

NEXT WEEK

Wednesday
Who will follow
Michelle Mone?



Wednesday
Tim Youngman
on media



WEEK IN NUMBERS

■ Couples have more debt than single people, on average owing just over **£30,000**. The Consumer Credit Counselling Service says single men owe on average £19,830, 17pc more than the average of £16,937 for single women. It is also suggested men are more likely to become insolvent than women with 2008 figures showing that 23,173 women went bankrupt in that year compared to 37,972 men, an increase of over 50pc, while 17,300 women took out an IVA, four thousand less than the 21,318 men who did so.

■ Almost **two-thirds** of consumers are less likely to return goods they buy online, compared to those they buy on the high street. The Department for Business, Innovation and Skills reveals three quarters (77pc) of UK consumers don't know there are differences between online and high street consumer rights and more than one in 10 (13pc) admit to not being sure of their consumer rights with online purchases. UK consumers are ranked as the biggest online shoppers in Europe, having spent £38bn online in 2009, which accounts for 10pc of total UK retail sales.

■ Some **24pc** of mothers would like a ride on a Harley Davidson this Mother's Day. Tiger.co.uk claims almost twice as many Mums said they would like to travel on the back of a Harley Davidson than to their sons (24pc compared to 13pc). Overall, 17pc of Britons said that they would love to own a motorbike.

■ A **third** of those who die in accidental house fires die in fires started by cigarettes. The Communities and Local Government says less than half (40pc) of smokers are aware that smoking is the biggest cause of deaths in accidental house fires and warns people to install smoke alarm systems – just two to three breaths of toxic smoke can render a person unconscious.

■ Some **22pc** of holidaymakers are planning to fly on budget airlines and 11pc are staying in cheaper hotels to save money this year. The Post Office says eight in 10 travellers are adapting their holiday plans to fit in with plans to economise this year. 19pc are willing to holiday at a less popular time of year and 19pc will also opt for a 'staycation' in the UK, even though they would prefer to go abroad.

■ **One in three** households does not have internet access. According to Consumer Focus money is not the only barrier preventing consumers from connecting to the internet – over half (51pc) of low income households have the internet, up from a third (35pc) one year ago. Aside from the cost, reasons for not getting connected include fears about viruses, personal data scrutiny and new technology, and concerns on how internet access will affect face-to-face communication with friends and family.

■ www.headlinemoney.co.uk

Ways in which the chancellor can increase his tax receipts

CLARE GOODSWEN BUSINESS ANALYSIS



Chancellor Alistair Darling will look for ways to address the UK budget deficit without damaging the fragile recovery in the economy when he delivers his pre-election Budget on March 24 – even if there is a question over whether or not there will be time before polling day for all of the measures he will announce to reach the statute book.

The prime minister announced a freeze on top public-sector pay on 10 March, but spending cuts are only one part of the equation.

Public-sector spending cuts are insufficient on their own to bring government borrowing in line with the chancellor's projections in his pre-Budget report last December.

An increase in tax receipts is needed to help narrow the deficit.

But it is unlikely that there will be further changes to income-tax rates, bearing in mind that measures will be introduced from April 6 to increase personal taxes for high earners – those with taxable income of £100,000 a year or more – and a 50pc income tax rate for taxpayers with income in excess of £150,000.

The removal of higher-rate tax relief on pension contributions for taxpayers with income of £150,000 a year could be extended to all higher-rate taxpayers, so that all taxpayers receive only 20pc tax relief on pension contributions.

Such a move could be introduced from April 2011, although it would perhaps be seen as another attack on pension saving which could be politically damaging.

The differential between income tax rates and capital gains tax (CGT) is



BUDGET DETAILS:
Will Alistair Darling spring any surprises from a Treasury red box on March 24?

currently 22pc, potentially increasing to 32pc from April 6, if the rate of capital gains tax is unchanged.

It is unlikely that this will be aligned with income tax rates, due to the removal of specific reliefs when the flat rate of CGT was introduced on April 6, 2008.

However, an increase to CGT to 25pc or possibly 30pc is widely anticipated.

Without any change to the method of calculating entrepreneur's relief, the rate applying to some business assets would also increase depending on the headline rate of CGT, possibly increasing from 10pc to 15pc for qualifying disposals.

It is also expected that new targeted anti-avoidance will be introduced to counter schemes transferring income into capital.

There is also the possibility of a re-introduction of income shifting legislation, to limit the ability to

direct income to a spouse or family member to reduce overall tax liabilities. This could affect a number of family businesses.

The VAT rate may also be increased in the Budget, perhaps to 20pc. This could produce as much as £12bn extra revenue a year and could be an attractive option for the chancellor.

Any increase to the VAT rate may be introduced later this year to give businesses time to factor in the operational changes needed.

The reduced rate of VAT payable on domestic heating bills could be increased from the current level of 5pc to encourage people to take energy saving measures.

Green taxes are likely to feature heavily in the chancellor's speech and the perennial favourites, petrol duty and car tax, are likely to be mentioned again.

For industry, a further reduction in

climate change levy rebate may be on the cards as a revenue raising measure that tracks the government's green agenda.

Finally, Mr Darling may take the opportunity to announce legislation to increase the penalties charged to taxpayers for late submission of personal tax returns and late payment of tax, which have remained at the same level since self assessment was introduced in 1996.

Whatever measures are announced on 24 March it is expected that the Finance Bill will need cross party support to become law before Parliament is dissolved.

If there is a change of government later this year, a further Budget is likely to be forthcoming, so we could expect more changes later this year.

■ **Clare Goodswen is director of personal tax and private client services at M+A Partners.**

Stabling business becomes a part of worldwide group

A stabling manufacturer in Norfolk that has counted the Royal Stud at Sandringham and the New York Police Department among its clients has been bought by an international conglomerate.

The Camellia group – which spans private banking, agriculture, engineering and pharmaceutical companies – has bought Loddon Engineering for an undisclosed sum.

Loddon will continue to trade from its premises in the village from which it takes its name.

Managing director Roger Buck

said: "In order for us to grow and develop new products it was essential for us to seek the backing of a major global company like Camellia, who have seen not only what Loddon has achieved in the past, but what it is capable of in the future.

"We're moving into 2010 with great confidence and are keen to develop our markets in the UK and Ireland, the United States, Europe and the Middle East.

"In the coming months we will be devoting a great deal of time and

energy in looking after our existing clients in the UK and Ireland, making sure that they are given an absolutely first-class customer service.

"We will then be looking at further developing the Loddon brand overseas in markets where we already have a strong reputation."

Loddon has been designing, manufacturing and installing stabling for UK and international clients for more than four decades, including the Hong Kong Jockey Club, the Singapore Turf Club and

the Nad Al Sheba Racecourse in Dubai. It employs 13 people and is aiming to record a turnover of £2m in 2010.

Loddon joins two other Norfolk businesses in the Camellia Group, Great Yarmouth's British Metal Treatments Ltd and AKD Engineering, of Lowestoft.

Camellia, which traces its roots to tea production in India in the 19th century, recorded a turnover of £190.6m in 2008 and pre-tax profits of £24m. It employs 75,000 people worldwide.