



A Happy and Prosperous 2007



Whether one regards it as a problem, a challenge or an opportunity, the regulatory burden attached to our business and individual clients' affairs increases year on year. Routine administration demands greater time and attention. When regulatory measures to prevent money laundering and fraud can now make even opening a simple business bank account a challenging process, we have to respond to these changing circumstances in order to maintain the flexibility and quality of service that will meet our clients' needs.

As a result, 2006 has seen an expansion of our team – both in numbers and in the range of functions now required. For some of our clients this may mean they are now in touch with various members of that team, each of whom may be dealing with a specific area of activity, be it trusts, corporate services, accounting or tax, etc. However it remains our guiding principle to provide a personal service where all of our clients have direct access to specialist expertise at the highest level whenever required. If there are any issues you wish to discuss, please don't hesitate to contact your responsible partner or myself at any time.

While I might see regulation as an opportunity I'd rather we were without, it does stimulate us to continually develop our own knowledge and professional expertise. For me, one of the most pleasing aspects of 2006 was the number of our staff who have achieved further professional development through recognised qualifications, and I know this will continue through 2007.

So whatever the government might impose on us in the year ahead, I am confident that we will continue to find the most cost-effective, tax-efficient and innovative responses on behalf of all our clients. A happy and prosperous New Year to all our clients, friends and colleagues!

Tony Flanagan

Welcome to WiltonGroup News....

This is our first newsletter of 2007 but during the course of each year we issue a range of publications relating to tax issues, regulations and matters of interest that may affect our clients. These are published on our recently revised web site www.wiltongroup.com. However, if you prefer to receive information updates or future newsletters via e-mail, we would be happy to provide it.

To subscribe to this service, simply visit our website where you can register the e-mail address to which you would like information sent. If there are any specific topics on which you would like information or might want to see featured in our newsletter, we would welcome your feedback.

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Enhancing Client Services

WiltonGroup is delighted to welcome on board **John Swallow**. John is an IFA with a small yet exclusive client group of high net worth individuals for whom he provides tax planning and investment services. A maths graduate of Cambridge, John brings over 20 years of investment experience to assist WiltonGroup clients with a range of IFA services which will include insurance-based investment products and mortgage arrangements, where these are beyond the capabilities of the mainstream lenders and where careful tax planning is essential.

Typically, John will be working with individuals of considerable wealth who are looking to achieve above average returns on their investments but with the minimum of risk to their capital, hence John's focus on non-traditional asset classes. "I'm delighted to be working with WiltonGroup," John told us. "It's an excellent opportunity for me to access high net worth clients, while my IFA experience means WiltonGroup is able to expand its portfolio of services and keep a wider range of business in house."



A winning hand!

On-line gaming is now a major industry. However it is also highly regulated. During 2006, our Isle of Man office successfully helped the Renee Corporation prepare their on-line gaming operation and make their gaming licence application for their highprofile site www.4alot.com.

More recently, our associate company, WPA Audit, has been engaged to undertake the certification of the on-line gaming system for major gaming business, www.pokerstars.com.

WiltonGroup is able to assist with all aspects of establishing an on-line gaming operation, obtaining a licence and subsequent compliance with the terms of that licence. This includes:

- Company Formation
- Registered Offices
- Bank Accounts
- Merchant Services
- Application - Directors' CV preparation, police checks
- Provision of Designated Official
- Provision of Money Laundering Reporting Officers
- Data Protection Act registration and compliance
- Presentations to the Gaming Commission
- Arrangement of Software Authentication

For more information on our services to on-line gaming companies, please contact your responsible partner or contact Debbie Hammond at our Isle of Man offices on **+44 (0)1624 675610**

Meet the Team

In this issue, we introduce a newly promoted member of staff and welcome back a key member of our team who has just returned from having a baby.

New role for Natalie



We are delighted to announce the promotion of **Natalie Mitchell** to her new role as manager of our Outsourcing and Private Client Services departments. Natalie joined us in 2002 as our Internal Accounts manager.

Natalie and her team help our clients in a varied number of ways. Outsourcing enables businesses to manage all their accounting functions without incurring the costs of an in-house finance manager and support staff – particularly useful for businesses wishing to establish a UK operation

with the minimum overhead. The team is able to provide full monthly management accounts, pay suppliers, run all payroll functions and undertake VAT returns, leaving the client free to focus on their core business activity.

