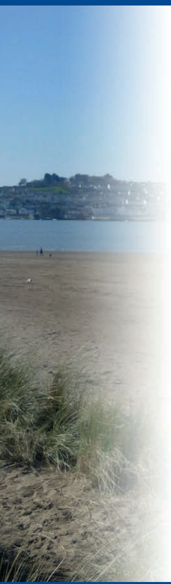
Philip J Milton
& Company Plc
Established 1985

"A Wealth Management Service to help you achieve your financial goals, save you time and stress and offer absolute peace of mind."

MILTON NEWS
Tax Year End 2025 Edition

Highlights



- News from the Markets
- Funds under management exceed £250Million!
- ISAs and Pensions
- Tax Returns
- Our Support for Charities & Projects

and much more!

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Financial Planner Chartered

Independent Financial Adviser

Find us on . . .

Dear Client *February 2025*

As well as a general financial update, this letter reminds you of a few things to do before 5 April so don't delay! Of course, many will already have acted in good time but for those who haven't, time is fast running out! For the diligent too, remember that new year's allowances for ISAs, Junior ISAs and pensions can be used without delay on 6 April as well, for 2025/26! That way your money enjoys the tax exemption and investment opportunities for the full year instead of just part of it. For those already subscribing new cash or having instructed specific cash transfers for the new tax year, you will receive confirmation of those subscriptions shortly after 6 April. Please read on and I do hope that you find the commentary of interest. Subscribers to our periodic and completely free e-shots will be aware of several of the main themes and if, too, you would like to begin to receive our industry renowned financial bulletins, send us your email address. You can unsubscribe any time.

As 5 April approaches and with the Government squeezing us all with effective tax rises (some direct and some indirect, through maintaining and reducing exempt allowances) we should all be aware of those that remain before losing them entirely for the year after 5 April. Also featuring will be **the latest tax rates and allowances**, including those within the Autumn 2024 Budget update. More on that later.

Also, we are extremely honoured to share that **2025 will mark the Company's 40th anniversary** and we shall no doubt be marking the occasion in appropriate style so watch this space for more exciting news! Our longevity is something that fills us with pride, especially in an industry that has been so challenging, not only when so many of our peers have fallen by the wayside or been consumed by larger nationwide organisations but also from a regulatory standpoint where rigorous demands increase by the day it seems. We are proud to be North Devon's largest independent Wealth Manager with **funds under our management having recently exceeded £250Million**. Coupled with this we have again featured in the **Top 100 Financial Advisers for 2024** (through New Model Adviser) as well as retaining our prestigious status as one of very few Chartered Financial Planning Firms in the UK.

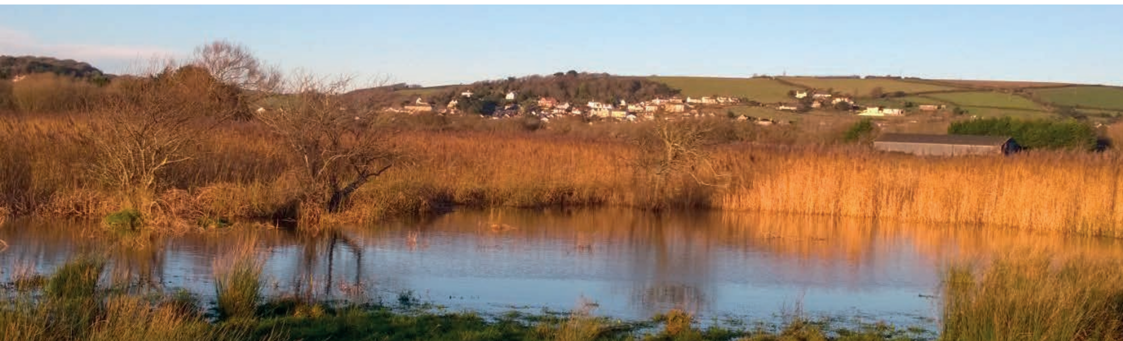
MARKET NEWS

In the US, hope on the expectancy of what the Trump Administration will bring has reached new heights and coupled with crypto hype and rocketing tech giants, it may be time to 'sell on the strike', the saying which used to apply when a prospector found oil. This is because the hope is typically far greater than ever the best reality can provide, so sell into the speculative fervour (and instead buy true 'value', as we hold).

'Investment' was left behind a long time ago, replaced by wild speculation and gambling, the 'fear of missing out' dressed-up as rational belief but without any valuation base whatsoever. Let's give it a couple of months (if not weeks) – enough to 'beware the Ides of March' perhaps.

As I write this, there is news from China's DeepSeek which frightened the life out of investors with its announcement of a free artificial intelligence (AI) model to challenge bigger rivals. Its claim to have a low-cost model sent shockwaves through markets, hammering the tech-heavy US Nasdaq index and wiping $589billion from the 'value' of Nvidia (equivalent to over 17% of its value), which makes AI computer chips. It was the largest one-day fall in value of a company in US history and in our view shows how perilous current valuations are and how quickly euphoria can switch to panic. Billionaire investor Ray Dalio told the Financial Times he believed AI hype and money pouring into those companies based on speculation of adding to profitability in future had led to a bubble. "Where we are in the cycle right now is very similar to where we were between 1998 or 1999. In other words, there's a major new technology that certainly will change the world and be successful. But some people are confusing that with the investments being successful."

