates:

- 7.5% for basic rate taxpayers
- 32.5% for higher rate taxpayers
- 38.1% for additional rate taxpayers.

Dividends within the allowance still count towards an individual's basic or higher rate band and so may affect the rate of tax paid on dividends above the £5,000 allowance.

The Dividend Allowance will be reduced from £5,000 to £2,000 from April, 2018.

## Individual Savings Accounts (ISAs)

The overall ISA savings limit is £15,240 for 2016/17 but will jump to £20,000 in 2017/18.

A new Lifetime ISA is available for adults under the age of 40.

Individuals will be able to contribute up to £4,000 per year, between ages 18 and 50, and receive a 25% bonus from the government.

Funds, including the government bonus, can be used to buy a first home at any time from 12 months after opening the account, and can be withdrawn from age 60, tax free.

## Property and trading income allowances

From April 2017, the government will introduce new £1,000 allowances for property and trading income.

Individuals with property or trading income below £1,000 will no longer need to declare or pay tax on that income. Those with income above the allowance will be able to calculate their taxable profit either by deducting their expenses in the normal way or by simply deducting the relevant allowance.

## Making Tax Digital for Business (MTDfB)

Extensive changes to how taxpayers record and report income to HMRC are being introduced under a project entitled Making Tax Digital for Business.

Under MTDfB, businesses, self-employed people and landlords will be required to:

- maintain their records digitally, through software or apps
- report summary information to HMRC quarterly through their 'digital tax accounts' (DTAs)
- make an 'End of Year' declaration through their DTAs.

Businesses, self-employed people and landlords with turnovers under £10,000 are exempt from these requirements.

The government announced in the Budget a one year deferral from the mandating of MTDfB for unincorporated businesses and unincorporated landlords with turnovers below the VAT threshold.

# Budget

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For those who have turnovers in excess of the VAT threshold the commencement date will be from the start of accounting periods which begin after 5 April, 2018.

In the budget overall the biggest potential change on the horizon is MTDfB. We are aware that this could bring big changes for clients.

Therefore RNS is keeping a close eye on the MTDfB proposals and their potential impacts. We will continue to do so as the deadline approaches.

## Corporation tax rates

Corporation tax rates have already been enacted for periods up to 31 March 2021.

The main rate of corporation tax is currently 20%. The rate will then be reduced as follows:

- 19% for the Financial Years beginning on 1 April 2017, 1 April 2018 and 1 April 2019
- 17% for the Financial Year beginning on 1 April 2020.

## Corporate tax loss relief

Currently, a company is restricted in the type of profit which can be relieved by a loss if the loss is brought forward from an earlier accounting period.

For example, a trading loss carried forward can only relieve future profits from the same trade.

Changes are proposed which will mean that losses arising on or after 1 April 2017, when carried forward, will be useable against profits from other income streams or other companies within a group. This will not apply to capital losses.

## Research and development (R&D)

To further support investment, the government will make administrative changes to the Research and Development Expenditure Credit to increase the certainty and simplicity around claims and will take action to improve awareness of R&D tax credits among small and medium-sized enterprises.

## Capital Gains Tax annual exemption

The CGT annual exemption is £11,100 for 2016/17 and will be increased to £11,300 for 2017/18.

## Inheritance tax (IHT) nil rate band

The nil rate band has remained at £325,000 since April, 2009, and is set to remain frozen at this amount until April, 2021.

## Business rates

The business rates revaluation took effect in England from April and will result in significant changes to the amount of rates that businesses will pay.

The government announced £3.6 billion of transitional relief in November, 2016. The Chancellor has now announced £435 million of further support for businesses. This includes:

- support for small businesses losing Small Business Rate Relief to limit increases in their bills to the greater of £600 or the real terms transitional relief cap for small businesses each year
- providing English local authorities with funding to support £300 million of discretionary relief, to allow them to provide support to individual cases in their local area.

# Half marathon

*Move over elite runners – the A team’s on its marks and ready to go.*

Twelve RNS runners will be joining the starting line-up for the North Lincolnshire Half Marathon, taking place this year from Quibell Park in Scunthorpe on 7th May at 9am.

We’ve asked how their preparations are going:

Name: *John Heeney*

Have you run this distance before?

