Introduction

The end of the tax year is an important time to review the possibilities for saving tax. It may be necessary to act well before 5 April 2011 – in some cases by 31 January 2011 – to take advantage of some tax-saving ideas. The law can be changed with immediate effect from Budget Day, which is usually in March, so it may be prudent to act before then. In other instances it might be better to defer action until after 5 April 2011. Tax plays an important part in financial planning as a whole, so this should be reviewed at the same time.

Some tax changes for 2011/12 have already been enacted, although at the time of writing it is an open question whether or if the new government will amend or withdraw any of them. Any further changes will be announced in the new Chancellor's Budget speech, on 22 June 2010, and further changes in the Pre-Budget report in the late autumn, so most year-end tax planning should generally not be finalised before then.

Although the Budget also usually includes some changes that take effect immediately, meaning that action would need to be taken before the Budget, it is impossible to predict these with any certainty. Occasionally announcements are made at other times with immediate effect, usually to plug a loophole in the law that has resulted in tax avoidance.

Promoters of certain types of tax avoidance schemes have to disclose the arrangements to HM Revenue and Customs (HMRC), which registers them and issues a reference number. Taxpayers who use a registered scheme must show its reference number in their tax return.

The fact that a scheme is registered does not mean that it is in any way approved or that it achieves the intended effect. Indeed, a purpose of the disclosure rule is to bring arrangements to the attention of HMRC earlier so that, where HMRC considers they involve unacceptable tax avoidance, they can be blocked by legislation.

Basic tax planning advice of the type covered in this section should not normally constitute arrangements subject to the disclosure rules. The general strategy should be to make use of available allowances and tax reliefs and to reduce any higher rate tax as far as possible. How any individual achieves this depends on personal circumstances and the type of income and assets one has.

Couples and partners

Some married couples and registered civil partners find that one partner pays higher rate tax while the other does not have enough income to use up the personal allowance (£6,475 each in 2010/11) and basic rate tax band (a further £37,400 each in 2010/11).

There are several ways of transferring income between partners. Unless otherwise stated, these strategies are also suitable for individuals living together who are not married or in a registered civil partnership.

- A higher-income partner in business could pay the other partner a salary. PAYE records must be kept unless the salary is below the national insurance contributions (NIC) lower earnings limit of £420 a month in 2010/11. However, a monthly salary between £420 and £476 will allow an individual to qualify for state benefits, such as the retirement pension, without the need for any NIC payments. In particular, the individual will accrue benefits under the State Second Pension (S2P) as if the salary were £13,900. The remuneration must be reasonable in relation to the work done and it must actually be paid to the spouse.

- As well as salary, a payment could be made as an employer's contribution to the partner's personal pension plan. The partner will not be taxed on this benefit nor will NIC be payable on it. Like salary, the pension payment will be deductible from business profits provided the

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salary and pension payment combined do not exceed a reasonable rate of remuneration for the work carried out. Excessive pension contributions for a partner or other relative may not be deductible on the grounds that they are not paid wholly and exclusively for the purposes of the business.

- Profits could be shared by operating the business as a partnership. Both individuals need to be genuinely involved as business partners, and a written partnership agreement is advisable. Operating as a business partnership will not reduce tax if the business consists of supplying personal services in a form that is caught by the IR35 anti-avoidance legislation.

- If the business is set up as a limited company, and it is not a personal service company caught by the IR35 rules, a partner could become a shareholder and receive dividends.

    - An individual who is not liable to higher rate or additional rate tax has no further tax to pay on dividends.

    - Dividends carry a 10% tax credit that cannot be recovered, so a shareholder needs non-dividend income as well in order to benefit fully from the personal allowance.

    - In some instances HMRC has tried to attack such arrangements. In a landmark ruling in July 2007, the House of Lords gave the green light to this strategy, rejecting attempts by HMRC to tax the working shareholder on dividends paid to a partner. Legislation to stop couples using this strategy was promised for 2009/10, but has been postponed indefinitely. The issue remains under review. However HMRC may still challenge arrangements that appear to be highly artificial.

- Investment income could be transferred by switching ownership of the asset that produces it. For example, shares could be transferred before a dividend is paid. For this to be effective, assets must be transferred absolutely and unconditionally.

    - In most cases, transferring ownership of assets would generally have its main effect on the income of future years.