Of course, there is every likelihood that President Trump will try to defend the US AI market dominance by imposing colossal tariffs on imported goods to the US but perhaps that is only a sticking plaster that simply defers the inevitable and simple realisation that the US tech sector is far too expensive. You know our thoughts by now! However, there is such tremendous value especially in markets like the UK.



At home, some good news at last for the Chancellor – inflation was lower than expected and the economy stopped retracting and rose a meagre 0.1% but less than expected. Still, it is positive - just. Of course, weak figures may suggest economic progress and consumer confidence are poorer and signal that interest rate cuts are safer again so Sterling fell more as a result in expectation (indeed retail sales fell 0.3% in December, the biggest decline in over a decade). Meanwhile the PM has taken the hint and the Corruption Minister has resigned after corruption allegations persist. Regardless of guilt (or protested innocence), could they not have seen the harm the continued appointment was causing to financial confidence and sentiment?

Since Sir Keir Starmer's appointment as PM in July on the second lowest turnout (since 1885) of just 60% and even then more as a negative message to the Conservative Party than support for the Labour Party, he has witnessed an extraordinary decline in his approval ratings, marking the most substantial post-election fall for any British Prime Minister in recent history. Currently, his approval rating has dropped to -34, a massive 45-point fall from the +11 rating he held after Labour's overwhelming election victory in July. This rapid decline has occurred within just months of election win. Think tank 'More in Common' found 56% of voters have a lower opinion of the Government after only six months in power and one in four voters who backed Starmer at the General Election now regret it. A YouGov poll conducted on 13 January showed that 64% of UK respondents think that the PM is performing poorly against just 24% who think he's doing well. The remainder "don't know".

However, the US came to the rescue with 'goldilocks' figures' which pleased their markets and thus ours too – UK banks and energy stocks showed excellent gains – we have plenty but many managers here have very few. Sterling is still struggling however and UK bond prices remain weak as government borrowing costs are far dearer than they were.

Some Government defendants are saying that all currencies have fallen against the Dollar and interest rates on bonds have been increasing elsewhere but did you know Sterling had fallen more against the Dollar than all major and most minor currencies since 1 January? That's a reflection of the international investing community's thoughts of the UK Government, its budget and the extra £141billion borrowing over the next four years, not the Opposition parties and media shouting (as they are)!

At times like these (well constantly of course) we assess conditions and if we believe that volatility (or negativity) has increased to such an extent, at our cost, we write a special letter to all clients considering or in the process of capital withdrawals. That's not to frighten them nor to deter them but simply to note that if they issue a blanket instruction, they must understand it might be exercised at what is not necessarily the best time for them when volatility or potential volatility is heightened.

FUNDING OPPORTUNITIES

Pensions and ISAs

Do you know that everyone under the age of 75 can pay between £3,600 and £60,000 each year into a pension and receive a big tax bonus? They also have an annual ISA allowance of £20,000 of course. This means, over a five-year period, **a couple could have between £236,000 and £800,000 of allowances between them**. So, funds and circumstances permitting, you will probably want to make sure to fund these wrappers (in part at least) going forwards before other opportunities are explored and possibly before existing generous concessions are removed! Contributions to pensions may also include previously unused allowances from past years (subject to specific qualifying criteria). Even non-earners and the retired can contribute £2,880 to a pension and the Taxman will give them £720 for nothing!

Access to pensions will be delayed by two years (from age 55) to 57 with effect from 6 April 2028 but from that point in time, there is complete flexibility about how and when funds are extracted, if at all. Meanwhile, all income and growth accumulate tax free. The Inheritance Tax (IHT) treatment of pensions was altered in last year's Autumn Budget in that currently, pensions may be inherited by anyone after death with no death duties to pay. This was seen as an excellent planning opportunity to remove wealth from an estate beyond the standard exempt allowances. However, from April 2027, the value of pension assets passing to anyone other than a spouse or civil partner upon death will be included in the deceased's estate for IHT. From that point, this may mean that existing death benefit nominations in favour of non-spouse beneficiaries will need reconsideration back to a spouse. Whilst that may compound the survivor's own liability (as they will continue to receive income and gains on the pension, to their estate as opposed to being enjoyed by the previous beneficiaries) but they will at least have more time to plan and do things to alleviate that and not losing any of the up to £1million ordinary IHT joint threshold allowance. Whilst this lessens the appeal of pensions for tax planning on death, pensions remain the most attractive long-term savings opportunity due to the tax concessions that remain. This includes **up to 45% tax-relief on contributions, tax-free income and gains within the fund, up to 25% tax-free cash availability and potentially tax-free income on retirement** (subject to other income). Remember too that pension contributions also help you keep certain other valuable benefits like the Personal Allowance and Child Benefit for parents.

There is even an argument that suggests where age permits immediate access to pension benefits, there is greater merit in retaining excess cash reserves within a pension than sitting on deposit earning interest for your bank or building society of choice. That is because, in the event of need, funds may be taken from the pension pretty easily, even if we hope that such access will not be necessary.

Junior ISAs (JISAs)

JISAs are another tax-efficient long-term investment option for those under eighteen. Returns are free from UK Income and Capital Gains Tax (CGT). Parents or legal guardians can establish a JISA for their child and then family and friends may also contribute up to the £9,000 annual allowance. There is no back-dating opportunity so after 5 April, unused allowances are lost. Your child gains access to the money at age 18 when they may appreciate help with education fees or a housing deposit for example. If a child was born between 2002 and 2011 they may have a Child Trust Fund (which JISAs replaced). To open a JISA the Child Trust Fund would first need to be transferred.

