

There was very little change made to **Inheritance Tax, Capital Gains Tax and Stamp Duty in the 2002 and 2003 Budgets, despite widespread rumours about major changes being likely.**

However, with an increase of 1% in National Insurance contributions for employees and employers plus the self-employed as from April 2003, this really means an increase of 1% in “tax” deducted from all working people and those who employ them.

INHERITANCE TAX

The rate for Inheritance Tax remains at 40% of taxable estates but the threshold at which Inheritance Tax begins, has been raised to £255,000. The Chancellor, Gordon Brown, reckons that 96% of all estates are free of Inheritance Tax, leaving an average of 24,000 estates with a tax liability each year for their heirs.

Inheritance Tax is often regarded as a “voluntary tax” as there is a lot that can be done to mitigate this tax. The amount of Inheritance Tax payable upon death can be reduced by careful financial planning during lifetime and by making an appropriate Will.

Please ask for a copy of our free leaflet - “Inheritance Tax and possible ways of mitigating it”.



STAMP DUTY

Here again, no major changes were announced in either Budget. The exemption for properties worth £150,000 or less, in areas of regeneration, continues to cover both residential and commercial properties. Otherwise the rates of Stamp Duty payable for property purchases continue to be:

Purchase Price	Stamp Duty payable
£60,000 or less	Nil
Over £60,000 and up to £250,000	1%
Over £250,000 and up to £500,000	3%
Over £500,000	4%

CAPITAL GAINS TAX

As from 6 April 2002 the rate of Capital Gains Tax for business assets was cut from 30% to 20% for business assets held for one year or more and to 10% for business assets held for more than two years.

The annual exemption from Capital Gains Tax for the tax year 2003/2004 is £7,900 for individuals and £3,950 for most Trusts.

For further information on tax mitigation and Wills please contact Anthony Northey, Esther Marchant or Les Exton (Legal Executive) in our Amptill office Tel 01525 750 750 or Kate Tingey or Christine Myers (Senior Probate Executive) in our Bedford office Tel 01234 30 30 30.

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INVESTOR IN PEOPLE



CHANGES TO CHILD SUPPORT - A BRIEF OUTLINE



The Child Support Agency (CSA) will now calculate child maintenance in a different way. This is in response to trying to create a fairer and more transparent system and to collect and deliver child maintenance more effectively.

The new arrangements are being introduced for new clients from the implementation date i.e. 31 March 2003 and current clients will transfer at a later date. However, if an existing client is also involved in a new case and where the new rules apply then it may be possible to transfer early.

In defining terms it is the parent who has caring responsibility for the larger number of nights who is called the "parent with care" and the parent with caring responsibility for the smaller number of nights is called the "non-resident parent".

The amount of maintenance due will be based upon the non-resident parent's net income. Net income is

defined as earnings after tax, national insurance and pension contributions have been deducted.

Rates for non resident parents with income of £200 per week or more are:
15% of net income for one child
20% of net income for two children
25% of net income for three or more children

Those parents with an income of £200 per week will pay reduced rates. Non-resident parents with a net income of £100 per week or less will pay a flat rate of £5 per week. This includes some benefits and include Job Seekers Allowance and Income Support.

The calculation will take into account all children - including step children - in a non resident parent's current family. The net income to be calculated will be reduced by the same percentages as above. The calculation will not take into account housing

costs, the income of the parent with care, the income of either parent's current partner or travel to work costs.

Applications for child support can be made by either the parent or person with care or the non resident parent. All people involved must be normally resident in Great Britain or Northern Ireland unless the non resident parent is in the armed forces, NHS, civil service or working for a UK company and living abroad.

The CSA states that it will write to all current clients to inform them about the new scheme and how it affects them.

This is but a brief outline and further advice should be taken from our specialist Nick Rees or Simon Thomas in the Family Department at our Bedford Office Tel 01234 30 30 30 or Lesley Kendrick in our Ampthill Office Tel 01525 750 750.



NOTARIES PUBLIC - WHO ARE THEY AND WHAT DO THEY DO?



You may have seen the words Notary or Notary Public on solicitors' notepaper or within their offices and wondered what this meant and if it had any relevance to your business.

Notaries Public are usually qualified solicitors who have additional qualifications which allows them to prepare and authenticate documents, chiefly for use abroad. It is the Notary's individual seal which authenticates such documents. Notaries' seals and signatures are registered with the Foreign and Commonwealth Office and with foreign embassies and consulates.

