

INHERITANCE TAX

| | 09-10 | 08-09 |
|---|----------|----------|
| Nil-rate band* | £325,000 | £312,000 |
| Rate of tax on excess | 40% | 40% |
| Lifetime transfers to and from certain trusts | 20% | 20% |
| Overseas domiciled spouse/civil partner exemption | £55,000 | £55,000 |
| 100% relief: businesses, unlisted/AIM companies, certain farmland/buildings | | |
| 50% relief: certain other business assets | | |

Reduced tax charge on gifts within 7 years of death

| Years before death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|-----------------------|------------------|-----|-----|-----|-----|
| % of death tax charge | 100 | 80 | 60 | 40 | 20 |
| Annual exempt gifts | £3,000 per donor | | | | |
| Small Gifts | £250 per donee | | | | |

* Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death after 8 Oct 2007

CAPITAL GAINS TAX

| Exemptions | 09-10 | 08-09 |
|--|---------|--------|
| Individuals, estates, etc | £10,100 | £9,600 |
| Trusts generally | £5,050 | £4,800 |
| Chattels proceeds (5/3 excess gain is taxable) | £6,000 | £6,000 |
| Rates | | |
| Individuals | 18% | 18% |
| Trusts and estates | 18% | 18% |

Entrepreneurs' Relief

| | | |
|---|------------|------------|
| %ths of gain (effective rate) | 10% | 10% |
| Lifetime limit | £1,000,000 | £1,000,000 |
| For trading businesses & companies (min. 5% employee shareholding) held for 1 yr+ | | |

STAMP DUTY LAND TAX based on consideration

| Residential | Commercial | Rate |
|-------------------------------|------------------------------|------|
| £175,000* or less | £150,000 or less | Nil |
| Over £175,000* up to £250,000 | Over £150,000 up to £250,000 | 1% |
| Over £250,000 up to £500,000 | Over £250,000 up to £500,000 | 3% |
| Over £500,000 | Over £500,000 | 4% |

* From 1/1/10: £125,000 (or £150,000 for property in disadvantaged areas)

| | |
|---|------|
| Stamp Duty (including SDRT): stocks and marketable securities | 0.5% |
| No charge unless the duty exceeds £5 | |

CORPORATION TAX

| Profits £ | Effective rate to 31/3/10 | Effective rate to 31/3/09 |
|--------------------|---------------------------|---------------------------|
| 0-300,000 | 21% | 21% |
| 300,001-1,500,000 | 29.75% | 29.75% |
| 1,500,001 and over | 28% | 28% |

MAIN CAPITAL AND OTHER ALLOWANCES

| | 09-10 | | |
|---|------------|------------------|------------------|
| Plant & machinery 100% annual investment allowance (first year) | £50,000 | | |
| Plant & machinery expenditure in excess of £50,000 (first year) | 40% | | |
| Plant & machinery, patent rights, know-how (reducing balance) pa | 20% | | |
| Certain long-life assets, integral features of buildings (reducing balance) pa | 10% | | |
| Industrial & agricultural buildings (straight line) | 2% | | |
| Energy & water-efficient investments | 100% | | |
| Qualifying flat conversions & business premises renovations | 100% | | |
| R & D Capital expenditure | 100% | | |
| R & D Revenue expenditure: small/medium companies | 175% | | |
| large companies | 130% | | |
| Motor cars: Expenditure on or after 1/4/09 (Corporation Tax) or 6/4/09 (Income Tax) | | | |
| CO2 emissions of g/km: 110 or less | 111-160 | 161 or more | |
| Capital allowance: | 100% | 20% | 10% |
| | first year | reducing balance | reducing balance |

VALUE ADDED TAX

| | |
|---|--|
| Registration level from 1/5/09 £68,000 | Standard rate from 1/12/08-31/12/09: 15% |
| Standard rate from 1/1/10: 17.5% | Reduced rate, eg on domestic fuel: 5% |
| Flat rate scheme turnover limit | £150,000 |
| Cash and annual accounting turnover limit | £1,350,000 |

Full details of the 2009 budget can be found on our website

www.roffeswayne.com

For further advice on all tax matters please call
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TAX RATES 2009/2010

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INCOME TAX

| Rates | £ | 09-10 | 08-09 |
|---|-------|--------|--------|
| 10% starting rate band on savings income up to* | | 2,440 | 2,320 |
| Basic rate | 20% | 20% | 20% |
| Higher rate of 40% on income over | | 37,400 | 34,800 |
| Dividends for: | | | |
| basic rate taxpayers | 10% | 10% | 10% |
| higher rate taxpayers | 32.5% | 32.5% | 32.5% |
| Trusts: | | | |
| standard rate band generally | 1,000 | 1,000 | 1,000 |
| dividends (rate applicable to trusts) | 32.5% | 32.5% | 32.5% |
| other income (rate applicable to trusts) | 40% | 40% | 40% |
| Pre-owned assets tax minimum taxable as income | | 5,000 | 5,000 |

* Not available if taxable non-savings income exceeds starting rate band

Main Personal Allowances and Reliefs

| | | | |
|---|---------|----------|----------|
| Personal (basic) | | 6,475 | 6,035 |
| Personal (65–74) | | 9,490 | 9,030 |
| Personal (75 & over) | | 9,640 | 9,180 |
| Married couples/civil partners (minimum) at 10% [†] | | 2,670 | 2,540 |
| Married couples/civil partners (under 75) at 10% [†] | | N/A | 6,535 |
| Married couples/civil partners (75+) at 10% | | 6,965 | 6,625 |
| Age-related reliefs reduced by 50% of income over | | 22,900 | 21,800 |
| Blind persons | | 1,890 | 1,800 |
| Rent-a-room tax-free income | | 4,250 | 4,250 |
| Venture capital trust (VCT) at 30% | 200,000 | 200,000 | 200,000 |
| Enterprise investment scheme (EIS) at 20% | 500,000 | 500,000 | 500,000 |
| EIS eligible for capital gains tax re-investment relief | | No limit | No limit |

