

CAPITAL ALLOWANCES

	2009/2010	2008/2009
Annual investment allowance (AIA)	£50,000	£50,000
Plant and machinery*		
Main rate pool (In 2009/2010 this includes cars with CO2 emissions of < or equal to 160g/km)	20%	20%
Special rate pool (To include integral features of a building, long life assets and for 2009/2010 cars with CO2 emissions of > 160g/km)	10%	10%
First year allowance (FYA)**	40%	n/a
For businesses of all sizes on main rate pool assets only (see above)		
Cars £12,000 or more: lower of (Based on CO2 emissions for 2009/2010)	Now in pools	£3,000 & 20%
Industrial buildings, hotels, agricultural buildings & works***	2%	3%
Energy saving technology (Qualifying list changes each year & therefore should be regularly reviewed)	100%****	100%****
Certain low CO2 emission cars	100%	100%
Initial allowances for:	100%	100%
<ul style="list-style-type: none"> ● Research and development ● Providing flats over commercial premises ● Commercial or industrial buildings in an enterprise zone 		
* On reduced balance		
** Temporary FYA for expenditure on plant & 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 for a tax credit at 19%		

TAX RELIEF FOR QUALIFYING RESEARCH AND DEVELOPMENT

	2009/2010	2008/2009
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

	2009/2010 and 2008/2009
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 2009
Stakeholder limit*	£3,600
Annual allowance**	£245,000
Lifetime allowance***	£1,750,000
* 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)	
There are new pension rules for higher earners being introduced from 6 April 2010. The preliminary measures may affect higher earners (>£150,000 per annum) who are making pension contributions in 2009/2010 and further advice should be sought before a pension contribution is made.	

ENTERPRISE INVESTMENT SCHEME (EIS)

2009/2010 and 2008/2009

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 3 years
- CGT exempt if held for 3 years or more

There is a facility to carry back 100% of investment for 1 year (subject to usual limits). In prior years carry back was limited to 50% of investment, subject to a £50,000 limit, and was only possible if the shares were issued before 6 October.

EIS deferral relief (individuals and certain trusts)

No minimum or maximum subscription.
CGT deferral on gains realised 3 years before and 1 year after subscription.

VENTURE CAPITAL TRUSTS (VCTs)

2009/2010 and 2008/2009

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 5 years or more.
Note: Detailed conditions must be satisfied.

INDIVIDUAL SAVINGS ACCOUNT (ISA)

	2009/2010* for over 50s	2009/2010 for under 50s	2008/2009
Total annual ISA allowance of	£10,200	£7,200	£7,200
equities up to	£10,200	£7,200	£7,200
cash up to	£5,100	£3,600	£3,600
* For individuals over 50 in 2009/2010 the higher limits apply after 6 October 2009			

OFFICE CONTACTS

Bournemouth David Macey 01202 294281
1 St Stephens Court, St Stephens Road, Bournemouth,
Dorset BH2 6LA

Bristol Jerry Barnes 0117 915 1617
Beaufort House, 2 Beaufort Road, Clifton,
Bristol BS8 2AE

Edinburgh Max Floyd 0131 221 2777
Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA

Geneva Andrew Cleeton +41 (0) 22 319 09 70
12 Cours des Bastions, 1205 Geneva, Switzerland

Guernsey Kelvin Hudson 01481 721374
PO Box 141, La Tonnelle House, Les Banques,
St Sampson, Guernsey GY1 3HS
Channel Islands

Harrogate Chris Adams 01423 568012
Sovereign House, 6 Windsor Court, Clarence Drive, Harrogate,
North Yorkshire HG1 2PE

High Wycombe Karen Bartlett 01494 464666
Fox House, 26 Temple End, High Wycombe,
Buckinghamshire HP13 5DR

Inverness Susie Swift 01463 246300
Kintail House, Beechwood Park, Inverness IV2 3BW

London Peter Horsman 020 7841 4000
Lion House, Red Lion Street, London WC1R 4GB

Manchester Mike Harrison 0161 200 8383
City Tower, Piccadilly Plaza, Manchester M1 4BT

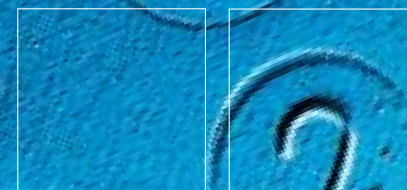
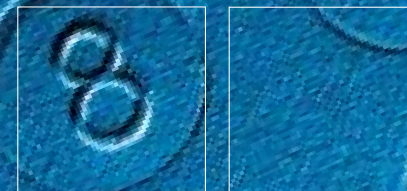
Peterborough Stephen Collins 01733 353300
Stuart House, City Road, Peterborough PE1 1QF

www.saffery.com



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INCOME TAX RATES

Individual			2009/2010	2008/2009
Non Savings	Savings*	Dividends**	Band of Taxable Income	Band of Taxable Income
-	10%	-	£0-£2,440	£0-£2,320
20%	20%	10%	£0-£37,400	£0-£34,800
40%	40%	32.5%	Over £37,400	Over £34,800
* 10% starting rate is for savings income only. If taxable non savings income is above this limit, then the 10% band is not applicable				
** Dividends carry a 10% non repayable tax credit				
Trustees			2009/2010 and 2008/2009	
			Life interest	Discretionary
Dividends*			10%	32.5%
Savings			20%	40%
Non savings			20%	40%
Accrued income			40%	40% **
Standard rate band			n/a	£1,000
* 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