Other general investments allow you to access your annual personal CGT allowance, standing at a lower but still valuable £3,000 (down from £6,000 last year and £12,300 in 2022/23). These also allow you access to your personal dividend allowances. For more details, please contact us.

Be careful if you are encouraged to establish Investment or Insurance Company Bonds, where the equivalent of basic rate tax is deducted from your returns regardless of your tax status and whether you have used all of your available allowances or not.

As we reported after last year's Budget, from the announcements, we anticipate that investments towards Enterprise Investment Schemes (EISs) are also likely to grow in popularity for more affluent investors.

EIS

EIS is a scheme introduced in 1994 to help small companies raise funds and grow. When you, as a private investor, invest in an EIS-qualifying company, there are very significant tax breaks. These include:

- **Up to 30% Income Tax relief –** up to £3,000 saving on a £10,000 investment
- **Generous subscription allowance** – up to £1 million per tax year – up to £2million for 'knowledge intensive' EIS schemes.
- **Tax-free growth**
- **Capital gains deferral** – defer capital gains from disposals of other assets, potentially indefinitely (and free of CGT on death)
- **Income Tax Loss relief –** offset losses from failing/losing EIS assets against your income
- **Inheritance Tax relief* –** potentially pass on your investment free from IHT

So, for example, if you realise a £50,000 profit from the sale of an investment and face a CGT bill of £11,280 (after annual allowances), you can invest £50,000 into an EIS to avoid the CGT bill (permanently if held until death) and claim £15,000 in Income Tax relief. That reduces the effective net investment to nearer £26,000. They also avoid IHT on the investment if held for over two years.

Companies qualifying for the EIS are small and usually privately owned, although they can be quoted on AIM. Typically, they will have gross assets of less than £15 million at the time of investment and below 250 employees. Usually, it takes 12-18 months to fully deploy an EIS investment, so tax reliefs are not immediate. Each relief is based on the shares of each company – not the overall portfolio, so tax relief timings will be staggered. The typical lifecycle is 5-7 years. There are two key HMRC timings investors must watch: A three-year minimum holding period for Income Tax relief and CGT free gains and a two-year minimum to qualify for Business Relief.

*100% Inheritance Tax relief applies after two years (for investments held at death). From 6 April 2026 100% IHT relief on EIS private companies is limited to the first £1 million of qualifying assets (including private companies and agricultural property), with the remainder eligible for 50% relief (an effective IHT rate of 20%). Any qualifying EIS companies quoted on AIM will be eligible for 50% IHT relief (an effective IHT rate of 20%).

An EIS is a high-risk investment and investment returns cannot be guaranteed. Although an EIS can generate returns that are significant multiples on the original investment, there is also risk of total failure. However, unlike traditional investments, HMRC offers some protection via full Loss Relief. A wide portfolio of such assets is recommended, to spread the risks.

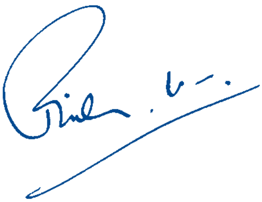
Any loss (calculated after deducting the initial relief) may be offset against other income or gains. In the above, this would allow up to £35,000 to be offset against income which could reduce a tax bill by between £7,000 and £15,750.

TAX RETURNS

Existing tax rules mean that if unsheltered dividends (from shares, Unit Trusts and Investment Trusts for example) exceed just £500 and capital gains are over £3,000, you may have to file a Tax Return for 2024/25 and perhaps in the future too. Even if the capital gains' exemption is not used, if sale proceeds from an asset exceed £50,000 this too may trigger the need for a Tax Return. When the sold asset is a residential property (but not your home) you must file the Tax Return and pay all tax due within 60 days. Dividends and gains within ISAs and Pensions remain completely tax-free of course, making the use of your valuable allowances (£40,000 for ISAs alone for a couple for example) even more important and attractive.

If you need professional help for tax and accountancy services then engage a competitively priced firm like ourselves and in advance of the situation, not scrabbling about last minute where the stresses and strains don't help anyone. Having us on side can be worth its weight to relieve the stresses and tensions alone and of course, we look into everything for you too which might involve personal guidance about opportunities to better align your finances to reduce your tax burden. That might involve employing a spouse, using all Personal Allowances, transferring the Marriage Allowance or simply paying into pensions and ISAs.

My very best wishes



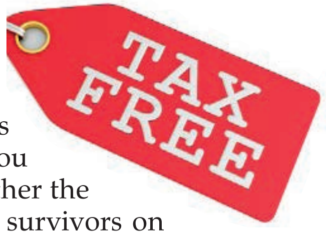
Philip J Milton
DipFS CFPCM Chartered FCSI FLIBF FPFS FCIB

Chartered Wealth Manager,
Fellow Of The Personal Finance Society,
Fellow Of The Chartered Institute Of Bankers
Fellow Of The Chartered Institute for Securities & Investment

Discretionary Managed ISAs

Typically, Market ISAs like ours receive income from dividends and interest. Often (but not always) dividend income is paid from company profits and therefore, will fluctuate over time but with an overall upward trend reflecting growth and inflation. Nevertheless, by owning a very diverse range of investments within an ISA as we do (which we offer across our entire investment spectrum), you can balance that risk as you become less reliant upon any one company or fund for income. Our mainstream independently managed ISA strategies have historically delivered income of upwards of 4% annually, without touching capital, so, far more than most and cash ISA alternatives. Presently **projected income yields are nearer to 5%** or more in fact. This is available monthly or quarterly or can be reinvested, thereby allowing us to buy more holdings for you.