Yes, in my 20’s I ran quite a few half and 4 or 5 full marathons, but not done anything like this for over 20 years.

How’s the training going?

Slowly mostly.....have been nursing my calf-muscle which I tore a couple of years ago playing badminton, which has slowed things down quite a bit.

What do you listen to when running?

I can mostly hear a fat bloke gasping for breath, but I find Placebo, the Editors and the TrainSpotting soundtrack quite good to keep me going.

Name: *Robert Smith*

Have you run this distance before?

Only once, I did the St Neots Half Marathon in November, 2016.

How’s the training going?

My wife is training for a full marathon so I have done a bit with her but it is providing difficult to fit in many miles.

What do you listen to when running?

Nothing, I prefer the solitude and thinking time away from the bustle of the office and home life.

Name: *Jenny Camm*

Have you run this distance before?

Yes, I did the North Lincs Half Marathon last year and have done the Great North Run the last two years.

How’s the training going?

I am up to 10k in my training so nearly half way there!

What do you listen to when running?

I don’t listen to anything as I run with friends so try and talk to pass the time if not too out of breath.

Name: *Karen Lyth*

Have you run this distance before?

Yes, once before. I completed the Mablethorpe half marathon in October, 2014.

How’s the training going?

Ok, I was a little rusty but trying to get in three sessions a week. I did the Lincoln 10k early April as a warm up!

What do you listen to when running?

Anything with a good beat really. I have 101 running tracks which is a great mixture of all sorts.

Name: *Sinéad Hill*

Have you run this distance before?

Yes, I did the Great North Run four years in a row 2010 to 2013.

How’s the training going?

A lot better than I expected after a few years of not doing much running and a hamstring injury last year.





What do you listen to when running?

After realising how rubbish my taste in music is I downloaded 'The Nation's Favourite Running Songs' album – it's a right random mix!

Name: *Sue Ward*

Have you run this distance before?

No.

How's the training going?

Not too bad, running through the niggles! Not enjoying the Sunday long runs.

What do you listen to when running?

Usually just my feet or anyone I can drag out to run with me and chat with.

Name: *Sarah Dennie*

Have you run this distance before?

No, the furthest I've run is the Hull 10K last year.

How's the training going?

Ok I think, just about managing to get a couple of runs in a week to build up the miles.

What do you listen to when running?

I don't really - I run once a week with Sinéad so usually it's just us gossiping!

Name: *Abi Wilmore*

Have you run this distance before?

Nope, never. I only managed my first 10k last summer.

How's the training going?

I've been running with Scunthorpe running club, to help keep me motivated but I am currently only up to about 7 miles, I figured if I can get to 10 miles before the race, I can drag my legs for the final 3!

What do you listen to when running?

When I run with the running club, nothing. It's usually just a chance to gossip! But if I go out on my own, anything dance-y, like Calvin Harris etc.



The team members are (left to right) John Heaney, Sinead Hill, Sarah Dennie, Robert Smith, Abi Wilmore, Gary Makinson, Hayley Barber, Susan Ward, Jenny Camm and Alex Douglas. Not pictured are Karen Lyth and Jane Harsley.

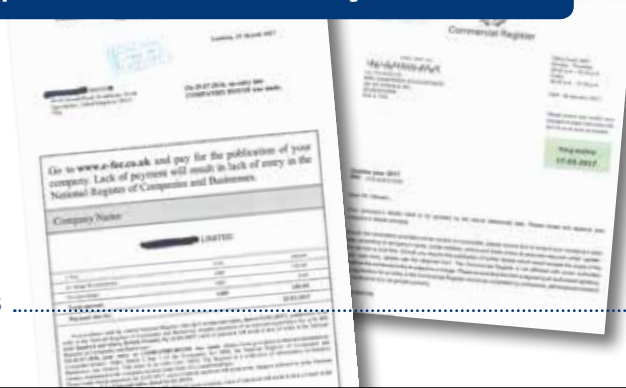
# HMRC scam emails, and Companies Register scam warning

*Following on from the 31st January tax return deadline, a number of scam emails have been received by clients claiming to be from HMRC and saying they are owed a tax refund.*

Please be aware these are likely to be scam emails trying to get clients to enter personal information and bank details. Emails from HMRC will never:

- notify you of a tax rebate
- offer you a repayment
- ask you to disclose personal information such as your full address, postcode, Unique Taxpayer Reference or details of your bank account
- give a non HMRC personal email address to send a response to
- ask for financial information such as specific figures or tax computations, unless you've given us prior consent and you've formally accepted the risks
- have attachments, unless you've given prior consent and you've formally accepted the risks
- provide a link to a secure log-in page or a form asking for information - instead they will ask you to log on to your online account to check for information

## Examples of scam emails received by clients and RNS.



HMRC say factors that could help identify a phishing scam include:

- The misspelling of HMRC
- HMRC says it would never ask a customer to open attachments in order to progress to payment.

