

GRANGE

NEWS

The Monthly Newsletter of Grange Accounts

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www.grangeaccounts.com

Lasting Power of Attorney - looking after you when you can't look after yourself.

Some people believe that if they were to lose their mental capacity then their spouse or partner would automatically be able to take control of their personal or their financial affairs. This is not the case! It is the responsibility of The Office of the Public Guardian, an agency of the Ministry of Justice who they appoint to look after your affairs.

If **you** want to decide who is going to look after your affairs you need to do a Lasting Power of Attorney.

The major change from the previous Enduring Power of Attorney is that the document CANNOT be used until it has been registered with the Office of Public Guardian (OPG). This has been introduced to prevent fraud and abuse and although the OPG initially planned that the registration process would be completed in 35 days, at the time of writing it is taking around 3 months to complete the process.

A Lasting Power of Attorney is for all people above 18 years of age NOT just for the elderly. The loss of mental capacity can occur at any age, possibly brought on by an accident or an unexpected illness. It is impossible to know what is around the corner and although most people would like their wishes to be respected regarding their finances for example, only 23% of people in a survey for the OPG had made any preparations regarding how their money should be looked after.

One in four British adults experience one diagnosable mental health problem in any one year. Every year over 130,000 people have a stroke in England and Wales, that is roughly a stroke every **five** minutes!

Surely, **you** would want to be the person to decide who looks after your affairs in this unfortunate situation rather than a group of people who have never even met you and have no idea as to how you would want your affairs to be handled.

There are two Types of LPA'S.

A Property and Affairs LPA allows you to choose up to four people to act as attorney's to deal with your property and finance as you specify.

A Health and Welfare LPA allows your attorneys to make decisions on your behalf, but only when you lack the capacity to do so yourself. It is also possible for you to indicate your wishes on the subject of the continuation of life sustaining treatment.

For further details about LPA's and the correct process that needs to be undertaken, please contact a qualified individual.

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Government announces plans to simplify Tax

The Government has announced the introduction of the Office for Tax Simplification (OTS).

The new office, whose formation was announced on 20th July, will be charged with simplifying the 'spaghetti bowl' of UK tax law to relieve the burden on business and attract new foreign investment.

The UK currently has a mind boggling 11000 pages of tax code and this will be streamlined by the new office.

The new body will conduct a review in to the 400 tax reliefs, allowances and exemptions to see how these can be streamlined.

It will also be told to find ways to simplify the tax system for small businesses, including finding an alternative to the IR35 tax code.

This came in to force in 2000 to prevent the practice of 'disguised employment', but the wide range of interpretations have meant that employers have been successful in challenging rulings and around 60% of employers have arrangements that make it almost impossible to enforce.

The OTS will deal with taxes and duties administered by HMRC, but will not deal with tax credits or taxes that come under the remit of other bodies.

Neither will it have any role in setting rates of tax.

Early indications are that this has been welcomed by business leaders, and we will of course bring you any news from the OTS over the coming months.

Grange Accounts

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Will and Estate Planning - it's never too early, but often too late!

While it is not something we like to think about, making a will can save your family from heartache, stress and fallouts in the event of an unexpected death.

It can also give you peace of mind, knowing that the proceeds of your estate will be received by those that **you** want them to and that someone you know and trust will execute the will.

So if you are thinking about making a will, what should you be thinking about?

Experience shows us that the vast majority of us want to achieve three things:

- Look after their spouse or partner.
- Pass as much as possible to their children and beneficiaries.
- Make sure as little as possible goes to the Local Authority / Government / Inland Revenue etc.

So what can stop this happening?

There are a number of potential threats to your estate; you may not be aware of them!

One in four people will require formal care.

To fund this care you may have to sell your home.

A staggering **70,000 homes were sold in a recent year** to fund long term care, that's nearly 200 every day! Potentially, as little as £13,500 could pass to your children and out of that they would still have to fund the funeral.....not exactly what they would have hoped for.

According to the Office for National Statistics there were nearly **100,000 second marriages** in 2005- that's nearly four out of ten weddings. A large proportion of these may have been after a first marriage has ended due to a death of one of the partners.



If you have a Property Protection Trust in your will, you can protect up to half the property from being used to pay for care home fees or being "lost" in a second marriage!

For further information please contact:

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Useful phone numbers

Grange Accounts	01474 325888
HMRC Business Support	0845 302 1435
Nat Insurance Number Tracing	0845 915 8948
Dept of Work and Pensions Contact Centre	0845 600 0643
Companies House	0870 333 6363

Number of New Starts Ups soaring in 2010

The number of new business start ups increased by nineteen percent compared to the same period in 2009.

Between January and May of this year 36179 new businesses launched compared to just over 30000 in the same period of 2009.

The businesses covered 1265 different types of enterprise, with plumber, electrician, hairdressers, builders, computer repair and cleaning the most popular.

More than 40 percent of the start ups saved themselves overhead costs by basing themselves from home, with the most popular areas being London, Bristol, Manchester, Birmingham and Glasgow.

If you are thinking of starting a new business and would like advice and help with your taxation please give us a call at Grange Accounts on 01474 325888

Business Leaders are Role Models for Entrepreneurs of the Future

A report by the charity Media Trust has found that many young people see business leaders as role models.

A total of 43 percent admire Sir Richard Branson and Simon Cowell as opposed to just six percent who admire celebrities Victoria Beckham, Katie Price and Rio Ferdinand.

Just under 80% of those who took part believe that getting involved in business will improve their future careers, but around half felt that opportunities offered by schools were inadequate.

Around a third of the 4000 people surveyed believed that the ideal age to get involved in business was between 11 and 14 years-old.

BACS payments to Grange Accounts

Grange Accounts offer our clients the convenience of paying by BACS.

You can make your payments online, saving you time and making payment quick, simple and efficient.

Our details are as follows:

Sort Code: 30-93-60 **Account No: 01384199**

Thank you for taking the time to read the August edition of our Newsletter.

Just as we were preparing this months edition, the Chancellor announced the formation of the new Office for Tax Simplification.

As the announcement has only just been made, we can only wait and see what changes they will recommend and make to the tax system, but we will keep our eye on the ball to bring you any news from this new body.

Anything that allows business owners to focus more on their business ought to be a good thing.

Thank you to Trevor French of Collective Legal Solutions for his contributions to the newsletter. I hope you find them informative and useful.

Have a good month, especially if you are taking a well earned break.

Tina Barnett
Accountant