We offer various different market-based strategies, including one that holds more traditionally defensive investments, that we expect to exhibit more stability during normal market conditions albeit with lower growth expectations when markets are buoyant.



Whilst ISA returns are exempt from lifetime taxes, the value does form part of the taxable estate upon death. However, where a spouse or civil partner is the beneficiary they will be able to inherit the ISA investment as it stands without the need to sell everything and start again. If you have ISAs managed elsewhere you may wish to ask whether the provider allows "additional permitted subscriptions" for survivors on death and if so, any extra costs involved. We certainly do I am pleased to report! You can also transfer poorly performing Cash ISAs to a market ISA here incidentally, to have opportunity for enjoying better tax-free returns from gains as well as income!

I am enclosing an ISA application form for your convenience for those spare funds sitting idly in the bank, building society or National Savings. Of course, if you have subscribed to a Stocks & Shares ISA elsewhere already this tax year that might limit what you can subscribe now. That might involve cancelling an existing ISA monthly direct debit and instead setting one up with us, which we shall be happy to arrange for you. ISAs elsewhere can be transferred to us of course, keeping the tax exemptions.

The sooner you use some or all of your £20,000 allowance both before and after 5 April, the sooner your money can deliver tax-free returns, whether for your future retirement, increasing the possibility of early retirement or for income to enjoy now. So don't delay till our reminder this time next year if you have money to invest! For examples of the available strategies please visit www.miltonpj.net/services/discretionary-wealth-management.

More information is available on request.

Discretionary Managed Pensions

How many investments do you know that:

- Provide immediate tax relief on contributions of at least 25% (even for non-taxpayers), potentially much more,
- Allow all income and growth to accumulate free of taxes,
- Avoid inclusion of details in Tax Returns,
- Allow families (where at least one individual earns over £60,000 annually) to reclaim Child Benefit*,
- Allows individuals earning over £100,000 the opportunity to reclaim their lost Personal Allowance*,
- Offers complete flexibility regarding withdrawal of benefits from age 55 (57 from 6 April 2028)**,
- 25% of the pot can be taken as a tax-free lump-sum or taken in stages,
- Benefits remaining on death may be inherited by a spouse or civil partner free of Inheritance Tax (IHT)

** This is because the pension contribution (with added tax relief) reduces the assessable income amount to determine eligibility to the allowance and benefit.*

***Not all pensions (particularly older style plans) allow this flexibility which didn't exist when they were established so it is worth checking what options you will have in the future. Some insist on transferring to another in-house newer pension plan but that usually comes with costs and a period of time when your money won't be invested. Investment choices may also be restricted to the provider's own funds.*

Well, the answer is of course, pension investments. Again, we manage a wide range of Pension strategies as existing investors will know and again, **income from mainstream strategies is around 5%**. These will suit investors seeking a more cautious approach right the way through to those seeking a little more spice! **For more details of available strategies, again please visit www.miltonpj.net/services/discretionary-wealth-management**.

See below for details of our competitive charges.

Charges

Initial Charge	Nil
Initial Transaction Charge	1%
Annual Management Charge	1.5% (ISA) 1.25% (Pension). No VAT.

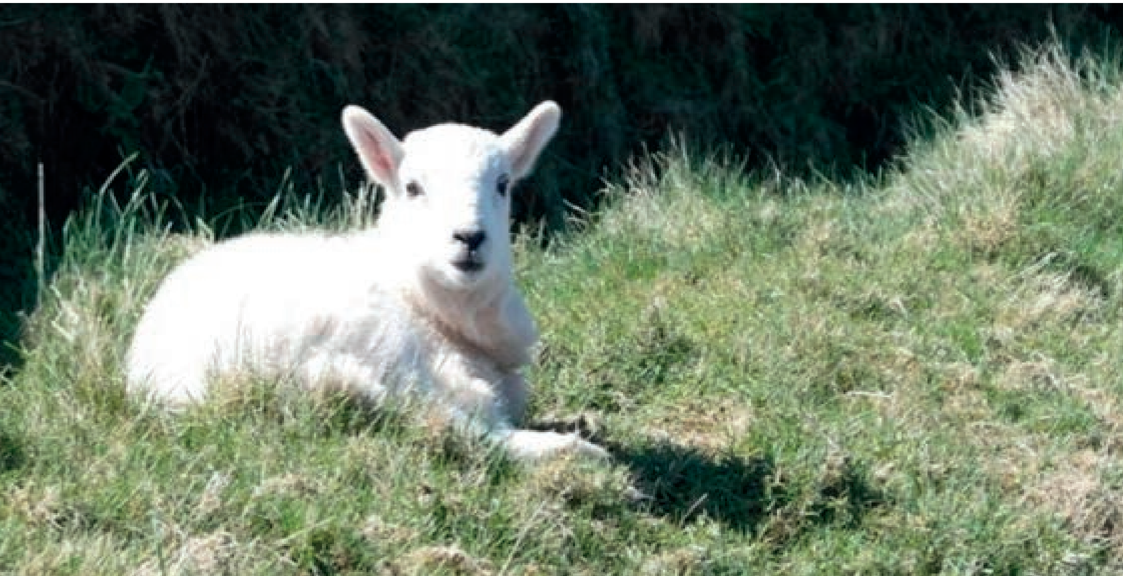
Annual Fund Charges	0.12%* (estimated for our mainstream strategies)
Administration/platform fees	Nil
Withdrawal Fee**	Nil (assuming cash transfer/withdrawal)
Investment Limit	From £1,000 lump or £50 per month
Reporting Dates	January, April, July, October
Ongoing Adviser Reviews	Nil

