

CAPITAL ALLOWANCES

	2010/2011	2009/2010
Annual Investment Allowance (AIA)	£100,000	£50,000
Plant and machinery*:		
main rate pool This includes cars with CO ₂ emissions of < or equal to 160g/km	20%	20%
special rate pool (To include integral features of a building, long life assets and cars with CO ₂ emissions of >160g/km)	10%	10%
First year allowance (FYA)** For businesses of all sizes on main rate pool assets only (see above)	n/a	40%
Industrial buildings, hotels, agricultural buildings & works***	1%	2%
Energy-saving technology**** (Qualifying list changes each year and therefore should be regularly reviewed)	100%	100%
Certain low CO ₂ emission cars	100%	100%

100% Initial allowances for:

- Research and development,
- Providing flats over commercial premises,
- Commercial or industrial buildings in an enterprise zone,
- Business Premises Renovation.

- * On reducing balance
 ** Temporary FYA for expenditure on plant and machinery in excess of AIA for 12 month period from 1 April 2009 (companies) and 6 April 2009 (unincorporated businesses)
 *** On cost - to be phased out by 5 April 2011
 **** Loss-making companies may surrender losses for a PAYE tax credit of 19%

For chargeable periods ending on or after 1 April 2012 (companies) or 6 April 2012 (unincorporated businesses) the plant and machinery allowances will be reduced to 18% for the main rate pool and 8% for the special rate pool.

The AIA is also to be reduced to £25,000 from April 2012 - transitional provisions will apply.

TAX RELIEF FOR QUALIFYING RESEARCH AND DEVELOPMENT

	2010/2011	2009/2010
Small and medium-sized companies*	175%	175%
Large companies	130%	130%

* Loss-making companies may surrender for a tax credit at 24%, subject to detailed conditions

CHARITABLE GIFTS AND DONATIONS

	2010/2011 and 2009/2010
Give as you earn/Gift Aid	No minimum or maximum
Gift of quoted (including AIM) stocks and shares and real property	Income Tax relief at marginal rate of tax No CGT on gift

Note: Gift Aid donations require deduction of tax at source. If, however, an individual has taxed income and/or gains equal to, or in excess of, the gross donation, no tax is payable.

PENSION SCHEMES

	From 6 April 2010
Stakeholder limit*	£3,600
Annual allowance**	£255,000
Lifetime allowance***	£1,800,000

* Contributions up to this level will benefit from tax relief regardless of earnings
 ** Tax relief will be due on contributions up to a maximum of earnings or the annual allowance. There are no facilities for the carry back or carry forward of contributions
 *** The maximum amount of pension savings that can benefit from tax relief during an individual's lifetime (in most cases)

New pension rules for higher earners are being introduced from 6 April 2011. The preliminary measures may affect higher earners (>£130,000 per annum) who are making pension contributions in 2010/2011. Further advice should be sought before a pension contribution is made.

ENTERPRISE INVESTMENT SCHEME (EIS)

2010/2011 and 2009/2010

Cash subscriptions for newly issued ordinary shares of unquoted (including AIM) trading companies satisfying certain conditions. Investors must also satisfy certain conditions.

EIS income tax relief (individuals only)

Minimum £500 per company up to overall limit of £500,000 per tax year. For EIS investment, the following is available

- Income Tax relief at 20% if held for three years,
- CGT exempt if held for three years or more.

There is a facility to carry back 100% of investment for 1 year (subject to usual limits).

EIS deferral relief (individuals and certain trusts)

No minimum or maximum subscription.
CGT deferral on gains realised three years before and one year after subscription.

VENTURE CAPITAL TRUSTS (VCTs)

2010/2011 and 2009/2010

Investments into VCTs attract Income Tax relief at 30% on up to £200,000 per year, and dividends and gains in respect of the VCT shares are tax free.

The shares must be held for five years or more.

Note: Detailed conditions must be satisfied.

