

## THE LIGHTER SIDE

### Comments on HOSPITAL CHARTS

#### Thanks to John Niland

Patient has two teenage children, but no other abnormalities.

Patient has chest pain if she lies on her left side for over a year.

On the second day the knee was better, and on the third day it disappeared.

The patient has been depressed since she began seeing me in 1993.

Discharge status: Alive but without my permission.

The patient refused autopsy.

The patient has no previous history of suicides.

Patient's medical history has been remarkably insignificant with only a 40 pound weight gain in the past three days.

Patient had waffles for breakfast and anorexia for lunch.

She is numb from her toes down.

The skin was moist and dry.

Occasional, constant infrequent headaches.

Patient was alert and unresponsive.

Rectal examination revealed a normal size thyroid.

The patient was to have a bowel resection. However, he took a job as a stock broker instead.

Skin: somewhat pale but present.

Patient was seen in consultation by Dr. Blank, who felt we should sit on the abdomen and I agree.

## Have pity on the taxman

Our practice has (we think) enjoyed good relations with tax offices for the past 38 years. From experience, we know that we get a much better deal for our clients if we are friends with HMRC rather than enemies.

As a result of this good relationship, from time to time we get told what's going on, behind the scenes, in tax offices and, as you may have seen, occasionally we report what we are told in *Account*. Here is the latest "Did you know...?" that we have gleaned from a local tax office.

Did you know that, even if you (or we) address a letter to the local tax office in (say) The Apex or Tallyour Road, Plymouth, that letter will go miles away to a Revenue mail sorting centre in somewhere like Cardiff? Once there, it will be sorted, or as often happens, mis-sorted, leaving many who work in the Revenue in a state of incredibly frustrated confusion.

So even if you have just spoken to a tax official, and know his name and address, and even if you highlight his specific address on the envelope, your letter will only end up in a log jam somewhere miles away. And of

course this is breeding deep frustration in those people who work in the local tax offices. Imagine having to tell your clients, as they do, that it will take six weeks before your letter can be dealt with.

The only way you can be sure of a letter reaching a tax official nowadays is if you fax it but since drafting this article we have noticed that fax numbers on HMRC letters seem to have disappeared.

Such is progress.... we are aghast at such an inefficient development and wonder how on earth their management can have thought of such a bad idea.

We know that HMRC are facing severe cutbacks. Between 2005 and 2010 the actual spending on HMRC fell from £4.4 Bn to £4.2 Bn, with the sum due to be reduced to £3.7 Bn by 2015. It can't do anything for staff morale can it?

Have we ever had a Chancellor of the Exchequer who worked either in the Revenue or, like us, at the coal face, I wonder? If that were to happen then we might get a simpler tax system.

## How to stop unsolicited sales calls

If, like most of us, you receive time consuming, irritating sales and marketing phone calls in the office and would like to stop them, the solution is very straight forward.

All you have to do is to register with CTPS (Corporate Telephone Preference Service). This is a central opt out register which allows corporate subscribers to register their wish not to receive sales and marketing telephone calls. Once you are registered it is illegal for marketing callers to contact you. The registration takes about 28 days to become fully effective.

Even when you are registered you will find that occasional unsolicited calls still slip through from time to time but we find that they usually get off the line pretty quickly if you read them out the following short script, which is worth keeping beside your phone....

**"Before you go any further, I should tell you that we are registered with CTPS not to receive unsolicited calls. That means that we could report you and you could be subject to a penalty".**

The normal response is a satisfactorily swift hang up accompanied by a gabbled apology.

CTPS details can be found at [www.tpsonline.org.uk](http://www.tpsonline.org.uk)

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# Account

## The new penalty regime at HMRC

We normally like our newsletter to be light-hearted – we know of many clients who only scan it for jokes, and that makes us happy – but we need to start with bad news this time.

The late submission of personal tax returns will be subject to a much harsher regime after 31 January 2012, or 31 October 2011 if you submit a paper return. (Please note that this regime affects your current tax return – this is not some warning about a problem that doesn't matter yet. It's here; it's now, and it's imminent, please note.)

In the past, if a tax return was submitted late, the fine was £100. However, if the tax payable was less than £100, the penalty was reduced to the amount of tax actually payable which could mean that, if no tax was due, there would be no penalty payable.

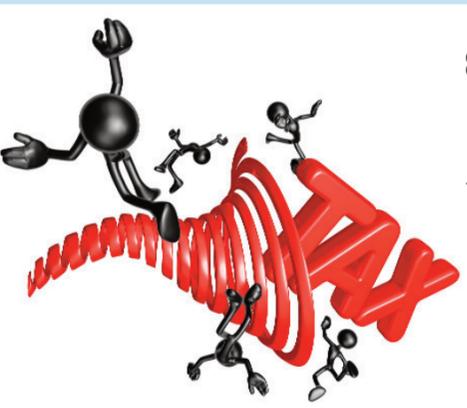
THAT has changed and how!

If you are a day late you will have to pay £100, even if there is no tax due. Three months late and it increases to £110 and on it goes by £10 per day to a maximum of £1000 after 90 days.

After six months there will be an additional £300 to pay or 5% of the tax due, whichever is the greater, plus a further £300 or 5% if it's 12 months late.

In case your head is spinning (and

you won't want me to say this) if a tax return is a year late there will be penalties of at least £1,600, even if no tax was due in the first place. (Honestly this new regime beggars belief!)



