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2010 challenge – turning a negative into a positive

Gloomy figures from the Office of National Statistics confirm the UK is still officially in recession. We may be embarking on 2010 with some trepidation but the key to financial success in the year ahead will be to take a proactive approach.

Mr Darling's pre budget announcement was unremarkable but do not be fooled. As a general election looms and a colossal national debt remains to be chipped away at, it is inevitable that the pain will come later. It's not the time to bury your head in the sand. You need to get your financial house in order now.

Start getting your head around the new tax rules. The super 50% tax for high earners will roll out in April and low salary high dividend paying entrepreneurs will be stung with higher taxes on dividends. The new rules also impact on pension contributions for high earners. Tax efficiency really should be a priority.

General housekeeping tips for early 2010 include making full use of your Capital Gains Tax annual exemption and taking advantage of your tax free ISA limits. It sounds obvious but the majority tend to overlook their ISAs.

The precarious combination of national debt, a general election and the very real possibility of a hung parliament will create volatility in the financial markets. On a positive note, volatility can bring opportunity as certain types of investments thrive in unstable markets.

The key to taking advantage of the situation is to seek advice from a chartered financial planner who will monitor and manage your investments on an ongoing basis. The same rules apply; ensure you're receiving totally independent advice from a fee based practitioner.

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