We are aware of various scam letters and demands for payments (see below) being issued to Limited Companies suggesting payment is required to maintain their place on some sort of "National Company Register".

This is a scam as no such register exists. The letters/invoices usually demand payment of a few hundred pounds, perhaps set at a level at which people's defences are down.

We have seen these demands subsequently paid by clients handing victory to the scammers.

If you are in any doubt about correspondence to your company please do not hesitate to run it past RNS for our opinion as it could save you from falling prey to a costly scam.

Any phishing activity should be reported to [phishing@hmrc.gsi.gov.uk](mailto:phishing@hmrc.gsi.gov.uk).

If you have any queries, please call your contact at RNS.



# Author's right on track

It took 24 years to write his first novel – and just three to pen two more.

The death from asbestosis of Rob Ashman's father Don triggered the urge to write seriously and his thriller trilogy is the result.

Rob (56), from Barrow upon Humber, said: "I had given up work for three months to look after my mum and dad when he fell ill. I guess writing was my coping strategy.

*"It took me 24 years to write since coming up with the original idea. I'd messed about with it over the years, stuck it in the bin, then wrote some more and stuck that in the bin. This went on for years and years and drove my wife mad.*

*"After my dad had died and I finished the book my family read it and said it was really good and what was I going to do with it?"*

The book, entitled *Those that Remain*, is set in Florida and is about a brutal serial killer, codenamed Mechanic. The killer has been presumed dead for three years but surfaces again and the murders continue.

The novel, available as a paperback on Amazon and to download to a Kindle, has met with glowing five star reviews, which has delighted Rob.

*"You never know whether people are going to enjoy it and I've been taken aback by the response since it was launched.*

*"I've written two more books to complete the trilogy. I'd not set out to do that, it kind of just happened."*

He had worked as a management consultant for KPMG but went self employed five years ago. That's when he met RNS Chartered Accountants' partner Alex Douglas.

*"We immediately clicked," said Rob. "While I am doing the writing I know my business arrangements are in good hands.*

*"I have absolute confidence in him. He is hugely patient and always makes himself available."*

One of the decisions Rob took was to self publish.

He launched the book late last year and, since then, it had been "a bit of a whirlwind".

Originally from south Wales, Rob has lived in Barrow for the past 22 years.

*"I left school at 16 and worked for the National Coal Board as an electrician for six years before I went to university at the age of 23."*

Now writing full-time, he paid particular thanks to his family for their support. He and wife Karen have two daughters Gemma, who has just completed a masters degree in geology, and Holly, in her second year of reading Physics at Birmingham University.

Alex congratulated Rob on being a published author.

"Rob's shown great faith and confidence in his writing," said Alex. "I'm delighted he's had early positive reviews which have encouraged him further. "He's a person with great passion and that's important when you're in business. You have to believe in what you're doing. I wish him continued success in the future."

Rob can be found on Twitter and Facebook at Rob Ashman Author, and can be contacted via email on [rob.ashman@aol.co.uk](mailto:rob.ashman@aol.co.uk)

Alex can be contacted at RNS on (01724) 842713.



Author Rob Ashman (right) with accountant Alex Douglas.

# Inheritance Tax Spotlight

Inheritance Tax, or IHT, is a sometimes costly tax payable on death out of your estate. On assets above the exempt nil rate band (currently £325,000) the tax rate is 40%.

Some tax planning measures that can help combat IHT include:

## Inherited nil rate band

Assets left to a spouse are not immediately subject to IHT. If all the assets are left to the spouse, the deceased's nil rate band is also passed over to the survivor so on second death the amount exempt from IHT could be up to £650,000.

