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Autumn is beginning to set in, and so too are growing fears over the UK economy. Interest rates remain at record lows, inflation remains much higher than target, and growth forecasts are being rewritten.

At times like these it is more important than ever to make sure you stay on top of your finances. This month's Insider brings you updates, as well as ideas that you may want to consider during times of economic instability.

Autumn Statement

The Chancellor will deliver his Autumn statement on 29 November this year. An update on the UK's economy, featuring a new economic forecast is expected, but because this replaces the previous Governments' Pre-Budget Report, there may well be announcements regarding tax, business and investment initiatives and regulatory changes.

We will be keeping you up to date on any announcements made, and a summary of the statement will be available from us shortly after the Chancellor has concluded his speech.

Self-assessment tax return reminder

The self-assessment tax return deadline is approaching. The paper filing deadline is 31 October 2011, while online returns can be filed until 31 January 2012.

New penalties have been launched for 2010/11 tax returns, which make filing on time more important than ever before. The initial £100 fixed penalty for late returns will now apply even if there is no tax to pay. The penalty will also increase after three months with additional penalties of £10 a day, up to a maximum of £900. After six months, a further penalty of the greatest of 5 per cent of the tax due or £300 will be charged, meaning that you could be charged as much as £1,300 for being six months behind with your tax return.

Contact us if we are not instructed by you to complete your tax return.

Keeping on top of your debtors

When businesses run into cash flow difficulties, delaying payments to suppliers can become a problem. Make sure you keep on top of your debtors, and your cashflow by implementing a debt collection policy.

An example of a typical debt collection policy:

If your terms state that payment must be received 30 days after invoicing, you should…

- Invoice at the earliest opportunity, stating the payment terms clearly on the invoice
- 15 days after invoicing, telephone the customer. Thank them for their business and ask if they are satisfied with your work or product
- If no payment has been received after 30 days, send a reminder and call the customer to inform them that you are initiating collection efforts.

- Telephone the customer every two or three days. Slow paying debtors rely on the negligence of their creditors. Continual calling will let them know you are aware of the debt and show them that you are willing to take action.
- If there is a query or payment problem, arrange a new settlement date by telephone. Confirm this date in writing and state clearly that if payment is not made by this date, the matter will be referred to either:
  - A debt collection agency
  - A firm of solicitors, or
  - The county court small claims department
- If the debt is still due after this, keep your word and take action.

We can help you to establish an appropriate debt collection policy – contact us for more information.

YOUR MONEY

Are you saving enough for your retirement?

The latest Pension Trends survey from the Office for National Statistics (ONS) reports that the recession caused pension contributions to tumble.

Meanwhile, life expectancy continues to grow, and the state pension age is creeping up as a result. The longer we are expected to live, the more we will have to save for retirement, and as the state pension amounts to just over £5,300 a year, it is clear we cannot depend on it.

Important tax allowances and reliefs make saving into a pension for your retirement attractive, but you may also want to consider other avenues. The amount that you need to save in order to retain your preferred standard of living will depend on a number of factors including:

- Your age
- Your income
- Your outgoings

We would be happy to help you to prepare for your retirement. Read our Active Practice Update on Successful Retirement Planning for more information, or contact us to find out how we can help.

Interest rates remain at record lows – how could you make the most of your savings?

Interest rates remained at 0.5 per cent in September, and as the economy remains sluggish, there are no signs of an increase on the cards. But while interest rates remain at rock bottom, how could you make the most of your savings?

- Use your ISA allowance – no income tax liability means that the real return on any money saved in an ISA is higher
- Shop around – there are so many savings accounts available it is always best to compare what is available to make sure you are getting the best value
- Consider whether you need a fixed rate or instant access – the difference in the rate you receive can be considerable.