



Andrew Webster
Limited

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Pension Changes to cost Cambridge Taxpayer's millions

Recent changes to the Pensions Scheme announced by the Chancellor in the Pre Budget Speech are set to cost Taxpayers in the Cambridgeshire area in excess of £120 million in potential tax savings.

In his pre-budget speech, the Chancellor announced that Self directed pension schemes such as the small self administered schemes (SAS) and self invested personal pensions (SIPP) will be prevented from holding directly owned residential property.

This has caused disappointment amongst a number of Cambridgeshire residents. With a population in excess of a 100,000 and a significant number of this population in the higher tax bracket with buy-to-let mortgage properties; these changes in the legislation will cost Taxpayers in excess of £120 million in potential tax savings.

Andrew Webster, Managing Director & specialist Tax Consultant, at Andrew Webster Limited said "by not allowing taxpayers the opportunity of putting their residential properties into SIPP's and/or SAS's, the HMRC has upset tax planning across the country and cost our clients millions in tax savings."

Not only do taxpayers across the country lose out on these potential savings but they have also paid significant sums of money seeking tax planning advice from their accountants and Independent financial advisors and the HMRC's turnabout has meant that this tax planning has been thwarted.

Andrew Webster Limited maintains that "the Cambridgeshire taxpayer need not despair. There are still various opportunities which exist before the new pensions regime comes into effect on the 6th of April 2006 and we have been able to guide a number of our clients to benefit from these opportunities. We urge taxpayers across the region to seek advice from their Accountants and IFA's."

Notes For Editor:

Andrew Webster Limited is a tax, legal and accounting firm that acts for businesses, companies & individuals providing all the skills they need in a friendly, informal way. Led by an ex-Tax Inspector, the firm provides a variety of services in the fields of Tax, Accountancy, Legal and general bookkeeping. We also provide **WebsterAccounts** – our online Accounting service.

Technical Notes

Population in Cambridge	108879 (2001 Census figure)
High Rate Tax Payers with Buy-to-let Properties	1500 (Assumption)
Average Buy-to-let property price	£200,000
Potential Tax Saving Lost due to legislation	£200,000 x 40% x 1500 = £120 Million

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