INDIVIDUAL SAVINGS ACCOUNT (ISA)

	2010/2011	2009/2010*
Total annual ISA allowance of	£10,200	£7,200
Equities up to	£10,200	£7,200
Cash up to	£5,100	£3,600

* For individuals over 50 in 2009/2010 the higher limits applied from 6 October 2009

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INVESTOR IN PEOPLE

NEXIA INTERNATIONAL

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JUNE 2010
BUDGET
TAX TABLES
2010/2011

Saffery Champness
CHARTERED ACCOUNTANTS

INCOME TAX

Individual			2010/2011	2009/2010
			Band of taxable income	Band of taxable income
Non Savings	Savings	Dividends*		
-	10%	-	£0 - £2,440	£0 - £2,440
20%	20%	10%	£0 - £37,400	£0 - £37,400
40%	40%	32.5%	£37,401 - £150,000	Over £37,400
50%	50%	42.5%	Over £150,000	n/a

* Dividends carry a 10% non-repayable tax credit

Trustees	2010/2011 (2009/2010)	
	Life interest*	Discretionary*
Dividends**	10% (10%)	42.5% (32.5%)
Savings	20% (20%)	50% (40%)
Non-savings	20% (20%)	50% (40%)
Standard rate band***	n/a	£1,000 (£1,000)

* Certain capital receipts are taxed as income at the Rate Applicable to Trusts (50%/42.5%)

** Dividends carry a 10% non-repayable tax credit

*** Income in the standard rate band will be taxed at 10% or 20% as appropriate

PERSONAL ALLOWANCES

	2010/2011	2009/2010
Personal: single (aged under 65)	£6,475	£6,475
Income limit for personal allowance*	£100,000	n/a
Age: single (aged 65-74)	£9,490	£9,490
single (aged 75 and over)	£9,640	£9,640
Income limit for age allowance**	£22,900	£22,900
Married couple's allowance for those born before 6/4/35 (75 and over)***	£6,965	£6,695
Blind person's allowance	£1,890	£1,890

* Personal allowance reduced by £1 for every £2 of income over income limit. Personal allowance is exhausted when income exceeds over £112,950

** Age allowance reduced by £1 for every £2 of income over income limit for age allowance, initially to a minimum of the standard personal allowance; further reduced if income over £100,000

*** Relief restricted to 10%, minimum amount £2,670 (2009/2010 £2,670)

CORPORATION TAX

	Taxable profits* year ended 31/03/11	Taxable profits* year ended 31/03/10
Small companies' rate (21%)	£0 - £300,000	£0 - £300,000
Marginal relief (29.75%)	£300,001- £1,500,000	£300,001- £1,500,000
Main rate (28%)	£1,500,001 or more	£1,500,001 or more

* The taxable profits bands depend on the number of associated companies

CAPITAL GAINS TAX

Individual	23 June 2010 onwards	6 April 2010 - 22 June 2010	2009/2010
Exempt amount	£10,100	£10,100	£10,100
All gains at flat rate	n/a	18%	18%
Taxed as top slice of income:			
Up to basic rate band (£37,400)	18%	n/a	n/a
Above basic rate	28%	n/a	n/a
Trustees		2010/2011	2009/2010
Exempt amount	£5,050	£5,050	£5,050
All gains at flat rate	28%	18%	18%

Entrepreneurs' Relief

Entrepreneurs' Relief (ER) may be available in respect of gains made on the disposal of certain business assets, including shares in unquoted trading companies where, inter alia, the vendor owns at least 5%.

For gains realised on or before 22 June 2010 the effective rate after claiming ER was 10%. For gains realised on or after 23 June 2010, a flat rate of 10% applies.

Assets have to have been owned for at least a year to qualify for the relief and there is a lifetime limit on the gains for which the relief can be claimed, as follows:

- 6 April 2008 to 5 April 2010: £1,000,000
- 6 April 2010 to 22 June 2010: £2,000,000
- 23 June 2010 onwards: £5,000,000

INHERITANCE TAX

From 6 April 2010	Band*	Tax Rate
Rate on death	£0 - £325,000 Over £325,000	nil 40%

* With retrospective effect a surviving spouse or civil partner is entitled to any unused nil rate band of their deceased spouse or civil partner

Lifetime gifts

Lifetime gifts to individuals exempt from IHT if donor survives seven years. Chargeable lifetime gifts taxed at 20% above the available nil rate band. Tax charge on gifts within seven years of death as set out below:

Years before death	0-3	3-4	4-5	5-6	6-7
% of death rates	100	80	60	40	20

No repayments available if tax paid on chargeable lifetime gifts exceeds charge at death.