**Some collective investments enjoy independent management for which a small extra charge applies within their funds. **Subject to optimum withdrawal terms. Transaction charges also apply annually to buy and sell holdings of course. For full terms, please refer to our Discretionary Client Agreement, available upon request or on our website.*

As time is running short, please do let us know if you have any questions or wish to transfer your ISA/Pension subscription directly to our Client Trust Account, with paperwork to follow. If you are considering further investments and seek specific advice before doing so, please contact us and we shall try to guide you on the next steps. However, if you wish to add capital without needing advice then we are happy accepting your investment on an “instruction only” basis upon your request.

Investment Application Deadlines for 2024/25

Please bear in mind that this year’s deadline of **5 April falls on a Saturday** when we are closed. Therefore, please ensure that any late contributions are cleared and with us by close of business on Thursday 3 April at the latest, preferably much earlier!



Returns and Benchmarks

As noted in the 5 January valuation reports, we are delighted to begin publishing the aggregate performance of each of our investment strategies for a series of time periods. For each strategy we have selected an appropriate benchmark so you can consider their absolute and relative returns over different periods. The table will be updated with each new month and typically four weeks after month-end. Details can also be found on our website, www.miltonpj.net by navigating through the Services' tab and then clicking on "Portfolio and Benchmark Returns".

Investment performance information is important, although we stress that it is far from being the only factor to consider when assessing the quality of an investment management and financial planning service. Other important aspects must include the quality and care demonstrated by the Firm to its clients, additional financial and tax planning guidance, costs and capital preservation.

Should you have any queries regarding the published data, please do contact us.

How have we fared? Overall, we remain very satisfied with the returns we have delivered for investors, achieved through careful ongoing consideration of market conditions and opportunities. We actually managed to hold many of the FTSE 100 Index's Top 10 risers for 2024, not necessarily by design but in general terms, it was because we held deep value assets (in our view) and finally the markets began to appreciate the attractions. However, could we have predicted that list? No.

Avoiding many of the bigger losing stocks and sectors was another major contributing factor in delivering very pleasing results for our highly valued customers and we shall continue to do our very best for them as we anticipate more value will be unlocked from incredibly cheap domestic markets particularly, over the coming months and years. However, we are not constrained and buy whatever we believe is best for clients, from anywhere in the world!

Custody and Dealing Partner Change

Previously the custodian for clients' Portfolio, Pension, ISA and JISA investments was FIS Platform Securities (FIS). We can confirm this this will soon be changing to Winterflood Business Services (WBS), a company we have used previously. Winterfloods is a wholly-owned subsidiary of Close Brothers Group plc, a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading. The group employs around 4,000 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange.

There is nothing you need to do regarding this change and your investments are unchanged. Rest assured we have completed appropriate due diligence on both WBS and Close Brothers and know they will be the perfect fit for us moving forwards.

Unsolicited Client Testimonials – Thank you!

Thank you so much for your assistance with my Mum's estate,
it really did make my job a lot easier.
JB 15031 Kent January 2025

Thank you for your assistance in this matter, you have been very efficient.
I have been very impressed with the service provided.
LS Sevenoaks January 2025

Thanks for all your hard work throughout the year, have a well-earned break!
SH Dartford December 2024

Thank you to your firm for the help I have received during the last few months.
I feel so fortunate to have the kindness and care over financial matters
which has been shown to me – Scott is a star! Keep up the good work!
JT Barnstaple December 2024

Life is not easy when you lose a loved one after 59 years,
but you have made the probate process very easy and
straight forward and for this I am very grateful.
EA Barnstaple October 2024

I want to thank PJM & Co for being so helpful to my brother whilst he was
alive to assist in him obtaining compensation and to thank everyone since
his passing in assisting me. I feel that you are a caring company.
CH Hereford April 2024

I am so very grateful for the substantial amount of time that Scott has
given me and also for all the help that Philip have given me in the past.
RC Torrington April 2024

Poor Investment

Is it a sad indictment of our 'political correctness' to frighten investors away from holding things linked to the markets, because has this resulted in **UK savers having the smallest exposure to shares in the whole G7** (ignoring pensions)? Abrdn's report suggests UK citizens are very poor at benefiting from the opportunities which shares offer and certainly from our perspective, the 'risks' are over-played and the rewards underplayed.

Indeed, I read of a wise suggestion that cash accounts should have risk warnings on them – not necessarily about the regulated institution which holds your deposits but that inflation can mean your capital falls in real terms, that interest rates can drop to zero too and the opportunity loss of not having better returns elsewhere. It would certainly make people stop and think and of course, 'we' have far too high a reliance on residential property as well, slightly below Germany and France in the percentage of personal wealth overall. On cash deposits we are third after traditional savers Japan and Germany.