Our Private Client Services team provides a flexible and discreet service for individuals and their personal and private holding companies. Particularly useful for people on the move or with multiple domiciles, they can take care of personal bills, manage payments and provide detailed accounts of expenditure. "We are often asked to look after bank transfers, mortgage payments, property rents, car purchase or rental payments. We are here to make life easier and more efficient for clients who need support as a result of challenging lifestyles and busy schedules or who simply want to be free of routine hassle," says Natalie.

Originally from Donegal, Natalie has been working in the UK since 1990, gaining wide-ranging experience in many accounting organisations including Chiltern. Her approachable style of management helps to create a strong team ethos that delivers quality service for clients. If you would like more information on WiltonGroup Outsourcing or Private Client Services, please feel free to contact Natalie or your responsible partner on **+44 (0)20 7355 3525**

Welcome back Malin

Originally from Stockholm, **Malin Falla** joined our Client Services team in 2002. Having completed the Certificate of Offshore Administration, she is now planning to progress and take full Chartered Secretary exams. Malin has excellent experience of company incorporations in offshore jurisdictions. She has also acquired much recent experience of little people having become a mum last Valentine's Day. Daughter Alice is doing fine and we are delighted to have Malin back with us again.



WiltonGroup takes aim for Charity!

High spirits and sore shoulders were the order of the day for the members of WiltonGroup's four strong team who entered a charity Driven Clay Challenge in support of Canine Partners. This vital charity transforms the lives of people with disabilities by providing highly trained assistance dogs, which enables them to regain their independence and enjoy a better quality of life. The event took place in July at Holywell House, Hampshire, home of the Earl of Clarendon, with five drives each replicating different game species. With 250 clays per drive, it really was a test of stamina as well as marksmanship.

WiltonGroup's team of "young guns" consisted of Gordon Wilson, Richard White, David Hughes, Director of Proximity and Terry Knott, CEO of Canine Partners – and while they didn't quite make the prizes, a great day's entertainment was had in an excellent cause.

For more information on the work of this outstanding charity, please visit www.caninepartners.co.uk



Isle of Man Corporate Structures

WiltonGroup's Debbie Hammond reports on the new opportunities offered by IOM corporate vehicles.

In recent years, some new and modern corporate vehicles have been introduced, culminating in the 2006 Companies Act, which received Royal Assent on 16 October 2006. This new Manx Vehicle, together with the LLC (Limited Liability Company) introduced in 1996, offers more options when basing a business in the Island.

The LLC is based on a US model and is in many ways an ideal structure for partnerships and joint ventures. Whilst it has features of a corporation with separate legal identity and the liability of members is limited to their capital contribution, it also has features of, and is taxed as, a partnership. This entity has no directors, is managed by the members, and the profits are treated as income of the members. An Isle of Man LLC must have a registered office in the Isle of Man and a qualified agent. The Isle of Man LLC would be an excellent vehicle for joint ventures, and asset financing and ownership.

The most recent development is the introduction of the new Manx Corporate Vehicle in the Companies Act 2006. This sets up a company that must have a minimum of one director, and one shareholder, a registered office in the Isle of Man and a licensed agent in the Isle of Man. There is no requirement for any Manx resident directors.

The 2006 Act company can be:

- a company limited by shares
- a company limited by guarantee
- an unlimited company with or without shares
- a hybrid company
- a protected cell company

The 2006 Act company no longer has an authorised share capital so shares may be issued with or without a par

value. It is also able to conduct any type of business and the concept of *ultra vires** cannot apply to this type of company. In addition, there is no distinction between a private and a public company and the simplified offering documentation requirements make achieving a market listing easier. The company also benefits from reduced compulsory filings - for example changes in directors and share capital do not need to be filed. Also, it does not require an AGM.

However, there are still filings required, including an annual return. An existing company can be re-registered as a 2006 Act company through a relatively simple procedure, and on payment of a fee - currently £90. The introduction in this Act of the Protected Cell Company as a vehicle that can be used for any type of business is of interest. This type of company shares management and administration, but has individual cells that have their own corporate identity, their own shareholders, and their own dividend policy.

This type of vehicle could be well suited to a company that, for example, manages a fleet of yachts or aircraft, with each super yacht or executive aircraft owned by different owners, each having its own cell within the company. While considering yachts and aircraft, it is worth noting that the Isle of Man has an excellent yacht register and is in the process of starting its aircraft register, thus for such a company, all services could be located within the jurisdiction.

Already one of the most popular offshore jurisdictions due to its many favourable features such as a first class reputation, zero percent corporate tax, no capital gains or inheritance tax and excellent communications, the introduction of these new corporate vehicles brings the Isle of Man right up to date as a modern and effective choice of business vehicle.