Whilst a Notary has the same powers as a solicitor (other than undertaking litigation), there are differences. The main difference is that a Notary may act for both sides in a transaction as his or her duty is to the transaction and not to the individual. This is provided that there is no conflict of interest between the parties involved in the transaction.

Just like solicitors, Notaries are subject to supervision and professional regulation. However, Notaries are a separate profession in their own right and have their own rules, regulations and code of conduct. The professional body of Notaries in England and Wales is the Notaries Society. Partner Anthony Northey is a member of the Council of the Notaries Society and is the Treasurer of the Society at the present time.

Originally, Notaries Public were appointed by the Pope, but since the Reformation by the Archbishop of Canterbury and can practice anywhere in England and Wales. Of the three legal professions of Solicitors, Barristers and Notaries, that of Notaries is the oldest.

Traditionally, Notaries have a higher profile within Europe, where they generally specialise in particular areas of law such as property, commercial and company law and enjoy a close business relationship with their clients.

In Europe, the general division of the legal profession is between notaries and advocates (who have rights of audience etc), whereas in England and Wales the professional division is between solicitors, notaries and barristers.

As the European Union expands and commerce and trade within member and potential member countries increases, Notaries should enjoy a much higher profile. Indeed, many continental and European businesses will insist on having a Notary's seal on their contracts. Consequently, it may well be relevant for you and your business now and in the future.

At Sharman & Trethewy we have four solicitors who are also qualified Notaries Public. They are Anthony Northey, based at our Ampthill Office Tel 01525 750 750, Ian Codrington, William Northey and Thomas Barden based at our Bedford Office Tel 01234 30 30 30.



FAMILY MEDIATION SERVICE



What is Mediation?

It is:-

1. A means of resolving conflicts helped by an impartial person (the Mediator)
2. Assisted by the Mediator the exploration of options open to you
3. Your retention of control over decisions
4. Voluntary in that at any stage you may withdraw from the Mediation process

It is not: -

1. Counselling
2. Any form of Marriage Guidance
3. Reconciliation
4. Social Work
5. Arbitration
6. Alternative Dispute Resolution imposing any decision upon you

What other issues can be dealt with?

1. Where children should live
2. Arrangements for contact
3. Money/property
4. Accommodation
5. Parental responsibility
6. Divorce/separation/reconciliation
7. Other problems.e.g. contact with grandparents

Why choose Mediation?

We try to make the process of resolving conflicts: -

1. Easier and understandable
2. Quicker
3. Less Stressful
4. Less expensive than contested Court proceedings

We do not prevent you from obtaining your own advice from your Solicitors and you may wish to consult them as to implementation of any agreement reached.

How long does Mediation last?

There may be more than one issue to resolve, communication between you may have become difficult. Therefore depending on the number of issues to be discussed, in general 3-5 sessions may be needed to achieve resolution.

What is it like?

Both parties meet with one (or two if required) of our trained Mediators in a friendly and informal setting.

First the mediator will explain the Agreement to Mediate and its confidentiality. They will discuss the issues to be resolved and an agenda will be set to meet your needs. Discussions will then progress with you providing such information as may be required and the Mediator will aim to assist you in finding a resolution satisfactory to you both.

The meetings whilst having a formal structure are informal compared with Court Proceedings.

What is needed of you?

A willingness at least to attempt to find solutions and we will assist that willingness

In financial and property matters disclosure and openness of your capital and income as would be required by a Court.

Cost

The cost as at April 2003 is £150.00 per hour plus VAT. Fees are payable in advance or at the end of each session and may be paid by either party or shared. Preparation time and the provision of financial summaries and proposals are additionally charged at the same rate on the basis of the time spent.

This cost can compare favourably with the total costs, which may be involved by both parties in otherwise pursuing matters through the Courts.

Mediation may be free if we are able to supply and you are eligible for public funding.

Who are we?

Our specialist trained Mediators are Family Law Panel Members



Lesley Kendrick



Nick Rees

For further information or for an appointment please telephone Lesley Kendrick - 01525 759100 in our Ampthill Office or Nick Rees - 01234 409003 in our Bedford Office from 9.00am to 5.15pm weekdays.

In the Firm 2002

NEW PARTNER

Nick Rees was appointed a Partner in the Firm in April 2002. A graduate of the University of Birmingham, Manchester Polytechnic and Trent Polytechnic - Trent being where he took his Law Society Final Examinations - he qualified as a solicitor in February 1993.