    - Transferring assets where the couple are not married or in a civil partnership can result in a capital gains tax (CGT) liability and a potential future inheritance tax (IHT) liability.

    - Transfers of assets between partners who are married or are civil partners are free of CGT and could save CGT when the assets are sold, if one partner pays tax at a lower rate than the other or has an unused annual exemption or capital losses.

- Savings could be held in joint names. Normally each individual is taxable on half the income. This provides scope for transferring income-producing assets without losing complete control.

Taxpayers aged 65 or over

People aged 65 or more on 5 April 2010 may qualify for a higher personal allowance. Married couples and civil partnerships may qualify for a married couple’s allowance if at least one partner was born before 6 April 1935. The extra allowances are reduced in 2010/11 by £1 for every £2 of taxable income above £22,900. Reducing income below this level could save tax at an effective rate of up to 30%.

- An individual under 75 could make a personal pension contribution of up to £3,600 (before deducting tax relief).

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- ➢ It is not necessary to have earnings, but an individual who does have earnings could contribute up to 100% of those earnings if the resultant contribution is greater than £3,600.

- ➢ The pension could even be drawn immediately, including a 25% tax-free lump sum. The combination of 20% tax relief on the contribution and the tax-free lump sum results in a high effective return on such an investment.

- Couples with a joint income of up to £45,800 could swap investments to ensure that neither has an income of more than £22,900.

- Another possibility is to switch into investments that generate capital growth or income that is exempt from tax.

Children

Using personal allowances

Children have their own personal allowances and so can have tax-free income of up to £6,475 in 2010/11. However, income of more than £100 derived from a gift from a parent is taxed as the parent's income if the child is under 18 and unmarried. This includes the income of a child's cash individual savings account (ISA), where the capital originated from a parent, but not income in a child trust fund (CTF).

- Teenagers could work in a parent's business for a salary as long as the payment is reasonable for the work done.

- Where a child is a beneficiary of a discretionary trust, an income distribution can be made, and the child can reclaim the 50% tax paid on the distribution.

Child tax credit

Parents with children living with them, aged under 16, or between 16 and 19 and in full-time education, can claim the family element of child tax credit (CTC) worth up to £545 in 2010/11. The tax credit is increased to £1,090 for a child under one year old.

- CTC must be claimed from HMRC and claims cannot be backdated by more than three months. Existing claimants will be invited to continue claiming for 2011/12. For those who did not claim for 2010/11, the end of a tax year is a good opportunity to consider whether they should claim for the coming year, taking into account their estimated income for 2010/11 and expected income for 2011/12.

- The tax credit is normally reduced by 6.67p for every £1 of income over £50,000. For a couple (which includes an unmarried couple or unregistered same sex couple), the tax credit is based on joint income.

- Either or both partners could make a personal pension payment to reduce joint income to £50,000 or less.

- Families with lower income, high childcare costs, several children or disabilities may be entitled to additional elements of CTC and working tax credit (WTC), and may be entitled to the full family element of CTC at a level of income higher than £50,000.

- Tax credits other than the family element of CTC are withdrawn at 39p for each £1 of income above the first income threshold (normally £6,420 for 2010/11), so any reduction in taxable income achieves a high percentage benefit in terms of saving tax on the income plus increased entitlement to tax credit. For example, each £1 reduction in income taxed at 20% saves 59p (20p tax saved plus an extra 39p in tax credits). There could also be a saving in NIC of up to 11p for an employee, making the total reduction 70p.

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Directors and employees

Directors, especially directors of their own companies, and some employees may well have a degree of control over their income and scope for tax planning.