## Pensions

Money in a pension scheme is mostly exempt from IHT and can be passed to any beneficiary of your choosing. So Multigenerational pension planning is now an option.

Because you can hold up to £1m in a pension fund the pension is now a very important asset in terms of IHT planning. Our in house Financial Advisers can review and set up pensions for you.

## Residential nil rate band

A new residential nil rate band, being phased in over four years, will initially exempt £100,000 of the individual's main residence, rising to a maximum of £175,000 from 6 April 2020. This is a valuable relief but there are a number of pitfalls, for example:

- It can only be offset against the individual's main residence. If you down size you could still claim the exemption but you may need to document the process.
- The main residence relief is only granted if the residence is left to a direct descendant. It would be good practice to review your will if there are other beneficiaries because if they share in the proceeds of your house the relief could be compromised.

- It is only for individuals with under £2m assets at death. The value of an individual's business is taken into consideration for the new £2m threshold test, even though the business itself may be exempt from IHT. This is often overlooked but needs to come into the planning.

## Gifts

Giving money and assets away is one of the more traditional ways of dealing with IHT.

It is important to note it takes seven years for a gift to be excluded from your estate.

It is also important to consider whether there are any immediate capital gains tax charges that the gift could trigger.

## Business Property Relief (BPR)

Business assets and some agricultural assets can benefit from IHT exemptions.

A common problem however is that if you sell your business at the point of retirement the cash you get in exchange is no longer exempt.

One way to continue to benefit is to invest some of your proceeds into BPR qualifying investment funds.

Inheritance Tax is a complicated subject and this article is by no means exhaustive. If you would like to discuss your Inheritance Tax position please contact the partner responsible for your account.

And remember, there are few simpler and more satisfying ways to save on inheritance tax than to spend a little more on yourself!



# Tax on savings income

From 2016/17 the Savings Allowance (SA) will apply to savings income.

Income within the SA will be taxed at a new 0% rate (the 'savings nil rate'). However, the available SA in a tax year will depend on the individual's marginal rate of income tax. Individuals taxed at up to the basic rate of tax will have an SA of £1,000.

For higher rate taxpayers, the SA will be £500 whilst no SA is due to additional rate taxpayers.

Alongside the introduction of the SA, banks and building societies will cease to deduct tax from account interest they pay to customers.



# Celebrating 15 years

The Yorkshire Building Society has celebrated 15 years on Barton's High Street.

Based at RNS' office, a celebration took place to mark the milestone.

Agency manager Carol Clayton said the time had gone very quickly.

*"The partnership between Yorkshire Building Society and RNS ensures our office is always busy,"* she said.

*"I know customers find it very convenient that they can deal with a range of financial matters under one roof, from depositing money in an account to receiving advice about their tax affairs."*

*"The arrangement works well for both parties and we enjoyed celebrating the 15th anniversary."*



Agency manager Carol Clayton Celebrates 15 years.

# VAT news

## *Alert to all flat rate VAT scheme users*

The introduction of a new flat rate percentage of 16.5% for businesses classed as 'limited cost traders' took place on 1st April.

This rate will apply to any scheme user that spends less than 2% of gross sales on goods or less than £250 in a VAT quarter. All scheme users who are limited cost traders will pay more VAT because the highest rate currently is 14.5%. It will apply on a quarter by quarter basis.

The loss of the tax savings for existing scheme users might mean it is better for the business to either deregister from VAT or revert to normal VAT accounting when the new rules are introduced. The other option is to revise the strategy for spending on goods.

The scheme is likely to catch many labour only /services type businesses. It will also impact heavily on builders on the flat rate scheme.

Please speak to the Partner who looks after your affairs as soon as possible if you think this will apply to you.

## *Rent and storage*

It appears landlords may not have taken on board the changes in respect of the VAT treatment of space used for storage.

Most rent charges on commercial property where there is no option to tax are exempt.

If this is the only supply made many landlords will not even consider the need to VAT register.

However, where space is provided and used for the storage of goods the supply becomes a standard rated taxable supply.

This is the case regardless of any intention of the supplier of the space or any agreement between the supplier and the customer.

Landlords must ensure they have in writing from their tenants a declaration of how they are using the space and these declarations must be retained to show any visiting VAT officer.

