

RATES AND ALLOWANCES

| INCOME TAX | | | 2010/11 | 2011/12 | |
|---|----------------------------|-----|---------|---------|--------|
| | | | £ | £ | |
| Personal Allowance | (age under 65) | * | 6,475 | 7,475 | |
| | (age 65 – 74) | ** | 9,490 | 9,940 | |
| | (age 75 and over) | ** | 9,640 | 10,090 | |
| Married Couple's Allowance | (born before 6 April 1935) | *** | 6,965 | 7,295 | |
| | minimum amount | *** | 2,670 | 2,800 | |
| Income Limit for Age-Related Allowances | | | ** | 22,900 | 24,000 |
| Blind Person's Allowance | | | | 1,890 | 1,980 |

* Personal Allowance restricted by £1 for every £2 of income over £100,000 (no age based exemption)

** The Age allowance will be restricted by £1 for every £2 of income over the "Income Limit" down to the personal allowance as applies to individuals under 65 years of age.

*** Indicates allowances where tax relief is restricted to 10%.

| Tax Rates and Bands | | 2010/11 | 2011/12 |
|---------------------|-----|------------------|----------------------|
| | | £ | £ |
| Basic Rate | 20% | 0 - 37,400 | 20% 0 - 35,000 |
| Higher Rate | 40% | 37,401 - 150,000 | 40% 35,001 - 150,000 |
| Additional Rate | 50% | Over 150,000 | 50% Over 150,000 |

UK savings income falling within the first £2,560 (2010/11 £2,440) of the basic rate band is taxed at 10%, provided that the non-savings income does not exceed this limit.

UK dividends within: the basic rate limit are taxed at 10% (0%), the higher rate limit at 32.5% (25%) and the additional rate limit at 42.5% (36.1%). Figures in brackets are the effective rate of tax with the 10% tax credit.

NATIONAL INSURANCE - 2011/12

Class 1 Contributions for Employers

| Weekly Earnings | Up to £136 | £136 to £817 | Over £817 |
|-------------------------------|------------|--------------|-----------|
| Standard Rate | 0% | 13.80% | 13.80% |
| Contracted Out Salary Related | 0% | 10.10% | 13.80% |
| Contracted Out Money Purchase | 0% | 12.40% | 13.80% |

Class 1 Contributions for Employees

| Contribution Rate (Contracted Out Rate) | 0% (0%) | 12% (10.40%) | 2% (2%) |
|--|-------------|------------------|--------------|
| Weekly Earnings | £0 - £139 | £139 - £817 | Over £817 |
| Monthly Earnings | £0 - £602 | £602 - £3,540 | Over £3,540 |
| Annual Earnings | £0 - £7,225 | £7,225 - £42,475 | Over £42,475 |

Class 2 Contributions for the Self-Employed

| | |
|--------------------------|--------|
| Weekly Flat Rate | £2.50 |
| Small Earnings Exemption | £5,315 |

Class 3 Voluntary Contributions

| | |
|-------------|--------|
| Weekly Rate | £12.60 |
|-------------|--------|

Class 4 Contributions for the Self-Employed

| | |
|------------------------------------|----|
| Profits between £7,225 and £42,475 | 9% |
|------------------------------------|----|

RATES AND ALLOWANCES - continued

CORPORATION TAX

| Financial Year to | 31 March 2011 | 31 March 2012 |
|------------------------|---------------|---------------|
| Taxable Profits | | |
| Up to £300,000 | 21% | 20% |
| £300,001 - £1,500,000 | 29.75% | 27.50% |
| Over £1,500,000 | 28% | 26% |

CAPITAL GAINS TAX

| | 2010/11 | 2011/12 |
|---|-------------|------------|
| | £ | £ |
| Annual Exemption | | |
| Individuals | 10,100 | 10,600 |
| Personal Representatives | 10,100 | 10,600 |
| Trusts | 5,050 | 5,300 |
| Entrepreneurs' Relief - tax at 10% | * 5,000,000 | 10,000,000 |

Prior to 23 June 2010 all chargeable gains were taxed at a flat rate of 18%. From 23 June 2010 gains are now added to taxable income as the top slice and taxed at 18% if the total falls within the basic rate band, and any excess gains taxed at the new higher rate of 28%. Trusts and estates will be taxed at the new 28% rate.

* Prior to 23 June 2010 Entrepreneurs' Relief was available on the first £2 million of qualifying gains with an effective rate of tax of 10%.

INHERITANCE TAX

| | 2010/11 | 2011/12 | 2012/13 |
|--------------------------------------|---------|---------|---------|
| | £ | £ | £ |
| Nil-Rate Band (frozen until 2014/15) | 325,000 | 325,000 | 325,000 |
| Annual Allowance | 3,000 | 3,000 | 3,000 |
| Small Gifts Exemption | 250 | 250 | 250 |

The rate of Inheritance Tax is 40% on death and 20% for lifetime chargeable transfers. From 6 April 2012 the rate of Inheritance Tax on death will be reduced to 36% where 10% or more of the net estate is left to Charity.

STAMP DUTY

| Rates | Residential Property | Commercial Property |
|--|---|---------------------|
| 0% | £0 - £125,000 | £0 - £150,000 |
| 0% (first time buyers from 25/3/2010 to 24/3/2012) | £0 - £250,000 | n/a |
| 1% | £125,001 - £250,000 | £150,001 - £250,000 |
| 3% | £250,001 - £500,000 | £250,001 - £500,000 |
| 4% | £500,001 - £1,000,000 | Over £500,000 |
| 5% (from 6/4/2011) | Over £1,000,000 | n/a |
| 0.5% | Sale or Transfer of Shares and Securities | |

VAT

| | £ |
|------------------------------|--|
| VAT registration threshold | 73,000 |
| VAT deregistration threshold | 71,000 |
| Flat-rate scheme | |
| VAT turnover | 150,000 (ex VAT) in next 12 months |
| Total business income | 191,500 (inc VAT) in next 12 months |
| Cash Accounting | |
| Annual Accounting | Turnover 1,350,000 (ex VAT) in next tax year |

On 4 January 2011 the standard rate of VAT increased from 17.5% to 20%.