- They might be able to choose to take a bonus or dividends either before or after the end of the tax year, depending on their tax rate in each year.
- An individual who always pays higher rate or additional rate tax could delay a large dividend until after 5 April 2011. This could delay the payment of higher or additional rate tax on it for a year, although the benefit of deferral is less noticeable if dividends are paid every year.
- Individuals whose taxable income in 2010/11 is below £150,000 but who expect their taxable income in 2011/12 to exceed £150,000 might be able to bring forward a dividend to before 6 April 2011 so that it is taxed at 32.5%. The drawback of earlier tax payment is greatly outweighed by the difference in the tax payable.
- Similar principles apply to people whose ‘adjusted net income’ is below £100,000 in 2010/11 but who expect it to exceed £100,000 in 2011/12. Since 6 April 2010, the personal allowance is gradually reduced to nil in any tax year where adjusted net income exceeds £100,000. The reduction is £1 for every £2 of income over £100,000. Adjusted net income is broadly total income less permitted deductions from total income, less the grossed up amounts of pension contributions paid net of tax and gift aid payments to charity. It is the same figure as is used to determine eligibility for age allowances. However, adjusted net income for 2010/11 would need to be significantly lower than £100,000 to make this worthwhile, as it is essential not to exceed the £100,000 limit in 2010/11.
- Anyone who holds share options should consider the tax position (as well as the investment issues) when deciding whether to exercise them now or in a future tax year.
- A director who is also a major shareholder in the company may be able to reduce NIC by taking dividends instead of remuneration. However, there is not much difference in the net amount a higher rate taxpayer receives if the company’s profits are over £300,000, taking into account the company’s and individual’s tax and NIC liabilities together. While dividends are not pensionable earnings, this has little significance if contributions are to be made by the employer.
- Special rules for personal service companies mean that it is no longer possible for those businesses to save tax by paying dividends or employing a partner. If a business is affected by the personal service company rules (IR35), paying sufficient salary before 6 April 2011 will avoid the complications that can arise from being taxed on a ‘deemed payment’. Company pension contributions remain fully allowable.
- An individual who is planning to work abroad for more than a year should try to leave before 6 April 2011. An individual has to be away from the UK for a whole tax year for the income earned while abroad to be free of UK tax.
- The benefit of a company car is normally taxable only for the period the car is available and so a change to this benefit during the tax year has immediate effect. The same is true for the additional tax charge on fuel provided for private mileage in a company car. Although the end of the tax year is therefore no longer particularly relevant, the question of whether a company car and fuel for private use are worthwhile benefits should form part of any general financial review. Very low emission cars (110g/km or less) are taxed less heavily and the company may benefit from greater tax relief and lower costs, so carbon dioxide (CO_2) emissions are an important factor in the decision whether a car should be provided as a benefit and which car to choose.

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Self-employed people

Tax planning for self-employed income is generally carried out at the end of the accounting period. However, the accounting period will often coincide with the tax year and the end of the tax year can itself be relevant.

- The choice of accounting date in relation to the tax year end will make a difference to the timing of tax payments on business profits. A change of accounting date can also enable overlap relief from earlier years to be used before inflation erodes its value.
- Businesses can get 100% tax relief in the year of purchase on the first £100,000 a year of expenditure on most types of equipment – the Annual Investment Allowance (AIA). Any balance of expenditure above this normally only attracts capital allowances at 10% or 20% a year. So it may be worth bringing forward or delaying expenditure to avoid exceeding the limit in any one accounting period.
- It can be worth accelerating other allowable expenditure, such as repairs, to benefit from the tax relief earlier. And the timing of disposals of cars and other equipment can make a difference to tax payments.
- The date on which a self-employed person retires or ceases self-employment can make a difference to the tax liability in the final tax year of the business, depending on several factors.
- Tax changes in the past few years have greatly curtailed the benefit of running a business through a limited company, instead of operating as a self-employed individual or partnership. However, where a sole trader would have significant profits within the 40% or 50% income tax band, incorporation can still be beneficial.
- The timing of any change to company status relative to the tax year end may affect tax liabilities, although the decision will depend on many other factors as well.

Investment income

Varying levels of earnings could mean an individual is a basic rate taxpayer this year, but likely to be subject to higher rate tax or even additional rate tax next year. In these circumstances, it could be worth advancing investment income.

- This could be achieved by closing an investment account before 6 April 2011, as the final interest is credited on the closure date.
- Other possibilities are cashing single premium investment bonds or selling units/shares in offshore roll-up funds.

The 10% tax rate on dividends can sometimes produce tax relief at an effective rate of 42.5%.

- Higher rate taxpayers who make a personal pension contribution will save tax at 42.5% to the extent that dividend income is moved down into the basic rate tax band.
- The saving consists of the 22.5% difference between the higher (32.5%) and basic (10%) tax rates on dividend income and the 20% basic rate tax relief deducted from the pension payment.
- Additional rate taxpayers who make a personal pension contribution will similarly save tax at 30% to the extent that dividend income is moved down into the higher rate bands. The saving consists of the 10% difference between the additional (42.5%) and higher (32.5%) tax rates on dividend income and the 20% relief on the pension contribution. Care must be

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taken, however, to avoid the forestalling charge on excessive pension contributions, which applies to individuals with incomes of £130,000 or more.

