

We have all been affected by the losses in the financial markets. It is a time of uncertainty but, strange as it may seem, it is a good time to review your affairs and investments. If we can find ways of turning these exceptional financial events to our advantage – we should do so.

Knowledge, planning and understanding are the bywords of successful financial health so we do recommend that everyone has a **Tax and Asset Review** of their personal wealth. Our approach has always been personal, effective and impartial. Indeed our clients have always valued us for our unbiased trustworthy advice – much needed in these times, and the defining quality of how Wilton does business.

There are new opportunities for planning which have been tailored for the present situation. For those who are taxed on their income and capital gains it is worth considering the following:

Inheritance Tax Planning · The limit on the tax-free amount that may be passed down a generation means that this is limited in terms of value. As values have dropped over the last year so the number of shares that may be passed down to a child or other generation has increased.

Property Planning · The general illiquidity of the property market has given rise to a major reduction in values and much greater variance in the values that can be expected from a professional valuation. As a result the ability to pass ownership of a property to a lower generation is greatly increased.

Capital Gains Tax Planning · As values have reduced substantially the value of a portfolio has meant that many people have substantial losses and these would normally be available to set against gains elsewhere. So if you are thinking of selling a family business which could result in major gains – tax losses realised now would enable you to reduce your eventual tax burden.

Moving Assets into your Personal Pension Schemes · can be done now at a lower value than has been available for many years. The amount that you can put into a scheme is limited in value but currently there is an opportunity to get a much greater number of shares into the scheme than has been possible for many years.

For the brave and those who are looking to commit some funds to the securities markets · Then it is worth looking at an Isle Of Man Exempt Fund. These can be set up very cheaply and run for any group of people that have the same investment objectives.

For those looking at purchasing a boat or aircraft · We have great experience in managing the registration depending on where it will be used and berthed.

Finally and most importantly for many people · The income that they will realise from a portfolio will be lower than it has in recent years as companies have reduced the income that they will pay out to their shareholders. A review at this time will enable you to ensure that you are not paying too much tax – which is likely to be based on income earned in previous years.

We will explore all of the above as part of any review we carry out for you.



2009 UK budget

Businesses have fared well though not in a spectacular fashion: most of the announcements made in the pre-budget report in terms of arrangements to pay tax and national insurance, and the short term reduction in VAT, have been confirmed to 31 December 2009.

Individuals and trusts have not fared well, although the announcements made are being directed at those earning more than £100,000 but certainly for those with more than £150,000. The main headline for individuals will be the higher tax rate of 50% from 6 April 2010, and the elimination of personal allowances for individuals with taxable income of more than £112,950.

There is a raft of anti-avoidance legislation proposed for business and individuals the detail and impact of which will be found from analysis over the next few weeks and months. We will, of course, keep you informed on these developments. Details are available on the WiltonGroup website - please go to www.wiltongroup.com/news

PROFESSIONAL, PERSONALISED PLANNING

We can provide a whole range of solutions to mitigate tax expense. If we have a total picture of your financial situation we can complete a Tax and Asset Review. It makes the planning process easier.

We enjoy a reputation for effective, impartial advice delivered plainly by specialists in their field. Responding to the varied needs of our clients, we have continued to expand our services and attract quality people able to deliver to the highest standard. We believe in providing a personal service based on a commitment to long-term relationships and our senior team is here to support and help you at any time: *Jon in Tax, Martin or Siva in Accounting, Natalie in Private Client Services, Debbie & Nicole in the Isle of Man together with Tony Flanagan, and Thomas Walford.*

PROVIDING EXPERT ADVICE WHERE IT'S NEEDED

Expert advice simply explained – this is the heart of our service. Our core areas of expertise include Taxation, Accountancy, Company and Trust Management. We have many international clients so we consider the ability to operate across multiple jurisdictions an essential feature of our work. We deliver internationally with offices in Mayfair London, Dublin and the Isle of Man, plus extensive contacts world-wide.



April 22nd UK budget Tax Highlights: How it affects you.

BUSINESS TAX

Corporation Tax Main Rate · There has been no change. The main rate will remain at 28% where a company's profits are above £1,500,000.

Corporation Tax Small Companies' Rate · Previously in the budget of 2007 it had been announced that the small companies' rate of corporation tax was to be progressively increased from 20% to 22%, although it has now been confirmed that the rate will remain at 21% for the financial year starting from 1 April 2009.

VAT · The reduction from 17.5% to 15% effective from 1 December 2008 will, as initially advertised, remain in force until 31 December 2009.

Losses · All companies and unincorporated businesses that have been trading for more than three years and continue to trade will be allowed to carry back losses against any profits made in the three previous tax years.

PERSONAL TAX

Rates of Tax · From 6 April 2010 there will be three main rates of income tax, with a higher rate of 50% being introduced for individuals with taxable income over £150,000.

Trusts will also be affected, and where income exceeds £1,000 the tax rates will increase to 50% on income apart from dividends. Dividend income for individuals whose income exceeds £150,000 will be taxed at the rate of 42.5%. For individuals whose income is less than £150,000 the dividend rates will remain the same.

Again Trusts will also be affected, and the rate of 42.5% will be applied to the dividend income where the overall income exceeds £1,000.

Personal Allowances · The main Personal Allowance for individuals will increase from £6,035 to £6,475 from 5th April 2009. From 6 April 2010 the personal allowance for individuals with taxable income over £100,000 will see a reduction of £1 for every £2 above this limit.

The effect of this is that those with taxable income exceeding £112,950 will not benefit from a personal allowance.

Pension Tax Relief · For those with annual income exceeding £150,000 there will be a limit placed upon the level of tax relief provided in respect of the personal pension contribution that the individual makes.