[†]Where at least one spouse/civil partner was born before 6 April 1935

| | | |
|--|---------|---------|
| Non-domicile Remittance Basis Charge: for adult non-UK domiciliary after UK residence in at least 7 of the previous 9 tax years | £30,000 | £30,000 |
|--|---------|---------|

REGISTERED PENSIONS

| | 09-10 | 08-09 |
|--|--|------------|
| Lifetime allowance* | £1,750,000 | £1,650,000 |
| Annual allowance | £245,000 | £235,000 |
| Special annual allowance | £20,000 | N/A |
| Maximum pension commencement lump sum* | 25% of pension benefit value | |
| Maximum relievable personal contribution | 100% relevant UK earnings or £3,600 if greater | |
| Lifetime allowance charge | if excess drawn as cash 55% | |
| | if excess drawn as income 25% | |
| Annual allowance charge on excess | | 40% |

* Subject to transitional protection for excess amount

CAR BENEFIT FOR EMPLOYEES

Taxable amount based on car's list price when new up to £80,000

Charge varies according to CO2 emissions in grams per kilometre

| CO2 | % of price | CO2 | % of price | CO2 | % of price |
|-------------|------------|-------|------------|------------|------------|
| g/km | 08-10 | g/km | 08-10 | g/km | 08-10 |
| 120 or less | 10 | 170-4 | 22 | 210-4 | 30 |
| 121-139 | 15 | 175-9 | 23 | 215-9 | 31 |
| 140-4 | 16 | 180-4 | 24 | 220-4 | 32 |
| 145-9 | 17 | 185-9 | 25 | 225-9 | 33 |
| 150-4 | 18 | 190-4 | 26 | 230-4 | 34 |
| 155-9 | 19 | 195-9 | 27 | 235 & over | 35 |
| 160-4 | 20 | 200-4 | 28 | | |
| 165-9 | 21 | 205-9 | 29 | | |

Further reductions may apply for LPG, bi-fuel, E85 hybrid and electric cars

Diesels not meeting Euro IV or registered after 31 December 2005:

add 3% subject to maximum charge of 35%

| Vans – for private use | 09-10 | 08-09 |
|---|--------|--------|
| Chargeable amount | £3,000 | £3,000 |
| No charge if private use is limited to journeys between home and work | | |

FUEL BENEFIT

| | 09-10 | 08-09 |
|---|---------|---------|
| Multiply the CO2% used for the car benefit by | £16,900 | £16,900 |
| Vans – flat charge | £500 | £500 |

COMPANY CARS – ADVISORY FUEL RATES from 1/1/09

| Engine size | Petrol | Diesel | LPG |
|--------------------|--------|--------|-----|
| 1,400cc or less | 10p | 11p | 7p |
| 1,401cc to 2,000cc | 12p | 11p | 9p |
| Over 2,000cc | 17p | 14p | 12p |

TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE

| | |
|--|--|
| Cars Up to 10,000 business miles: 40p | Motorcycles 24p per business mile |
| Over 10,000 business miles: 25p | Bicycles 20p per business mile |

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee Not Contracted-Out of State Second Pension (S2P)

| | 09-10 | | 08-09 | |
|-------------------------|-----------|----------|-----------|----------|
| | Employee* | Employer | Employee* | Employer |
| NIC rate | 11% | 12.8% | 11% | 12.8% |
| No NICs on the first | £110 pw | £110 pw | £105 pw | £105 pw |
| NICs charged up to | £844 pw | No limit | £770 pw | No limit |
| 1% NIC on earnings over | £844 pw | N/A | £770 pw | N/A |
| Certain married women | 4.85% | 12.8% | 4.85% | 12.8% |

Contracted-Out Rebate

| Rebate on | 09-10 | 08-09 |
|-----------------------|----------------|----------------|
| Salary-related scheme | £95.01–£770 pw | £90.01–£770 pw |
| Money-purchase scheme | 1.6% | 3.7% |
| Personal Pension | 1.6% | 1.4% |
| | No reduction | No reduction |

Class 1A Employer 08-10 on car fuel benefits & most other taxable benefits: 12.8%

| Limits and Thresholds | 09-10 | | 08-09 | |
|-----------------------|--------|---------|--------|---------|
| | Weekly | Annual | Weekly | Annual |
| Lower earnings limit | £95 | £4,940 | £90 | £4,680 |
| Earnings threshold | £110 | £5,715 | £105 | £5,435 |
| Upper accrual point | £770 | £40,040 | N/A | N/A |
| Upper earnings limit | £844 | £43,875 | £770 | £40,040 |

Self-Employed

| | | |
|--------------------------|-----------------------|-----------------------|
| Class 2 Flat rate | £2.40 pw | £2.30 pw |
| Small earnings exception | £5,075 pa | £4,825 pa |
| Class 4* | | |
| On profits: | £5,715–£43,875 pa: 8% | £5,435–£40,040 pa: 8% |
| | Over £43,875 pa: 1% | Over £40,040 pa: 1% |

Voluntary

| | | |
|--------------------------|-----------|----------|
| Class 3 Flat rate | £12.05 pw | £8.10 pw |
|--------------------------|-----------|----------|

* Unless over state pension age on 6 April

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

| Maximum Investment Component | 09-10 | 08-09 |
|------------------------------|-------------------|--------|
| Cash | £3,600 (£5,100*) | £3,600 |
| Stocks & Shares (balance to) | £7,200 (£10,200*) | £7,200 |

* From 6 October 2009, higher limits apply only if born before 6 April 1960