	2009/2010	2008/2009
Personal: Single	£6,475	£6,035
Age:		
Single (65-74)	£9,490	£9,030
Single (75 and over)	£9,640	£9,180
Married couple's*:		
Born before 6/4/35	n/a	£6,535
75 and over	£6,965	£6,625
Income limit for age allowance	£22,900	£21,800
Blind Person's	£1,890	£1,800
* Relief restricted to 10%, minimum amount £2,670 (2008/2009 £2,540)		

INHERITANCE TAX

From 6 April 2009	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 7 years. Chargeable lifetime gifts taxed at 20% above the available nil rate band. Tax charge on gifts within 7 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						

CAPITAL GAINS TAX RATES

Individual	2009/2010	2008/2009
Exempt amount	£10,100	£9,600
All gains at flat rate	18%	18%
Trustees	2009/2010	2008/2009
Exempt amount	£5,050	£4,800
All gains at flat rate	18%	18%
Entrepreneurs' Relief		
Entrepreneurs' relief may be available in respect of gains made on:		
<ul style="list-style-type: none"> the disposal of all or part of a business disposals of assets following the cessation of a business the disposal of assets used in the business of a partnership or trading company where the vendor has previously withdrawn from the business on the sale of shares by certain individuals who worked in the business and owned 5% or more of the ordinary share capital and voting rights (conditions apply) 		
Entrepreneurs' relief provides for relief of 4/9ths on certain gains which, when applied to the tax rate of 18%, provides an effective tax rate of 10%.		
Assets have to have been owned for at least a year to qualify for the relief and there is a lifetime limit of £1,000,000 on the gains for which the relief can be claimed.		

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 on the total value where the value falls in a particular band:

Rate	Residential bands*	Commercial bands
0%	£0-£175,000**	£0-£150,000
1%	£175,001**- £250,000	£150,001-£250,000
3%	£250,001-£500,000	£250,001-£500,000
4%	Over £500,000	Over £500,000

- * There is a nil rate band increase to £150,000 for residential property in disadvantaged areas. This relief will not apply for property purchases between 3 September 2008 and 31 December 2009 inclusive
- ** The nil rate threshold has been temporarily increased to £175,000 for the period 3 September 2008 to 31 December 2009. After this date the threshold will revert to £125,000

Stamp duty land tax is also charged on new leases and on the extension or variation of an existing lease. Duty on rent payments is charged at 1% on the total net present value of the lease payments, discounted by 3.5% per year, to the extent that the total present value exceeds the nil rate band of £175,000** (residential)* or £150,000 (commercial) respectively.

There is no stamp duty or stamp duty land tax on most gifts.

CORPORATION TAX

	Taxable profits* Year ended 31/03/10	Taxable profits* Year ended 31/03/09
Small companies' rate (21%) (21% for the year ended 31/03/09)	£0-£300,000	£0-£300,000
Marginal relief (29.75%) (29.75% for the year ended 31/03/09)	£300,001- £1,500,000	£300,001- £1,500,000
Main rate (28%) (28% for the year ended 31/03/09)	£1,500,001 or more	£1,500,001 or more
* The taxable profits bands depend on the number of associated companies		

NATIONAL INSURANCE CONTRIBUTIONS

From 6 April 2009		
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 £95pw and £844pw:		
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	£2.40 per week 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	

VALUE ADDED TAX

Standard Rate 15% (17.5%)* Reduced Rate 5% - Applies to certain specified categories of goods		
Turnover thresholds	From 1 May 2009	From 1 April 2008
Registration	£68,000	£67,000
De-registration	£66,000	£65,000
Cash accounting	£1,350,000	£1,350,000
Annual accounting	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000
* The rate of VAT has been reduced from 17.5% to 15% from 1 December 2008 until 31 December 2009 as part of fiscal stimulus. The rate of VAT will revert to 17.5% after this date		

CAR BENEFITS

From 6 April 2009	Percentage of list price
Electrically propelled cars	9%
Cars emitting <121g CO ₂ per km	10%
Cars emitting <135g CO ₂ per km	15%
Each additional 5g/km	1%
Additional percentage if diesel	3%
Maximum charge (including diesel supplement)	35%
There may be discounts to the appropriate percentage for certain energy efficient cars. Where the car is registered after 1 January 1998 and there is no CO ₂ figure there are HMRC rates based on engine size.	
Cars registered before 1 Jan 1998 Benefit based on engine size:	
0 - 1,400cc	15%
1,401 - 2,000cc	22%
Over 2,000cc	32%
There is a maximum list price to which the relevant % is applied of £80,000.	
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.	

FUEL BENEFITS

2009/2010 and 2008/2009	
% of £16,900, with % being same as used for company car scale benefit. Taxable benefit will be between £1,521 and £5,915.	

COMPANY VAN BENEFIT

	2009/2010 and 2008/2009
Company van - business and private use	£3,000
Company van - business use only (insignificant private use)	nil
Fuel for private use	£500

STATUTORY MILEAGE RATES (EMPLOYEE'S VEHICLE)

	2009/2010 and 2008/2009
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 January 2009*		
	Petrol	Diesel	LPG
0-1,400cc	10p	11p	7p
1,401-2,000cc	12p	11p	9p
Over 2,000cc	17p	14p	12p
* Rates are reviewed bi-annually and changes take effect from 1 January or 1 July			