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**Welcome to your December newsletter! With 2012 drawing to a close, it's a good time to review your tax minimisation plans. Could you be making better use of the available personal and business allowances to minimise your tax liability? While Christmas offers the perfect excuse to catch up with friends and family, don't neglect your local market; we look at the ways your business could use the internet to keep in touch with vital customers and suppliers in the run up to, and during, the holidays.**

Avoiding a festive overload, we touch upon the Chancellor's much-anticipated Autumn Statement taking place on 5 December – what measures will he announce? December also sees the introduction of the EU gender ruling - find out why your insurance premiums could be set to change. Finally, here's wishing you a Happy Christmas and prosperous New Year.

## End of year tax planning

Have you thought about your new year's resolutions yet? If not, why not start thinking about minimising your tax liability by making the most of the allowances and exemptions that are available? The end of the tax year will soon arrive, and some allowances are set to change and others lost so now is the time to start planning.

## Your personal tax allowance

The 50 per cent additional rate of income tax on incomes above £150,000 will reduce to 45 per cent on 6 April 2013. For those who fall into the higher band, it may be beneficial to defer income from 2012/13 to 2013/14 where possible as this will save five per cent on the top slice of taxable earnings. Elsewhere, those with incomes above £100,000 will suffer a withdrawal of their personal allowance at a rate of £1 for every £2 over this amount.

## Child benefit changes

HMRC this month began issuing letters to households that may be affected by changes due to come in on 7 January 2013. Households with income of more than £60,000 are likely to lose all of their child benefit, while households with an income between £50,000 and £60,000 will be subject to a new levied tax charge on their benefit. Furthermore, those who continue to receive the benefit and pay the tax charge will need to do so through self-assessment. We can help file self-assessment forms and may find legitimate ways to avoid losing all of your child benefit.

## Tax efficient investments

**Personal** - Have you made use of your annual ISA allowance? For the 2012/13 tax year, individuals

can invest up to £11,280 in total, with a maximum of £5,640 in cash, into an ISA which offers tax relief on the income and gains. Junior ISAs for under 18s are also available.

**Business** - There are now three tax efficient investment schemes for individuals seeking to invest in UK businesses: the Enterprise Investment Scheme (EIS), the Venture Capital Trust (VCT) and the Seed EIS. As is usually the case, the higher the investment risk the greater the tax advantages to be gained. For example, the EIS offers 30 per cent tax relief on large investments into growing businesses and capital gains exemption on shares after a qualifying period. Alternatively, the VCT offers the same rate of tax relief on smaller investments as they are made through a fund. The new SEIS offers a greater range of benefits providing investment is made into a smaller business at the start of trading.

*A vital part of our role is to make sure that you are keeping your tax liability to a minimum. A more detailed guide can be found on our website, but please do not hesitate to contact us if you would like to discuss any areas of end of year tax planning.*



## Online marketing at Christmas – are you tapping into your local market?

Online marketing isn't just about communicating with the rest of the world; it's also an invaluable tool in reaching out to your local market. Despite local custom being vital to SMEs, research last month found that three out of four small businesses are missing out on local business opportunities by failing to get the most out of being online.

The commissioning researcher warned that SMEs failing to promote their firm online were putting themselves at a serious disadvantage to the 25 per cent that do. And it's not just about reaching new customers, it's a handy resource for networking, establishing new business relationships, meeting new suppliers and supporting other businesses. Here are some ways to make sure you're using the internet to its full potential this festive season:

- Send Christmas e-greetings to your customer base thanking them for their custom and wishing them a Happy Christmas
- Consider selling your products or services via an online shop for consumers who are unable to visit your office or store
- Promote special festive deals and discounts exclusively on Facebook or Twitter to drum up followers and business
- Start a weekly, monthly or quarterly newsletter to inform customers about new products and related news. It should be timely and up-to-date
- Update your website to include Christmas and New Year opening hours as well as offers

## Save the date - Autumn Statement 2012

As the precursor to the full 2012 Budget, the Autumn Statement (previously referred to as the pre-Budget or 'mini' Budget) sets out the plans for the UK economy and announces possible new tax rates and allowances to be included in the Budget, as well as the latest economic forecasts from the Office for Budget Responsibility (OBR).

Is the Government on track to meet its 2010 Budget commitment to reduce public sector debt? Could the planned 3p petrol increase for the New Year be delayed yet again? Elsewhere, it is speculated that further details of the state-backed business bank – designed to boost bank lending to struggling businesses once and for all – and details of the new Universal Credit which is set to replace the way people receive benefits in 2013, could also be announced.

 *What will be announced remains to be seen, but we will have a full report of the Autumn Statement available the day after it has been delivered. Please contact us for more details.*

# YOUR MONEY

## The EU gender directive – what it means for your insurance premiums

While we will all be busy celebrating the festive season, the end of December also marks a fundamental shake-up to the way insurers calculate their premiums. From 21 December, a European Court of Justice (ECJ) ruling will ban insurers from taking a person's gender into account when working out premiums for products such as car insurance, annuities and life insurance on the grounds of sexual discrimination.

It'll be mixed news for consumers, as premiums at present have often been dictated by gender-related risks. Women typically pay lower car insurance premiums because of lower accident rates, while men tend

to receive higher annuity rates because of their shorter life expectancy. Market experts estimate the ruling could increase some female premiums by up to 25 per cent, while male premiums are likely to drop, although it is predicted to level out in the coming years as the rule settles into place.

If you are due to renew an insurance product in the next month, it may be worth taking advantage of lower rates before insurers convert to the new gender-neutral policies. It may also be worth checking with insurers about their guaranteed quote period; some insurers for instance may offer a 'pre-gender neutral' quote for a certain time frame which could be cut off by the 21 December deadline.

## December's Money Facts

Current bank rate	0.5%
Quantitative Easing total	£375 billion
Current inflation	2.7%