* *Literally beyond strength or exceeding authority*

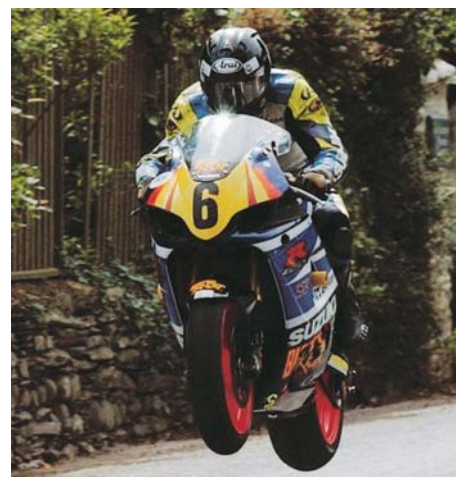


Photo: © Isle of Man Government

“Zero percent corporation tax, no capital gains or inheritance tax” - the Isle of Man has much more to offer than just TT races.

The ‘old’ style companies and partnerships are still available, and the traditional Isle of Man company under the Companies Acts 1931 – 1996 could be any of the following forms:

- a company limited by shares
- a company limited by guarantee
- an unlimited company
- a hybrid company
- a protected cell company (insurance companies only)

These companies must have a minimum of two directors and one shareholder, and a registered office in the Isle of Man. Since, under the new tax regime there is no longer the “exempt” company, there will no longer be a requirement for Manx resident directors from April 2007. There are also partnerships, based on the 1909 Act - the traditional partnership, and the Limited Partnership, which may have up to 20 limited partners and at least one unlimited partner.

With local offices and staff, and a broad base of expertise, WiltonGroup is well placed to advise on, form and manage all Isle of Man companies and partnerships. We can also provide directors and qualified and licensed agents.

For more information on Manx corporate structures please call **Debbie Hammond** on **+44 (0)1624 675610**

Controversial tax case to be treated as a one-off

After much debate and copious newsprint covering the infamous Gaines-Cooper appeal, the HMRC has announced that the case has not resulted in any change to its practice in relation to residence and the '91-day test'.

The case has revolved around Robert Gaines-Cooper's battle with HMRC where he was unable to convince a tax tribunal that he organised his affairs to spend less than 91 days each tax year in the UK.

HMRC has confirmed that it will continue to apply the '91-day test' (where HMRC is satisfied that an individual has actually left the UK) as outlined in Booklet IR20 *normally disregarding days of arrival and departure in calculating days under this 'test'*.

WiltonGroup will be happy to clarify any issues relating to HMRC and UK residence.

Wealth Protection for Sports Personalities

As part of WiltonGroup's activities to protect and enhance individual wealth, we are currently looking after the interests of certain high profile sports personalities.

The sportsperson has a limited period in which to maximise their income derived from their particular skill - and even this period is at constant risk due to injury. Often fame is achieved at a relatively young age, sometimes before the individual has acquired much experience of managing their financial affairs and protecting themselves from exploitation. In advising our clients, we cover all key areas paramount to their interests including:

- Image Rights
- Tax Structuring
- Insurance
- Marital Asset Protection and Pre-Nuptial Agreements

For more information in the strictest confidence, please contact **Jon Elphick** on **+44 (0)20 7355 3525**



Today's young footballer, tomorrow's hot property?

Away Day Training!

Just a few of our team last summer brushing up on their negotiation skills in preparation for battle with HMRC! Identities are disguised to protect the not so innocent!



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Corporate Finance

Among the key ambitions of some of our business clients is a successful launch on the AIM market. Ideally placed to advise is **Richard White** who heads WiltonGroup's corporate finance activities. During his earlier career, Richard established the corporate finance department of what is now Horwath Clark Whitehill, where he became a partner in 1985. He now assists a wide range of corporate and high net worth individuals both in the UK and worldwide. Until recently he was also chairman of telematics company Trakm8 Holdings plc, for which he masterminded its successful flotation on the AIM market.

WiltonGroup - service at the core

While some of the articles in this newsletter demonstrate new areas of activity that we are involved in, the fact is that WiltonGroup remains focussed on delivering outstanding service within our core offerings of:

- Taxation
- Accounting
- Trust Services
- Corporate Services

Our long-serving partners and senior staff have a wealth of experience across all aspects of these disciplines enabling us to enhance and protect your interests - from individual wealth management to complex international business structures operating across multiple taxation regimes.

Our recently revised web site, **www.wiltongroup.com**, provides an overview of our comprehensive services but for individual advice regarding your business or personal requirements, please do not hesitate to contact us on **+44 (0)20 7355 3525**