The legalisation will come into force from 6 April 2011, but in order to prevent excessive additional contributions from now until then there has been legalisation introduced and effective from 22 April 2009, although the new legalisation will allow for relief on regular contributions made.

Stamp Duty · The "holiday" period in which the 0% band applies will be extended to 31 December 2009 on the purchase of residential properties with a value up to £175,000. After 31 December 2009 the 0% band will resume on properties up to a value of £125,000.

Savings · This year witnesses the 10th anniversary of the introduction of the ISA, and with this there will be an increase in the investment limits. The maximum investment will increase to £10,200 from 6 October 2009, but only for those that are aged over 50. From 6 April 2010, the limit will be available to all savers; the cash limit has been increased to £5,100.

Inheritance Tax · With effect from 22 April 2009 agricultural property relief and woodlands relief has been extended to property situated within the EEA together with Norway, Iceland and Liechtenstein.

Friendly Staff Are Here To Help



Siva Sivajee

Manager, Accounts Department

Siva has been with Wilton since 2005 and was appointed Manager, Accounts Department, London, in January 2009. Originally from Sri Lanka he has lived in the UK for 25 years.

His experience is extensive in the sector having worked previously in retail banking, accounting practise, and professional services. Siva's two passions in life are his homeland - and his family of whom he is extremely proud. He has three daughters: the eldest is a Doctor who graduated from Imperial College, London. The other two are also studying for medicine in University College Of London (UCL).



Natalie Mitchell

Outsourcing and Private Client Services

Outsourcing lets businesses manage all their accounting functions without incurring the costs of an in-house finance manager and support staff – useful for businesses wishing to establish a UK operation with minimum overheads. The team can provide full monthly accounts, run all payroll functions and undertake VAT returns, leaving clients free to focus on their core activity.

The Private Client Services Team provides a flexible and discrete service for individuals and their personal holding companies. Particularly useful for people on the move or with multiple domiciles, they can take care of the personal bills, manage payments and provide detailed accounts of expenditure. "We are often asked to look after bank transfers, mortgage or rental payments, property rents, car purchase. We are here to make life easier for clients who need support as a result of busy schedules or who simply want to be free of the routine hassle" says Natalie. Originally from Donegal, Natalie has been working in the UK since 1990. Her approachable style of management helps to create a strong team ethos that delivers quality service for clients.

WILTON GROUP WITH TOP SPORTSMEN AND WOMEN

Many of you will know **Chima Akanwa**, our Group Credit Controller. He is always pleased to hear from you at any time.

Here is Chima receiving a bottle of champagne, from celebrated Tottenham player **Jermaine Defoe**, for predicting the correct score between Tottenham vs. Portsmouth at a Match Day Hospitality function earlier this year.

The final score that day was 1-1.



Planning Ahead · Practical Tips

Accounts Filing · There have been some changes with the Companies Act in respect of accounts preparations, filing deadline dates and late penalty filing fees.

HMRC News · PAYE Online filing news: Your 2008-09 Employer Annual Return is due 19 May and you must send it online if you have 50 or more employees. If you have fewer than 50 employees, you will get £75 tax-free if you send your 2008-09 Return online.

For more information visit our **PAYE Online** www.hmrc.gov.uk/payeonline. If you have 50 or more employees you must also file your in-year forms P45, P46, P46 (Pen) and P46 (Expat) online from 6 April 2009. For more information visit our **Doing PAYE online all year round** www.hmrc.gov.uk/inyear.

Changes to how HM Revenue & Customs carries out compliance checks from 1 April 2009 · The way HM Revenue & Customs (HMRC) carries out compliance checks (also known as enquiries, visits and

inspections) will change from 1 April 2009. These changes will affect how we manage compliance checks for: Income Tax, Capital Gains Tax, VAT, PAYE, the Construction Industry Scheme, Corporation Tax.

The new compliance checks legislation is designed to make the tax system simpler and more consistent. From 1 April 2009, HMRC will have one set of powers covering PAYE, VAT, Income Tax, Capital Gains Tax, Corporation Tax and Construction Industry Scheme to: visit businesses to inspect premises, assets and records and ask taxpayers and third parties for more Information and documents. These powers are provided by Schedule 36 of the Finance Act 2008.

The new legislation will also provide greater flexibility in setting record-keeping requirements after 1 April 2009, new time limits for assessment and claims which will not be fully in force until April 2010 - but there will be some transitional arrangements from 1 April 2009 and important safeguards for customers.

These measures are provided by Schedule 37 and Schedule 39 of the Finance Act 2008.

Summary

WiltonGroup is a discreet, independent, professional firm providing comprehensive taxation, financial and business services to our clients throughout the world.

Our business is to ensure that you receive expert advice and practical support to enhance and protect your interests - from individual wealth management to complex international business structures operating across multiple taxation regimes. If you would like any further information or explanation on any topic which interests you, or you would like to arrange the opportunity of meeting to discuss tax planning opportunities in an increasingly complex tax environment please contact us.

WiltonGroup
22 Athol Street
Douglas · Isle of Man · IM1 1JA
Tel: +44 (0) 1624 675 610
Fax: +44 (0) 1624 675 684
E-Mail: mail@wiltongroup.com
www.wiltongroup.com

WiltonGroup
26 Grosvenor Street
Mayfair · London · W1K 4QW
Tel: +44 (0)20 7355 3525
Fax: +44 (0)20 7355 3526
E-Mail: mail@wiltongroup.com
www.wiltongroup.com

WiltonGroup
68 Harcourt Street
Dublin 1 · Ireland
Tel: +353 (0) 1 405 4882
Fax: +353 (0) 1 405 4883
E-Mail: mail@wiltongroup.com
www.wiltongroup.com