## *Pre-registration input VAT*

When a business's turnover exceeds the VAT threshold they have to register for VAT.

Most tax payers are aware that when they first register for VAT that they may be able to reclaim the VAT on goods and assets on hand at registration as long as the VAT was incurred within the last four years.

However, if at the point of registration the asset has been in use for a number of years the full input VAT on the original invoice can no longer be claimed in full.

The amount of VAT that can be recovered should reflect the use of the asset for making supplies before registration. Effectively the VAT has to be depreciated to the point of registration using a fair and reasonable policy.



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# National Insurance

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National Insurance Class 2 – What you need to know and a few things to be aware of

The payment of Class 2 has recently changed and, for most self employed people, the monthly or quarterly payment by direct debit stopped in July, 2015.

As contributions were paid four months in arrears this meant the payments made up to July, 2015, covered the tax period 6 April, 2014, to 5 April, 2015.

Class 2 is mandatory if your profits from self employment are over the Small Profits Threshold which, for 2015/16 and 2016/17, was £5,965 (2017/18 is £6,025). However, if a business's profits are below this limit, it is not required to pay Class 2.

For 2015/16 the full year's Class 2 National Insurance contributions, where due, were calculated on the 2016 Self Assessment tax return and were paid with the income tax and Class 4 National Insurance liability which was due on or before 31 January, 2017.

If you were below the small profit threshold and Class 2 was not calculated you can still pay this voluntarily by ringing the National Insurance helpline on 0300 200 3500.

The tax return cannot be amended to include Voluntary Class 2 National Insurance after 31 January.

Class 2 National Insurance gives you entitlement to contributions-based benefits such as Maternity Allowance, Employment and Support Allowance (ESA) and State Retirement Pension therefore you may want to pay class 2 National Insurance voluntarily in order to maintain your contributions record.

For more information on this go to [www.gov.uk/pay-self-assessment-tax-bill/budget-payment-plan](http://www.gov.uk/pay-self-assessment-tax-bill/budget-payment-plan)

## Staff news

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### Trainee chartered accountant Abigail Wilmore has upped the pace.

She has completed six professional stage ICAEW exams in 12 months when most do it over 18 – and she has started running.

Scunthorpe-born Abigail started with RNS as an 18-year-old in her home town having previously attended Huntcliff Secondary School and John Leggott College, where she achieved A-levels in Maths, Economics and Geology.

She began as an Association of Accounting Technician (AAT) apprentice and qualified in 2015.

She took her six chartered accountancy exams at Kaplan in Hull and now has three advanced level papers left to become fully qualified, something she hopes to achieve this year.

Abigail enjoys being audit based which means she goes out and meets clients across a variety of different industries and sees how they operate.

She lives in the nearby countryside where there are plenty of places to take out her two dogs.

She has recently started running with Scunthorpe and District running club, having done its introductory course in January last year. She is in training for the RNS team entering the North Lincs Half Marathon.



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### Income tax rates and bands 2017/18

Basic rate - 20%<sup>1</sup>  
Higher rate - 40%  
Additional rate - 45%

### £ a year

0 - 33,500  
33,501-150,000  
Over 150,000

<sup>1</sup> There is a 0% starting rate for savings income only. The starting rate limit is £5,000 for 2017/18. If an individual's taxable non-savings income exceeds the starting rate limit, then the savings rate is not available. The tax rates for dividends are 7.5% basic rate, 32.5% higher rate and 38.1% additional rate.

### Income tax allowances 2017/18

Personal allowance 11,500  
Income limit for personal allowance 100,000  
Dividend allowance 5,000  
Marriage allowance 1,150

### National insurance rates 2017/18

Lower earnings limit £113 a week  
Primary threshold £157 a week  
Secondary threshold £157 a week  
Upper earnings limit £866 a week  
Employees rate on earnings between £157 & £866 per week 12%  
Employees rate on earnings over £866 per week 2%  
Employers' rate on earnings above £157 per week 13.80%  
Upper profits limit £45,000 a year  
Lower profits limit £8,164  
Class 4 self-employed rate on profits between £8,164 and £45,000 9%  
Class 4 self-employed rate on profits over £45,000 2%  
Class 2 self-employed national insurance £2.85 per week

**We help and advise businesses every day. Give us a call for a completely free, no obligation meeting.**



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