

London Bound!

2nd Bridge of Allan Brownies look forward to an exciting trip

BY MARGARET PRICE

Eight very excited young ladies are eagerly looking forward to a weekend in London to celebrate Thinking Day. This is a celebration of World Guiding - the day of the joint birthday of the founders of Guiding & Scouting, Lord and Lady Baden-Powell.

The Brownies and their leaders will make the most of their time in London taking in a flight on the London Eye, a visit Madame Tussauds, BBC studios and a performance of *The Lion King*.

Another treat, the London Duck Tour, travels around on land before launching into the Thames. The group will pay the obligatory visit to Hamley's toy store in Regent Street. Our Brownies are very grateful to Awards for All (Scotland) for a grant to help fund the trip.



In October, four members of the group joined other Brownies from around the county at Netherurd House in Peeblesshire for a fun-packed weekend.

The theme was Harry Potter and Hallowe'en, where the girls enjoyed taking part in many games and craft activities with a Harry Potter twist, including a search for the Golden Snitches to unmask the secret message. As Hallowe'en approached, the hall was

decorated with pumpkins, spiders and ghostly figures to get the girls in the mood for some spine-chilling craftwork. The weekend ended in true Brownie Guide style, with a sing song around the campfire.

At Christmas all the Brownies gained their Africa Challenge badge. This involved doing a project on an African country - we chose Malawi, to tie in with the many Scottish links with that country. We listened and danced to African music, tasted African foods (not too popular), learned to say 'Hello' in several of the languages used on the African continent and had a go at using beads in a craft session. The money raised will go towards work in a mission home for orphaned children in Namibia called 'The Beautiful Gate'.

Personal Finance and Taxation

BY IAN WILLIAMS

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On 9 October 2007 Alastair Darling, as the new Chancellor, delivered his first Pre-Budget speech, in which there were a number of surprises and definitely some winners and losers.

On the winning team was the change to Inheritance Tax (IHT) with the introduction of a "transferable nil rate band" between husband and wife and civil partners. As a result, it is now possible to transfer the percentage of your nil rate band which was not used on the first death, to the surviving spouse or civil partner.

For example, Mr & Mrs A have assets of, say, £1M, divided equally. They have simple wills and leave everything to the survivor, such that there is an IHT problem on the second death.

Under the old rules, assuming the nil rate band is £300K, on Mr A's death, his estate pays no IHT as everything is left to Mrs A. On her death £700K (£1M - £300K, her nil rate band only) is subject to IHT @ 40% = £280K. Very costly.

Under the new rules, Mr A's unused nil rate band percentage is passed to Mrs A. On her death she has her own and 100% of her late husband's nil rate bands (2 x £350K), meaning only £300K is subject to IHT, costing £120K in tax - a saving of £160K. Suppose Mr A leaves £150K on his death to his children. Mrs A can then be passed the limited percentage. On her death, her estate benefits from her full nil rate band plus her husband's unused 50%, not measured in monetary terms on the date of his death but 50% of the full nil rate band prevailing at the date of Mrs A's death. This is good.

As you can imagine, people are questioning whether they should now change their will to optimise the benefits this obviously brings about. The answer, in most cases, is yes. However, please consider what the future might hold.

Wills which create a discretionary trust on the first death are now probably obsolete because it freezes the nil rate

band settled into the discretionary trust, whereas an unutilised nil rate band not settled, but passed to a surviving spouse, is inflation proofed or, if the Conservatives are elected, possibly creating a £1 million-plus nil rate band threshold for couples. Discretionary Trust wills have, probably, become unfashionable overnight.

However, there are circumstances where removing the discretionary trust provision in a will might be a little premature. Two examples, where it might not suit:

- Where an asset is likely to rise rapidly in value, well ahead of inflation, and to freeze its value on the first death might produce a better long-term tax solution

- Where care costs are likely to be significant for the surviving spouse/civil partner and the deceased's assets would be better directed elsewhere.

In summary, this is a very welcome IHT change which should provide the opportunity to revisit your will, to ensure it reflects your present circumstances and achieves IHT efficiency, at the same time.