Ignorance has something to do with it. The regulatory machine is making it even harder for people to access independent financial advice. Even then, costs have escalated too. That doesn't result in 'best outcomes'. The culture must change; it used to always be that cash deposits were for short-term/emergency savings and 'proper investments' for the rest.

With low interest rates (like now) that holds sway more than ever, especially as a running income from 'alternative investments' can exceed the interest received on cash, before even thinking about capital gains and increases in that income later. Indeed, in the worst-case scenario, people become susceptible to being frightened into the arms of unregulated scams to 'invest' as they don't know where else to turn, or highly speculative and doubtful 'crypto currency', wine, whiskeys, art or even holiday caravans!

Your Feedback

As part of our ongoing efforts to improve the quality of our customer services, we would be extremely grateful if you were able to spare a few minutes of your time to provide your feedback concerning the quality of our advice and services. This is to help ensure that we continue to meet our clients' expectations to provide the very best customer experience but also to highlight any areas where we may have fallen slightly short and where we may need to introduce changes to what we do.

If you would like to help us with our research, this may be done in one of two ways. Firstly, you may visit our website and **select Services and then click on Documents, you will find our Customer Feedback Survey link in the Questionnaires' section**. Alternatively, we are able to post or email you the survey for you to complete and send back to us.

Hopefully, you will find the short survey straightforward and I can assure you that your feedback (both positive and negative although hopefully more of the former!) will be given our full attention. Many thanks if you are able to assist us.

Our Club

If you are part of our efforts in that we look after some capital for you, you are a member of an exclusive and Elite Club. Well done! I am not saying this as self-adulation but I laud you, our valued client, to help you appreciate that. We have always been too modest about our service quality and what we try to achieve and it's time we stopped hiding our light under a bushel!

This industry relies heavily on trust. Sadly, there are still many out there who abuse that - and often in the worst forms, defrauding innocent or naive people by scams. There are also some whose advisory guidance and work favour the salesman and their firm rather than the true best interests of their client. This can manifest itself in investment churning to generate fees or hefty subscription charges (of up to 6% of your capital – ours are zero in comparison!). It is a shame the whole industry is then tarnished by this behaviour. We are not all like that and we hope you realise that!

We have never abused clients' tremendous trust in us. We are imperfect, however and all we can ever guarantee you is that we shall do all we can to care for you and your capital to the best of our abilities. We use every sinew in our bodies to do that and with a great staff team sharing our principles. As a Business, we do nicely by helping you and making sure that all actions we take have your best interests at heart, taking long-term business judgements and not those short-term 'stings' still so prevalent in all forms of business these days.

Turning to investments and our careful management and direction of these, not everything we buy will do what we may expect or want. We use many disciplines to protect us and you, **spreading capital as widely as possible and over so many different asset types**, from commodities like gold, metals and agricultural products to currencies, shares, bonds, loan funds, insurance underwriting companies, energy funds and commercial property funds and well, whatever exists; if we think it is good value, it may find its way into our strategies for you. We have no constraints and are staunchly independent and so **many of these asset types can be found in your ISAs, Pensions and Portfolios**. Our systems are unique and built to our own specification and yes, I even pay the Firm to manage our own money – albeit with a staff discount I should add! That is the best way of knowing that the decisions needing to be taken with our own capital are taken when they should be too – otherwise, would we get around to doing it?

We spread clients' money very, very widely and **our largest holding has a value of £5.9Million, a collective Investment Trust spreading the money itself. That said, it is still only 2.3% of our clients' total assets!** We do not know any investment manager who believes in the extent of diversity we do. As clients' costs are all percentage based, in effect it makes no difference whether we have one holding or fifty – aside from a longer report and far more work for us! The last few years proved the significant merit of this approach, both in chasing best opportunities wherever in the world they arose and in whatever asset classes we see value but also to completely avoid certain other sectors and markets to protect us against bad events, even with fund managers who can fail or under-perform, however wise the initial choice seemed. That holding is only so big because it has done so well and we have chosen not to trim it yet. Last summer the biggest asset was 1.6%!

Then there are the charges. Yes, all of us must be aware of the costs of management of capital and access to those services and as a Firm, we strive constantly (and have been successful in our efforts) to reduce these for clients. However, as consumers we are mistaken if we imagine that it is in our own best interests to drive the costs down to such low levels so firms disappear or if they have to default to a poor and bland service simply to meet the cost demands imposed upon them. There is balance. (And some of the new firms are unlikely to survive as they keep making colossal losses - and that will cost their investors big charges and hassles in time unfortunately).

We had so few of our thousands of clients withdraw any money during the troubles of the last few years. Why? In part because we communicated so regularly with them, sharing our constantly evolving view. We assessed and reassessed things and concluded it was imperative to stay invested and indeed to subscribe spare cash to such cheap assets, the more they fell. Did you do that?

Even for clients needing funds, we liaised with them individually to suggest deferment, even short-term or to consider alternatives. The vast majority was wise and thus saved significant sums as a result – potentially thousands of pounds. Do we charge more for that extra care? No, but it certainly creates lots of extra work for us but it is what we think is the right thing to do.

