

14 June 2006

Warning; Offshore Tax Alert.

The HM Revenue & Customs has won the right to force Barclays Bank to reveal details of their customer's offshore accounts. We predict that other banks will be forced to follow; hundreds if not thousands of UK residents will face hefty retrospective tax bills, in fact there could be over £1bn from Barclays customers alone, says a protected source.

For anyone who might be worried, the good news is that the Revenue will reward co-operation. If you have failed to declare income and the Revenue decides this is due to negligence rather than fraud, be warned that they can go back up to six years and impose a penalty of up to 100% of the tax due.

However, if fraud is suspected, they can go back 20 years and enforce a 200% fine. Always remember "fortune prefers the prepared mind" as I have always said! Another quote might be "Ignorance is no excuse" as the Inland Revenue like to say! If you plan to reside in the UK in the future or carry a UK passport and currently live overseas **get your affairs in order; free advice e-mail or call us on 6221 5852891 before Friday the 16th of June.**

RIO predicts that Warren Buffett is likely further reduce his exposure to US Dollar, further acquisitions imminent!

To the 24,000 admiring investors gathered in Omaha for Berkshire Hathaway's annual meeting, Warren Buffett "can walk on water", said the FT. My comment is it's fitting therefore that his quest for value has now taken him from the Midwest to Galilee. The \$4bn purchase of an 80% stake in Iscar, an Israeli metal-cutting tools business, is I feel Buffett's boldest acquisition to date and speaks volumes about the difficulty of finding under-valued takeover targets big enough to make a difference to Berkshire's overall performance.

RIO believes that more acquisitions will follow and strongly feels that Buffett is desperately trying to reduce Berkshire's \$43bn cash pile and will continue to buy companies with non-Dollar earnings as this an excellent way for him to hedge against a falling dollar. This investment guru obviously concurs with RIO position on the dollar, "the US dollar is stuck between a rock and a hard place" We predict that Buffett will invest \$30bn over the next two years; he will have already earmarked a percentage of this for the utilities sector, which he is known to favor.

RIO Club members who have not yet taken advantage of our UK Sterling based investment opportunities should perhaps consider these as a hedge against the USD, both RIO Income Bond and the RIO Prestige Performance Fund have already proved to be valued assets in any members portfolio. For details on either of these investments please e-mail us of your potential interest to

William Gray
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