- Employees can achieve a similar benefit by paying additional contributions into their occupational pension scheme, subject also to not falling foul of the anti-forestalling charge.

Pension planning

Pension planning is an important part of any annual tax planning for those aged under 75.

Pension funds are broadly free of UK tax on their capital gains and investment income. When the benefits are taken, up to a quarter of the fund is normally tax-free, while the lifetime income is taxable. The main drawbacks of pensions are that the funds are generally inaccessible until age 55 (50 until 5 April 2010) and then only in a rather restricted way.

- Contributions to registered pension schemes qualify for tax relief at the individual's highest rate (until 2011/12 – see below). In addition, the investment grows in a largely tax-free environment.
- There is a lifetime allowance on the amount of any individual's tax-exempt pension savings. This limit is £1.8m in 2010/11 and the next four tax years. Any excess over this lifetime limit is subject to a 'lifetime allowance charge' of 25% tax before being applied to provide taxable benefits. If the excess is taken as a lump sum, it is taxed at 55%.
- There is an annual allowance of £255,000 (2010/11) on increases in any individual's tax-exempt pension fund. Total contributions in excess of the annual limit will be taxed at 40%.
- Individuals can normally contribute the greater of £3,600 or 100% of their earnings and benefit from tax relief.
- If contributions are paid to a scheme that operates tax relief at source, basic rate tax relief is given by deducting 20% from the contribution. Therefore to make a payment of £3,600, an individual actually has to pay only £2,880. All personal pensions started since 1 July 1988 operate tax relief at source.
- Because of the high limits on pension contributions, it is no longer necessary for most individuals to maximise payments each year.
- Making pension payments up to the amount of income subject to higher rate tax will maximise the benefit. Where pension payments are paid net of tax at 20%, it is the grossed up payment that should not exceed the income subject to higher rate tax where possible.
- It is possible to set up a personal pension for a partner with little or no earnings or even children so they can benefit from tax relief at 20%, even if they do not actually pay any tax.
- From 6 April 2011 tax relief on pension contributions will be restricted for people with taxable income of £150,000 or more. Anti-forestalling provisions impose a 'special annual allowance charge' on individuals with income of £130,000 or more who change their normal pattern of regular pension contributions, or the normal way in which their pension benefits are accrued, and whose total pension contributions or value of additional benefits accrued exceed £30,000 a year. People in this position may be limited in their pension tax planning.

Contracting out of S2P

An employee who is not a member of a contracted-out pension scheme can contract out of S2P using a personal pension. The employee and employer continue to pay full NICs but part of the

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payment is transferred to the employee's personal pension plan. Anyone who wants to contract out of S2P for the current year should do so before 6 April 2011. This is also the date by which contracted-out individuals can contract back into S2P for the current tax year.

The decision whether and at what age to contract out or back in is not straightforward. Several insurance companies and financial advisers consider that at present the balance is usually in favour of being contracted into S2P. However, the argument will soon become academic, because contracting out via a personal pension will end after 2011/12.

Capital gains tax

CGT year end planning revolves mainly around maximising use of the annual exemption and relief for any losses.

Annual exemption

Every individual has an annual CGT exemption, which in 2010/11 makes the first £10,100 of gains free of tax. Gains above the annual exemption are currently taxed at 18%.

- Anyone who has not used the exemption for 2010/11 could sell investments to realise tax-free profits of up to £10,100.
- If realised taxable gains are already more than £10,100, it might be possible to dispose of investments to create a tax loss to set against the excess gains.
- Selling investments will not create a gain or loss if the same taxpayer buys them back within 30 days, but they could be repurchased by a spouse, a family trust or an ISA.
    - ➢ Buying or selling in this way normally involves costs.
    - ➢ HMRC has said that in some circumstances it might invoke anti-avoidance legislation to deny relief for a capital loss where one spouse sells shares and the other buys a similar holding with the main purpose of gaining a 'tax advantage'. Exactly where HMRC will draw the line between acceptable sales and unacceptable ones is unclear.
- Assets capable of being split, such as a holding of shares or unit trusts, could be sold in two transactions, one before and one after the end of the tax year, in order to make use of two annual exemptions.
- If individuals have net losses, it might be better to delay any gains until 2011/12. Where losses are brought forward, they need only set off enough losses to bring net gains down to the annual exemption. In contrast, losses of the same year have to be set against gains in full, which could waste up to £10,100 of losses if they cannot make enough gains to produce net gains after losses of £10,100.

