



# ELMAN WALL

CHARTERED ACCOUNTANTS • BUSINESS & TAXATION ADVISORS

# INSIGHT

## Welcome



Welcome to our new look newsletter. As part of our efforts to improve how we communicate with our clients, contacts and friends, we have created a new look to our printed newsletter which we will produce two or three times a year. The newsletter is now more personal and relevant to our clients, and hopefully a little less sterile than before.

If you have any comments on it, good or bad, please do not hesitate to let us know. Please phone me or e-mail [jonw@elmanwall.co.uk](mailto:jonw@elmanwall.co.uk).

We have also created a new website – see adjoining article – and will be sending monthly news roundups by e-mail as well as special bulletin style e-mails covering specific issues.

We are very aware from what we receive in our own inboxes, that none of us want to be bombarded, but we do want to be kept informed of areas that affect us. We will try to get the balance right!

Jonathan Wall

It is amazing how the web world has changed in the three years since we created our last website.

We decided that it was time to freshen up our look and are never sure if we are delighted or embarrassed that people tell us the best bit is the photos of our Christmas parties!

We had the objective of creating a well-designed site that was both attractive and user friendly, that expressed our enthusiasm and belief that business can be fun, and contains a host of really useful tools and resources.

We are thrilled that our new site is now up and running and hope that you will visit it very soon. Please let us know what you think of it.

If we have your e-mail address, we will already have e-mailed you with log in details to our “members” area, which contains the sign ups for our newsletters and access to a host of downloads. If you haven’t heard from us, please e-mail [audrey.kearney@elmanwall.co.uk](mailto:audrey.kearney@elmanwall.co.uk) and type “subscribe” in the subject box and she will arrange your access.

We are hoping to make our website an intrinsic part of our ongoing relationship with our clients and will shortly add aspects such as client “lockers” in which clients will be able to securely store key documents we produce for them such as their final accounts or tax returns and be able to download them at will. Watch this space.



# PAYE Matters!

Have you recently had a visit from the Revenue's Employer Compliance Unit? With Spring turning into Summer (or at least that's the theory) this is the Revenue's favourite time of year for considering the PAYE procedures of employers.

There is a plethora of forms to be completed – P35s, P14s, P11D(b)s, P11Ds, P9Ds, P42s etc. – and tight deadlines to be met. In addition there are some “hot” topics at the moment that the Revenue are increasingly paying attention to.

For example, status determination still remains an important issue – are individuals really self-employed or should they be treated as employees? e.g. subcontractors in the construction industry, consultants generally and individuals working on an occasional basis – and the Revenue have recently even launched a special programme on their web-site [www.hmrc.gov.uk/calcs/esi](http://www.hmrc.gov.uk/calcs/esi) which automatically suggests the correct status of such individuals.

But more often than not, the Revenue are interested in those who do not meet the compliance procedures surrounding PAYE forms, as they have the ability to charge hefty penalties for failures.

Such penalties are not only imposed for major errors, but also for simple oversights – e.g.

correcting fluid used on a P35, staples used to batch together P14s, National Insurance numbers omitted from P11Ds. However it's not all bad news, and this is also the time of year when, with a little bit of planning, the hassle for future years can be reduced. Take for example, Forms P11D.

Many employers assume that these forms are simply to record benefits in kind such as company cars and private medical insurance. In doing so, they inadvertently omit the reporting of reimbursed expenses, for example, travelling and subsistence costs, from the forms. Technically, the forms are therefore wrong and could lead to a penalty of £3,000 each return. The solution is to apply for a Dispensation. If the Revenue are satisfied with the internal accounting procedures being operated as regards the treatment of expenses paid or reimbursed, then they will issue a dispensation – a notice of nil liability. This means P11Ds will no longer need to incorporate all the reimbursed expense details. Not only does this reduce the risk of incorrect forms being submitted, but also saves time (and costs) in dealing with P11Ds.

Our Tax Team can explain more – contact Russell Eisen or email him at [russell.eisen@elmanwall.co.uk](mailto:russell.eisen@elmanwall.co.uk).



Next years tax return for free?  
Simply refer a friend or contact who becomes a personal tax client and we will prepare your 2007 tax return for nothing. Please call Russell Eisen or e-mail him [russell.eisen@elmanwall.co.uk](mailto:russell.eisen@elmanwall.co.uk)

We are very much a one-stop shop – we have an enormous variety of clients and contacts providing all kinds of services. If you don't know where to turn, call us and see who we know that could possibly help you.

Please let us arrange quotes for all of your financial requirements, be it for cars, refurbis, loans, overdrafts, factoring or leasing.

We charge for providing mortgage references as they are generally very time consuming to prepare and follow up on. If you don't want to pay this, simply let us provide you with an alternative mortgage quote and we will happily waive our fees.

## The Revenue Wins Barclays Bank Case

"Following recent media publicity it is apparent that some customers or their representatives wish to contact HMRC to make disclosures in respect of assets held offshore, where there may be unpaid duties."

So ran the announcement on the Revenue's web-site, a few weeks ago following their victory, before the Special Commissioners, against Barclays Bank.

At stake is an estimated £1.5 billion of unpaid tax – and thus, this case has enormous implications for everyone.