Nick specialises in Family Law and Child Care Law and is a member of the Solicitor's Family Law Association and the Child Care Panel and is based in our Bedford office. He is also now a qualified member of the Law Society's Advanced Family Law Panel.

His outside interests include amateur dramatics, middle and long distance running, hill walking and reading.

NEW FACES

We welcome two new faces to our Bedford office.

Simon Thomas joined the Firm in June 2002. He concentrates on Family and Child Care matters.



Simon graduated in Law at Anglia Polytechnic University in 1998 and from Guildford College of Law in the following year. He has recent experience of organising and managing social events for fundraising activities and participates in several sports - squash, badminton and golf in particular. Outside of sports, he is an enthusiast in the science of Geology.

David Ralley qualified as a solicitor in 1999 and joined Sharman & Trethewey in July 2002. He has a wide experience of Commercial, and Residential Property Law and Company and Agricultural work.



A Graduate of Buckingham University and London Law School, David has many sporting interests. He is a keen horseman and is a current member of the Guards Polo Club and even played polo for

one year as a semi-professional. A former member of the British Junior Ski Team, he also plays cricket and sails - and anything else equestrian!

Royal National Lifeboat Institution Legacy



Sharman & Trethewey dealt with the winding up of the estate and trust of Miss Doris May Mann. Partner Anthony Northey was an executor of her will, under which a gift totalling in excess of £1.5 million was made to the Royal National Lifeboat Institution.

Acknowledging the receipt of monies, the RNLI stated that it "is one of the most generous legacies we have received".

The monies have been used for a new lifeboat at Wells (North Norfolk), which was named after Miss Mann. The lifeboat house was also adapted with some of the funds and this will also pay for the refit of the lifeboat later in 2003. Miss Mann's generosity is remembered there with a commemorative plaque.

The Hunstanton Lifeboat Station - again in North Norfolk - also benefited with a refit to their hydrostatic tractor, which is used to launch their lifeboat. Again a plaque has been placed in the lifeboat station.

To date not all the legacy has been used and the RNLI is in consultation with the Executors. When recently writing to Anthony Northey, the RNLI property manager commented "your good wishes are very warmly reciprocated ... I have been most impressed with the level of service that your firm has provided".

Survival in the 21st Century!

Survival in the 21st Century was the title of an agricultural seminar organised jointly by Sharman & Trethewey, Barclays Bank and Chartered Surveyors and Agricultural Agents, Robinson & Hall. Over 300 people attended this early evening seminar held at The Safari Lodge, Woburn Abbey in February 2002.

Martin Redfean, Agricultural specialist at Barclays Bank, spoke about the prospects for UK and European Agriculture including CAP reform and David Jones, a partner with Robinson Hall discussed opportunities for maximising non-agricultural income.

Anthony Northey, partner at Sharman & Trethewey with special

responsibility for agricultural clients, gave a presentation entitled "The Revenue wants its cut... can you mitigate your tax liability?"

Andrew Capel of Robinson & Hall chaired the seminar and a vote of thanks was proposed by John Humphries, joint Managing Director of A T Oliver & Sons, who also highlighted "The lighter side of farming life".

If you are a landowner or are involved in farming and agriculture in any form and would like to be included on our invitation list for any future agriculture seminars, then please contact Anthony Northey at our Ampthill office to ensure that you are on our database.

Window Dressing!

The Ampthill office of the Firm won first prize in the Traditional Window category of the Best Dressed Christmas Window Competition 2001, organised by the Ampthill Business Initiative (formerly known as the Chamber of Trade).

The window was designed and created by Jackie McGuinness and Anne Chatters.

President

Partner Anthony Northey has been elected as President of the Bedfordshire Law Society and will hold this office until April 2003.



Further fundraising

The Ampthill office is again donating supplies to fill two Aquaboxes organised through Ampthill Rotary Club. Aquaboxes provide equipment capable of purifying up to 1000 litres (5000 cups) of polluted water thereby giving safe drinking water and emergency supplies to relief agencies. Aquaboxes also include a selection of warm clothing as well as essential hardware items.

AND FINALLY

Don't forget that you can visit us via our Website at

www.SharmanLaw.co.uk

and also contact us directly through our Email address at

mail@SharmanLaw.co.uk

We look forward to hearing from you! This newsletter will also be on our Website.

This bulletin is published for the general interest and benefit of readers and is not intended to be a definitive analysis of legislative or other changes. Professional advice should always be taken on specific issues before any course of action is taken.



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