

TAX GUIDE



Income Tax

INDIVIDUAL ALLOWANCES & RELIEFS	2010/11	2011/12
Personal (basic)	£6,475	£7,475
Personal (age 65-74)	£9,490	£9,940
Personal (age 75+)	£9,640	£10,090
Married couples/civil partners	£2,670	£2,800
Income limit for personal allowance*	£100,000	£100,000
Income limit for age related allowance*	£22,900	£24,000

* The applicable personal allowances are reduced by £1 for every £2 of income in excess of these limits

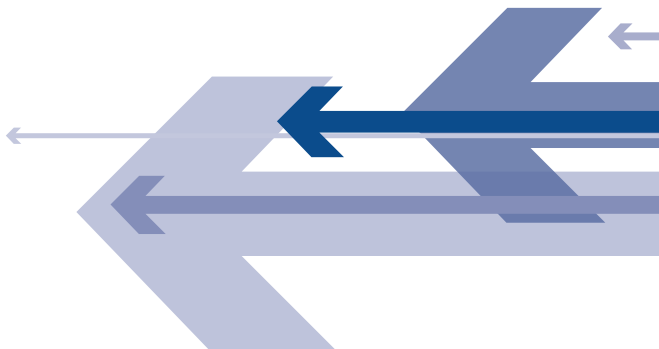
RATES		
STARTING RATE FOR SAVINGS ONLY	10%	10%
on taxable interest between	£0-2,440	£0-2,560

BASIC RATE	20%	20%
on taxable earnings between	£0-37,400	£0-35,000

HIGHER RATE	40%	40%
on taxable earnings between	£37,401-150,000	£35,001-150,000

ADDITIONAL RATE	50%	50%
on taxable earnings of	£150,000 +	£150,000+

* This allowance applies to savings income only. If non-savings income already exceeds this level then the starting rate on savings income will not apply.



National Insurance Contributions

EMPLOYED	2010/11	2011/12
Class 1 non-contracted out		
Lower earnings limit (LEL)	£97 pw	£102 pw
Earnings threshold (ET)	£110 pw	£139 pw
Upper accrual point (UAP)	£770 pw	£770 pw
Upper earnings limit (UEL)	£844 pw	£817 pw

RATES 2011/12	Employee	Employer
NIC rate if earnings below ET	nil	nil
NIC rate on earnings between ET & UEL	12.0%	13.8%
NIC rate on earnings above UEL	2.0%	13.8%
Certain married women between ET & UEL	5.85%	13.8%
Class 1A rate on employer-provided benefits	nil	13.8%

CONTRACTED OUT REBATES (EARNINGS BETWEEN LEL & UAP)	Employee	Employer
Salary-related schemes	1.6%	3.7%
Money purchase schemes	1.6%	1.4%

SELF EMPLOYED		
Class 2 flat rate	£2.50 pw	-
Small earnings exception	£5,315 pa	-
Class 3 (Voluntary)	£12.60 pw	-
Class 4 rate on profits		
£7,225 - £42,475	9%	-
Over £42,475	2%	-

Capital Gains Tax

	2010/11	2011/12
Annual allowance	£10,100	£10,600

RATES

Basic rate income tax payers	18%	18%
Higher rate income tax payers	28%*	28%
Certain Trusts & estates	28%*	28%

ENTREPRENEURS RELIEF:

Rate payable	10%	10%
Maximum lifetime gain	£5 million*	£5 million

*Rates applicable since June 2010

Inheritance Tax

NIL RATE BAND - INDIVIDUAL	2010/11	2011/12
Nil rate band - individual	£325,000	£325,000
Combined nil rate band - married couples/civil partners	£650,000	£650,000
Tax rate on excess	40%	40%
Lifetime transfers to & from certain trusts	20%	20%

% OF TAX CHARGED ON LIFETIME GIFTS WITHIN 7 YEARS OF DEATH

Death between 0-3 years of gift	100%	100%
Death between 3-4 years of gift	80%	80%
Death between 4-5 years of gift	60%	60%
Death between 5-6 years of gift	40%	40%
Death between 6-7 years of gift	20%	20%
Death after 7 years of gift	nil	nil

Investment Allowances & Reliefs

INDIVIDUAL SAVINGS ACCOUNTS	2010/11	2011/12
Annual allowance (total)	£10,200	£10,680
Maximum in cash	£ 5,100	£ 5,340

VENTURE CAPITAL TRUSTS (30%)		
Investment allowance	£200,000	£200,000

ENTERPRISE INVESTMENT SCHEMES (30%)		
Investment allowance	£500,000	£500,000

PENSION SCHEMES		
Minimum allowable annual contribution	£3,600	£3,600
Maximum allowable annual contribution (or 100% of earnings, whichever is the lower)	£255,000	£50,000
Lifetime allowance	£1.8m	£1.8m
Maximum pension commencement lump sum	25% of fund value	25% of fund value
Lifetime allowance charge (for excess drawn as cash)	55%	55%
Lifetime allowance charge (for excess drawn as income)	25%	25%
Annual allowance charge on excess	40%	40%

Corporation Tax

	2010	2011
Small profits rate	21%	20%
Companies with profits not exceeding	£300,000	£300,000
Margins relief, lower limit	£300,000	£300,000
Margins relief, upper limit	£1,500,000	£1,500,000
Standard fraction	7/400	3/200
Main rate	28%	26%
Special rate: unit trusts & OEICs	20%	20%

Useful Dates

Submission of self-assessment forms

To qualify for calculation by the tax office: 30 September

Self-assessment: 31 January

Payment Dates

31 Jan 11 50% down payment on tax for 2010/11 earnings (based on earnings for 2009/10)

31 Jul 11 Balance of tax payable for tax year 2010/11

31 Jan 12 Final payment date for any remaining 2010/11 tax year liability plus 50% down payment on tax liability for 2011/12

Inheritance Tax

Liability on death Normally 6 months from end of month in which death occurred

Liability on lifetime transfers

Transfer date 6 Apr – 30 Sep 30 Apr in the following year

Transfer date 1 Oct – 5 Apr 6 months after month of transfer

Corporation Tax

Self-assessment Within 9 months of the end of the accounting period

Instalments (where profits exceed £1.5m) Normally payable in 7th, 10th, 13th and 16th month after start of accounting period

Instalments are not required from growing companies where profits are below £10 million and the company was classified as small or medium in the previous year.

For information only. The rates and allowances are subject to our understanding of legislation as at April 2011 and are subject to change. We recommend you always seek professional advice before making any investment decision.



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