Married couples and civil partners

Transfers of assets between partners can save CGT when the assets are finally sold.

- If one partner has used up the annual exemption and wants to sell more assets, the assets could first be transferred to the other partner so that their annual exemption is used against the gain.
- Where assets are held jointly, the gain is split equally and both partners can use their annual exemptions.
- If one partner has capital losses in 2010/11 or unused losses from earlier years, assets could be transferred to that partner, if the sale of those assets is likely to produce a gain that exceeds the annual exemption.

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However, there should be as much time as possible between the transfer of the assets and the sale. HMRC could ignore the effects of a transfer made immediately before a disposal. If documentary proof of the ownership of the assets is not available, a deed of gift may be necessary to prove the transfer has taken place.

Payment of CGT

CGT is payable on 31 January following the end of the tax year in which the disposal took place. Delaying a major sale until after 5 April 2011 will result in an extra 12 months before the tax has to be paid.

Negligible value claims

An asset might have become virtually worthless. If so, one can claim the loss against capital gains. The time limit for claiming this relief is 5 April 2011 for assets that became of negligible value in the tax year 2008/09. It is also possible to claim relief for the loss of goodwill bought as part of an unincorporated business that has subsequently failed.

Tax-efficient investments

Some assets can have both income tax and CGT advantages.

Individual savings accounts (ISAs)

Individuals aged 18 or over can invest up to £10,200 in ISAs each tax year in cash and shares. This year's allowance is lost if it is not used by 5 April 2011. Income and gains in an ISA are tax-free, but the 10% tax credit on UK equity dividends cannot be recovered.

- Individuals can invest in two ISAs in any tax year: one cash ISA and one stocks and shares ISA.
- The limits are £5,100 for a cash ISA and £10,200 for a stocks and shares ISA.
- If a person invests in both types of ISA, the total investment must not be more than £10,200. For example, a person may invest £4,000 in a cash ISA and the remaining allowance of £6,200 in a stocks and shares ISA.
- 16 and 17-year-olds can contribute to a cash ISA. However, if a parent provides funds for a child's ISA, the income from that ISA will be taxed on the parent if it exceeds £100 a year. There is no restriction on grandparents or other relatives providing funds for a child's ISA.

Withdrawals from an ISA do not affect the investment limit for the tax year. Once the maximum has been invested, no more investments can be made that year even if the funds have been withdrawn.

Money can be transferred between ISAs without affecting the investment limits for the year, subject to some conditions. A cash ISA can be transferred into another cash ISA or into a stocks and shares ISA, but a stocks and shares ISA cannot be transferred into a cash ISA.

Child trust fund

Tax-exempt CTFs have been available since 6 April 2005 for any eligible child born after 31 August 2002. The government provides an initial voucher for £250, and a further £1,200 can be added each year until the child's 18th birthday.

- The money belongs to the child, who cannot normally withdraw it before the age of 18.
- The tax treatment of the funds is similar to ISAs.

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- Once the child is 18, the money will belong to the child to spend or invest how they want.
- The government will provide a further voucher for £250 on the child's seventh birthday. It has also consulted about a payment at 'secondary school age', likely to be another £250 at age 11, but has not announced whether such a payment will go ahead.
- The vouchers are doubled for certain low income families.
- The limit of £1,200 applies to each year separately and it is not possible to catch up on missed payments. Each year for this purpose runs from the child's birthday until the day before the child's next birthday. It is not the tax year but it may be opportune to review CTFs at the tax year end in conjunction with financial matters generally.
- The new government has announced that it intends to abolish the child trust fund.

Enterprise investment scheme (EIS)

The EIS gives tax relief for new shares in certain trading companies that are not listed on the London Stock Exchange.

- Income tax relief is given at 20% on sums of up to £500,000 invested in a tax year.
- Gains on this investment escape CGT after three years.
- It is possible to defer CGT on a gain of any size by reinvesting in shares that qualify under the EIS. The gain must be reinvested in the period between one year before and three years after the disposal. Tax is payable on the deferred gain when the EIS shares are disposed of.
- An individual can obtain CGT deferral, but not income tax relief, by reinvesting in a company in which they are a director, although there are some restrictions. This can help people setting up a new business.