Other exemptions

Small gifts: £250 per donee. Annual gifts: £3,000 per donor. In consideration of marriage: parent £5,000; grandparent, remoter ancestor or party to marriage £2,500; other £1,000.

VALUE ADDED TAX

Standard Rate 17.5% - to increase to 20% from 4 January 2011

Reduced Rate 5% - applies to certain specified categories of goods

Turnover thresholds	From 1 April 2010	From 1 May 2009
Registration	£70,000	£68,000
De-registration	£68,000	£66,000
Cash accounting	£1,350,000	£1,350,000
Annual accounting	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000

NATIONAL INSURANCE CONTRIBUTIONS

From 6 April 2010		
Class 1		
Not contracted-out	Employee	Employer
£0 - £110pw	nil	nil
£110 - £844pw	11%	12.8%
Over £844pw	1%	12.8%
Contracted out	Employee	Employer
Rebate/reduction on earnings between £97pw and £770pw:		
salary related scheme	1.6%	3.7%
money purchase scheme	1.6%	1.4%
Other classes of National Insurance		
Class 1A/1B	12.8%	
Class 2	£2.40pw where earnings exceed £5,075pa	
Class 3 (voluntary)	£12.05pw	
Class 4	8% on profits between £5,715 and £43,875 and 1% above £43,875	

STAMP DUTY AND STAMP DUTY LAND TAX

Stamp Duty is charged at the rate of 0.5% on the transfer of shares. Stamp Duty Land Tax is charged on the transfer of UK property and on most lease premiums according to the value and the use.

Rate	Residential bands*	Commercial bands
0%	£0 - £125,000	£0 - £150,000
1%	£125,001 - £250,000	£150,001 - £250,000
3%	£250,001 - £500,000	£250,001 - £500,000
4%	Over £500,000	Over £500,000

* The nil rate band is increased to £150,000 for residential property in certain disadvantaged areas. The nil rate band is also increased to £250,000 for first time buyers for the period 25 March 2010 to 25 March 2012

A new 5% band for residential property purchases over £1,000,000 will be introduced from 6 April 2011.

There is no Stamp Duty or Stamp Duty Land Tax on most gifts.

FUEL BENEFITS

2010/2011 and 2009/2010

% of £18,000 (2009/10 £16,900), with % being same as used for company car scale benefit. Taxable benefit will be a maximum of £6,300.

CAR BENEFITS

From 6 April 2010	% of list price
Cars with CO ₂ emissions of 0g/km	0%
Cars with CO ₂ emissions of < or equal to 75g/km	5%
Cars with CO ₂ emissions of > 75g/km but < or equal to 120g/km	10%
Cars with CO ₂ emissions of > 120g/km but < or equal to 130g/km	15%
Each additional 5g/km of CO ₂ when car CO ₂ emissions are over 130g/km	1%
Additional percentage if diesel	3%
Maximum charge (including diesel supplement)	35%

Where the car is registered after 1 January 1998 and there is no CO₂ figure there are HMRC rates based on engine size.

The benefit for cars registered before 1 January 1998 is also based on engine size.

The maximum list price to which the relevant % is applied is £80,000; this will be removed from 6 April 2011.

Classic cars over 15 years old are treated as having a list price of open market value if that is >£15,000 and > original list price.

COMPANY VAN BENEFIT

	2010/2011 and 2009/2010
Company van - business and private use	£3,000*
Company van - business use only (insignificant private use)	nil
Fuel for private use	£550

* No taxable benefit where emissions are 0g CO₂ per km

STATUTORY MILEAGE RATES (EMPLOYEE'S VEHICLE)

	2010/2011 and 2009/2010
Cars and vans:	
first 10,000 miles	40p
additional miles	25p
additional passenger	5p
Motorcycles	24p
Bicycles	20p

ADVISORY FUEL RATES (COMPANY CAR)

	From 1 June 2010*		
	Petrol	Diesel	LPG
0 - 1,400cc	12p	11p	8p
1,401 - 2,000cc	15p	11p	10p
Over 2,000cc	21p	16p	14p

* Rates apply to all journeys on or after 1 June 2010 until further notice. Rates are reviewed at various intervals throughout the year