Even less will you want me to remind you that tax paid late attracts interest and surcharges on top of these just mentioned.

If you have received a notice to complete a tax return from HMRC, you MUST submit one, even if there is nothing to report. If HMRC are expecting a tax return from you, they had better get one, or you will rue the day you chucked that reminder in the bin and pretended it never arrived.

You will understand why we have put this onto the front page.

## Important snippets:

**Have you heard about Solid State Drives?** No, neither had we but apparently they are much faster than traditional computer drives and are relatively inexpensive.

**Have you received an Email apparently from HMRC telling you that you are due a tax refund?** They are, all of them, a scam. Please have nothing to do with them.

**Are you applying the higher free mileage rate for employees who drive their own cars on business?** Since 6 April, it is now 45p and not 40p.

**Have you heard that HMRC are visiting small traders to inspect their business records?** If you have any worries about your record keeping don't forget that we supply free book-keeping software. Don't get caught out with rubbish records.

They are also clamping down hard on traders whose turnover is above the VAT threshold (£73,000) but who have failed to register for VAT.

**Would you like an introduction to someone who lends money thus solving the problem of a bank that refuses help?** We can provide the details and help you, if you want. Call Hugh on 01752 334950.

**Are you applying the new VAT fuel scale charges since 1 May 2011?** If in doubt please call us for the details.

**VAT returns will have to be submitted on line with effect from April 2012.** Please call us if you need any help with this.

## How is tax simplification coming along?

One has to say, not very well, but this is not the fault of our friend John Whiting, who heads the Office for Tax Simplification, and who produced his first report earlier this year.

We were pleased to see that he did mention my particular bugbear – that thought should be given to changing the end of the tax year from 5 April to a more sensible date but, from personal experience, I know that this just won't happen. That said, in fact it would indeed happen, but only if we join the Euro. If we do that then our tax year will end on 31 December. (You read it here first!)

He also suggested that the limit for reporting the sale of chattels for capital gains tax purposes should be raised from £6,000 to £11,000, which one has to say is a good thing. He also suggested that the annual £3,000 exemption for IHT gifts should be lifted to £6,000. (I find this hard to justify. I mean, steady on, it's only been £3,000

since 1974. Surely we needn't rush any increases quite so quickly?) Another matter that I suggested to John was the fact that a little trust we work for, with an income of just £2,000 a year, suffers tax at four different rates. Four, I ask you. Talk about sledgehammers.

We will just have to see how he gets on but, from over thirty years of experience of trying to get the Treasury to change the end of the income tax year I can tell him that, with them, it's always been a case of "None so dear" as far as I am concerned.

By the way, John Whiting really is a hero. He's doing all of this work unpaid. It's important that we pay tribute and fulsome praise and thanks to him for this selfless contribution. John is seen here on the right with Ashley Smith. He kindly invited us to assist him at the Money Matters Roadshow when it came to Plymouth earlier this year.



## The BBC's Money Matters Road Show

Talking of the Money Matters Road Show, did you hear our Rachael Peckings broadcast to the nation – well, the whole of SW England – when she was interviewed by David Fitzgerald, who, aficionados will remember, used to appear with Gus Honeybun on Westward Television. Hats off to Rachael who, as you can see, was as cool as a cucumber.

**Congratulations** to Rachael who gave birth to her first child, Sebastian, on 21 August.



## IHT and farmhouses

Will your farmhouse qualify for 100% Agricultural Property Relief (APR) for Inheritance Tax? The answer is, I am sorry to say, unclear but the rules do seem to be less arduous.

First of all please note that there can be more than one qualifying farmhouse on a farm: for example, one occupied by the parents and another by their son, all of them in a farming partnership.

But what is a farm house that qualifies? A recent pronouncement from HMRC says that the farmhouse is a "dwelling for the farmer from which the farm is managed." The Act says that the farmhouse must be "occupied for the purposes of agriculture". So far so good and we gather that this description is also likely to include farmhouses occupied by the farmer after he has retired.

But will all farmhouses qualify?

One would not expect a vast country mansion with a few acres of land, on which a couple of sheep mowed the grass, to qualify for APR. HMRC have published a list of indicators. These include "the elephant test": when you see a farmhouse, do you instantly recognise it as a farmhouse, just as you would immediately recognise an elephant? Other indicators are that the land should predominate, the farmhouse should be proportionate to the agricultural activity on the land, and the farmhouse should have been built as a farmhouse. Despite these indicators, in the Golding case, although there were only 16 acres of land farmed and a three-bedroomed farmhouse, APR on the farmhouse was allowed by the Court.

If you have any worries on this front please let us know.

## The PRICE OF Petrol AROUND THE WORLD

Prices are quoted in US dollars per gallon for regular unleaded as of March 2011

Norway	\$6.82
China	\$6.25
Belgium	\$6.16
UK	\$5.96
Italy	\$5.80
Canada	\$5.36
Japan	\$5.25
Brazil	\$4.42
India	\$3.71
Australia	\$3.42
South Africa	\$3.39
Mexico	\$2.22
Argentina	\$2.09

And lowest of them all by far...

Venezuela	\$0.12
Saudi Arabia	\$0.09
Kuwait	\$0.08

Oh if only we were an oil producing nation.....

Hey, wait a minute!!! We are. What on earth happened to North Sea oil???