Venture capital trusts (VCTs)

Individuals can get income tax relief of 30% on investments of up to £200,000 a year in shares in VCTs in the tax year 2010/11. VCTs resemble investment trusts and invest in a range of companies.

- There is no CGT on the sale of these shares and dividends are free of higher rate tax, but the 10% tax credit cannot be recovered.
- Shares issued after 5 April 2006 must be held for five years.
- CGT deferral is not available.

Note: EIS and VCT investments carry a high risk and EIS investments may be difficult to realise. While VCTs are more easily realisable, the spread between offer and bid prices can exceed 10%.

Charitable giving

- Tax relief is available for any gifts to charity if the donor makes a gift aid declaration. The donor deducts tax at 20% from the gift and the charity benefits by claiming this tax back. A transitional relief allows charities to continue to receive tax repayments at the former basic tax rate of 22% on gift aid donations made up to 5 April 2011. Higher rate taxpayers can claim additional tax relief of 20% and additional rate taxpayers additional relief of 30%, so it is less costly to give to charity in a year in which an individual pays higher rate tax.
- Gift aid donations from 6 April 2010 will reduce 'adjusted net income' under the new provisions for reducing the personal allowance for people with income over £100,000 and individuals with taxable income above £150,000 will receive additional tax relief of 30%.

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- A donor who was a higher rate taxpayer in 2009/10 but not in 2010/11 can elect for donations made in 2010/11 to be treated for tax purposes as if they had been made in 2009/10. The election must be made in writing on or before the date the donor delivers the 2009/10 tax return, and this must not be later than 31 January 2011.
- It is possible to obtain both income tax and CGT relief on gifts of land (with or without buildings), listed shares and certain other investments to charity.

Inheritance tax

IHT is payable if the sum of a person's assets at death and the gifts they made in the seven years before death exceeds £325,000, subject to various reliefs and exemptions.

- Where a surviving spouse or civil partner dies, the deceased's estate benefits from any unused IHT nil-rate band of the previously deceased spouse or partner. The transferred proportion is uplifted to the same fraction of the nil-rate band at the date of the second death.
- Gifts of less than £3,000 a tax year are exempt from IHT.
- A person who made no gifts to use this exemption in 2009/10 can make IHT-free gifts of up to £6,000 before 6 April 2011.
- Regular gifts out of excess income might also be exempt. Careful documentation is needed to prove that the gifts are made from income rather than capital.
- If past IHT planning has resulted in liability to income tax on 'pre-owned assets', it might be possible to save money by paying something for the 'benefit' received. For example, a person who continues to live in property given away could pay rent. This is a complicated area and specialist advice should be obtained.

Time limits

There are a number of time limits for claiming reliefs and allowances, and for notifying HMRC of income. Many of these limits are set by reference to 31 January rather than 5 April. Taxpayers should generally review their tax affairs for the past few years to make sure that any potential claims are not running out of time.

Tax payments

Individuals who pay tax under self-assessment usually have to make payments on account of income tax for 2010/11 based on their tax liability for 2009/10. They should review their tax payments as soon as the amount of taxable income for 2009/10 is known or can reasonably be estimated, with a view to making a claim to reduce payments on account where the true 2010/11 tax liability will be less than the payments on account. Such a claim would avoid having to overpay tax and claim it back at a later date.

Tax planning key points

This brief review of end of year tax planning can only cover the main areas in outline. In any tax planning exercise it is important to be clear about priorities. Saving tax is important, but it needs to be kept in proportion. There are many other factors to consider, such as:

- Ensuring that there is enough money to meet personal and business needs.
- It is not enough for an investment to be tax-efficient: it should be a good investment in itself.

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- Some tax-saving actions involve risks, for example, investing in unlisted securities or transferring assets to other people.
- Flexibility is almost always desirable, even if it involves additional costs or saves less tax. Circumstances may change.
- The costs and general inconvenience of implementing some tax-saving strategies may not always be worthwhile.

This guide is for general information only and is not intended to be advice to any specific person. You are recommended to seek competent professional advice before taking or refraining from taking action on the basis of the contents of this publication. The guide represents our understanding of the law and HM Revenue & Customs practice as at May 2010, which are subject to change.

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