Non-clients 'out there' often have no advisory help anywhere during the worst times – just when they need it most! Their emotional reactions are more likely to be 'panic and sell' and certainly not further investment at the cheapest times. They rely upon TV and Social Media 'news' and 'opinions' which exaggerate the fears and threaten even worse to come.

We have the confidence of our longevity, experience and qualifications to do what we believe is the right thing even when it is the most uncomfortable time ever – and that means for us and our staff too. And don't think we are immune to what is happening at any given point – we are not.

So many managers and advisers, institutions alike, increased cash balances during the worst of times in recent years rather than reducing them too, missing the best of the tremendous recovery.

Most people are driven by what the crowds do so the worse the conditions, the more likely they are to withdraw money, suffer losses and sit on their hands, only investing much later when things are 'nice and settled' and have risen significantly – they buy high and sell low.

Our clients know that being in our Elite Club, additionally **they qualify for free advice and guidance on the capital we manage for them** (and usually plenty more help besides) and its ongoing suitability for their circumstances. This is frequently worth thousands of pounds because it is also financial planning advice, highlighting sensible tax-planning ideas and financial incentives unique to their circumstances, as well as plenty of opportunities about which they may not know. This covers those with little money to multi-millionaires alike.

Charity Updates

Philip J Milton
& Company Plc
Charitable Foundation
Investing in the future - today

Charitable Foundation

Our own charity, the Philip J Milton & Company Plc Charitable Foundation acts both as a recipient of our own and others' donations and looks to gift additional funds to local good causes. Enquiries are welcomed.

The Charity's Objectives are to provide grants to any of the following as the Trustees see fit:

1) Any UK registered charity operating in the areas of education, poverty relief, disaster relief or Christian activity

2) Any organisation operating in the North Devon region to benefit local community facilities, the arts or culture for the public benefit

3) Any individual anywhere in the world for the purpose of education or training, poverty relief or medical treatment

4) Any organisation assisting in the development of programmes for financial education including budgeting, basic finance, home economics and basic culinary skills

Whilst wide-ranging, some core objectives are intended to be pursued, including financial education to the poor in our local area and to consider if a suitable programme is possible to roll-out more widely.

If you feel your 'cause' would qualify for a donation, please do contact us in writing providing details. Last year, we were pleased to be able to support many worthy local causes.

If you would like to support the Charity, please send your donation to: 'The Philip J Milton & Company Plc Charitable Foundation', Choweree House, 21 Boutport Street, Barnstaple, Devon EX31 1RP. Thank you!

Christmas Appeal

We were asked if we would support the North Devon Against Domestic Abuse (NDADA) Christmas Appeal to help buy essentials for women and especially children living in the charity's Refuge here in North Devon, who have often had to flee with nothing and literally for their lives in some cases.

Domestic abuse can be found in any community and any walk of life – we're no more immune to it here than anywhere else. At Christmas especially, it is unthinkable to most of us what these children may have endured in their short lives.

Well done to our staff who donated – as a result the Charitable Foundation was able to match fund and Gift Aid their donations and give £250 to the appeal.

The funds went towards buying Christmas 'luxuries' for those families and especially children living at the Charity's refuge, who would otherwise have been left with very little at Christmas having been forced to flee their homes due to abuse, so hopefully our efforts helped to give them a little much-needed Christmas cheer.

Amigos

Our corporate sponsorship is currently being used to sponsor a student of Kira Farm in Uganda, where young people can enrol in a one-year programme focusing on three main areas: conservation farming, vocational training and holistic life skills.

Amigos hopes to play its part in helping people to change their lives. Whilst only 17% of young people are employed in Uganda, 100% of Kira graduates are in employment.

You may recall last year we sponsored Justine, a bright, ambitious young man with a good command of English and full of life, despite coming from a humble family which has endured so much hardship. We received this update from him at Christmas following his graduation from Kira.

My experience at Kira Farm was life-changing and opened doors I never thought possible. During my time there, I received hands-on training in carpentry and masonry, skills that gave me a sense of purpose and direction. The training was intense but rewarding, and with every lesson, I felt more confident about my future. I learned how to design, measure, and construct with precision — skills that I knew would be useful back home. Beyond technical skills, Kira Farm also taught me valuable life lessons about hard work, discipline, and how to think creatively about problem-solving. For the first time, I felt I had control over my future. The supportive environment at Kira inspired me to dream bigger, knowing that I had something valuable to offer my community and family.

After graduating from Kira Farm, I returned to Kitgum with a renewed sense of purpose. With the skills I had acquired, I began taking on small building contracts in carpentry and masonry. These contracts earned me around 40 pounds per month, which helped me support my wife and son, Bahati Eric. While I was grateful for this opportunity, I wanted to continue growing my skills. Another opportunity soon came my way, a chance to train in motorcycle mechanics. I embraced it wholeheartedly and successfully completed the training. This opened up a new chapter in my life, and I now work at a garage where I earn about 80 pounds per month. The income allows me to provide for my family, ensuring my son has a brighter future. My journey has not been easy, but every challenge has made me stronger. From farming and carpentry to motorcycle mechanics, I have learned that growth comes from seizing every opportunity and remaining focused on a better tomorrow.

Tearfund

We have also supported Tearfund again this year with its Seeding programme.

Time Costed Charges for particular services

We regret that due to ongoing inflationary pressures and those created by the Government's October Budget, we are again in the difficult position of needing to increase our time-costed fees for formal financial and retirement planning services and those regarding Trusts, Tax Returns and Accountancy. Inevitably, staffing and other general costs (including those associated with regulation) have escalated and therefore, we must pass a small amount of that on. For further information on the changes, effective 1 March, please contact the Office. We should stress that this does not affect the charges paid for our discretionary wealth management services which remain at incredibly competitive levels for the service provided and we continue to offer investors complimentary reviews of their managed investments with us.

Discretionary Client Agreement Changes

PP7. Subject to any special factors, such as stock suspensions, final payments after liquidation should conclude within six months. Express interim payments are possible, subject to an extra fee of £30 per demand. Residual accrued total sums below £25 per account, per distribution point, are retained by the Firm. Unclaimed amounts, after the firm has exhausted all reasonable efforts to return them to rightful owners will be paid to a charity of the Firm's choosing.

D3. (a) For our discretionary managed ISAs, Junior ISAs, Pensions and Portfolios, we use Quai Administration Services Limited (of 16 Tesla Court, Innovation Way, Peterborough, PE2 6FL) as our administrator. Quai has appointed Winterflood Business Services (WBS) to provide the dealing and custody services. All investments within managed ISAs, Junior ISAs, Pensions and Portfolios are registered in WBS's nominee name. All assets within managed Transact Pensions, Bonds and Portfolios of Securities are registered with Transact Nominees Limited of 29 Clement's Lane, London, EC4N 7AE, a 100% subsidiary of Integrated Financial Arrangements Plc. Underlying beneficial ownership remains with the Client who retains all rights attributed to investments held (such as voting). The Company cannot be held responsible for any exercise or failure to exercise any such rights.

(b) It is confirmed that by signing this Agreement, the Company can register Clients' discretionary managed investments in its administrators' nominee names or any other nominee name the Company may in future see fit to entrust such investments. The Company accepts responsibility for ensuring that WBS and Transact (or any subsequent custodians) have continuing status as eligible custodians.

(c) Funds are segregated from WBS's own assets and those of other firms, under omnibus accounts for clients' assets held in trust and independently audited. There is a separate omnibus account for the Pension and also the ISA and Portfolio. Within the account, our administrator registers individual assets to each Client and reports your holdings accordingly. However unlikely, if there were losses on the overall account as a result of a default or insolvency of an independent custodian these would be shared equally between clients.

New Tax Rates & Allowances

INCOME TAX

Main personal allowances and reliefs		**24/25**	**23/24**
Personal allowance*		£12,570	£12,570
Marriage/civil partners' transferable allowance		£1,260	£1,260
Rent-a-room relief		£7,500	£7,500

**Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000*

UK taxpayers (excluding Scotland)		**24/25**	**23/24**
non-dividend, non-savings income			
20% basic rate on taxable income up to		£37,700	£37,700
40% higher rate on next slice of income over		£37,700	£37,700
45% additional rate on income over		£125,140	£125,140
All UK taxpayers			
Starting rate at 0% on band of savings income up to**		£5,000	£5,000
Personal savings allowance at 0%:	Basic rate	£1,000	£1,000
	Higher rate	£500	£500
	Additional rate	£0	£0
Dividend allowance at 0%:	All individuals	£500	£1,000
Tax rates on dividend income:	Basic rate	8.75%	8.75%
	Higher rate	33.75%	33.75%
	Additional rate	39.35%	39.35%

***This reduces by £1 for every £1 of other income you receive in excess of your personal allowance until it reaches zero*

High Income Child Benefit Charge: 1% of benefit per £200 (£100 23/24) of adjusted net income between £60,000–£80,000 (£50,000–£60,000 23/24)

Registered Pensions

Money purchase annual allowance	£10,000	£10,000
Annual allowance*	£60,000	£60,000

Annual allowance charge on excess is at applicable tax rate(s) on earnings

**Reduced by £1 for every £2 of adjusted income over £260,000 to a minimum of £10,000, subject to threshold income being over £200,000. Even if you have no earnings, you can still pay in up to £3,600 a year to a pension – that's £2,880 from you, with the taxman adding £720.*

Tax Incentivised Investments

Total Individual Savings Account (ISA)	**24/25**	**23/24**
limit excluding Junior ISAs (JISAs)	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
JISA and Child Trust Fund	£9,000	£9,000
Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£200,000	£200,000
SEIS CGT reinvestment relief	50%	50%

**Above £1,000,000 investment must be in knowledge-intensive companies*

CAPITAL GAINS TAX (CGT)

Annual exemption:	Individuals, estates, etc	£3,000	£6,000
	Trusts generally	£1,500	£3,000

	30/10/24 to 5/4/25	6/4/23 to 29/10/24
Below UK higher rate band Tax rate	18%	10%
Surcharge for residential property/carried interest	0%/0%	8%/8%
Within UK higher and additional rate bands Tax rate	24%	20%
Surcharge for residential property/carried interest	0%/4%	4%*/8%
Trusts and estates Tax rate	24%	20%

**For 23/24, surcharge for residential property is 8%*

INHERITANCE TAX

	24/25	23/24
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£175,000	£175,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000

**Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death †Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000*

100% relief: businesses, unlisted/AIM companies, some farmland/buildings

50% relief: certain other business assets

Annual exempt gifts of: £3,000 per donor £250 per donee

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