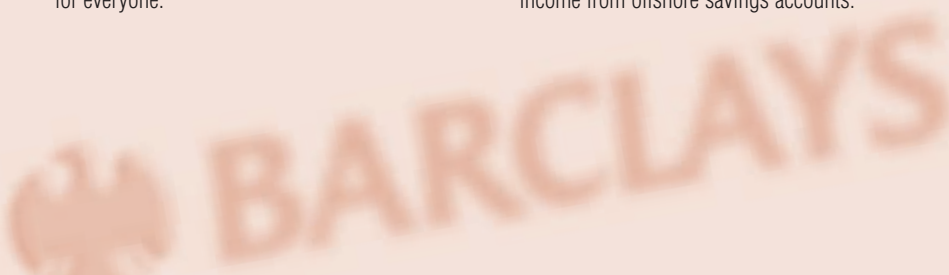
The case was about whether Barclays could be forced to disclose to the Revenue the names of UK based individuals who held bank accounts offshore, for example in the Channel Islands. If they did, then it would be a simple checking procedure by the Revenue to see if these accounts, or interest earned from them, had been declared on tax returns.

This follows a similar case earlier in the year where another Special Commissioners' decision gave the Revenue power to require financial institutions to hand over customers' credit card details, again as part of efforts to find undeclared income from offshore savings accounts.

Whilst there is no accusation of Barclays being overtly involved in, it does show how serious the Revenue are now getting about tax evasion. It is likely that all banks will now come under the same scrutiny.

So how does this affect Elman Wall clients? Simply, that where you have a bank account held with an offshore bank, possibly used to collect rents on a foreign rental property, or used as part of your non-UK business, you need to ensure that details are correctly included on annual tax returns. You need to assume that the Revenue may already know what accounts are held!

Our Tax Team can explain more – contact Russell Eisen or email him at [russell.eisen@elmanwall.co.uk](mailto:russell.eisen@elmanwall.co.uk).



# Human Resources and Personnel

We have always taken the view that we are a business hub for many of our clients and actively look for third party relationships which we believe will benefit our clients. We usually make an introduction to the expert and thereafter our clients enjoy a direct relationship with them. One area that has seen huge growth in recent years is HR and Personnel. We, like many of our clients, don't have the need for a full time, high quality, Personnel professional but we do need proper documentation and procedures (which we need to follow); we do have employee issues to deal with from time to time which can have serious implications for all concerned if problems escalate, and sometimes we do need help recruiting.

To meet our needs, we work with an excellent business offering an HR Protect Service covering:

- An employment protection liability insurance which covers employment tribunal awards, out of court settlements and legal costs with high indemnity limits and no excess.
- An advice centre, consisting of forty qualified employment lawyers and barristers operating 24/7 to answer any question relating to employment issues.
- Dispute Management – in the event of a claim, they manage the complete process including defence preparation and full tribunal representation.
- Access to a complete set of "best practice" employment documentation which is delivered via their dedicated website. This covers standard and up to date documents on areas such as employment terms and conditions;

contracts of employment; employee handbooks; policy and procedure statements etc.

- Comprehensive "frequently asked questions" section of the website which generally will provide model answers to standard queries.
- Regular newsletters updating clients on legislative and best practice changes.

We use the service ourselves, and have negotiated special rates for our clients. For example, an Elman Wall client with 15 employees would be charged £300 plus VAT per month under a three year contract. We believe this is an excellent package, at a very competitive price and is often cheaper than having one matter a year dealt with by an employment lawyer. For more details, please do not hesitate to contact Jonathan Wall.

We have also been able to introduce our clients to a bespoke HR and Personnel specialist who advises companies employing more than five staff, on a project by project basis. She offers help, advice and guidance across the whole spectrum of managing people, whether it's selecting and recruiting employees, training and developing existing staff or helping manage difficult situations at the "coalface". This gives a tailored solution to a company's individual issues, and again, provides directors and owners with the support they need, but which is generally only available to larger corporations.

If you feel your business could be lacking in its HR, Personnel and employment needs, then you may want to consider these options. Please contact Jonathan Wall ([jonw@elmanwall.co.uk](mailto:jonw@elmanwall.co.uk)) or a member of the team and we will give you more details.

# Elman Wall Travel Team

We have clients and specialist knowledge in a wide range of sectors, but none more so than in the travel industry where we probably act for more owner managed and regulated tour operators than any other firm in the UK.

We thought it was only right that we dedicated a small area of our newsletter to our many clients and contacts in the travel industry.

If you are still reading this and don't work in travel, then please talk to us before you book your next holiday. We will gladly recommend you to some wonderful companies offering high quality holidays and adventures to an amazingly diverse range of destinations.

2006 has changed the face of tour operating forever. We are still awaiting the Court of Appeal's decision as to whether ABTA or the CAA have the correct interpretation of the word "package" and will give advice when there is some finality in this long running saga.

We are broadly supportive of the CAA's proposals to replace bonding with a levy, but do feel that the compliant are being hit at the expense of the cowboys who seem to be able to get away with failing to protect their customers without consumers realising it. A very un-level playing field.

Together with the changes in ABTA's own rules and requirements, and terrorist and natural events affecting various regions, there has never been as much threat and uncertainty in the industry. However, this also creates plenty of very positive opportunities. Surely, there has never been such a need to use professional advisors, such as ourselves, who really understand their clients' business, and the industry it operates in.

We are planning to host a seminar covering these and other issues, once the legal position becomes clearer. Don't hold your breath, however, as this could end up in the House of Lords or even the European Courts.



# Don't be stupid!

A recent report by the National Consumer Council (NCC) makes interesting reading. Entitled 'The stupid company: how British businesses throw money away by alienating customers', the report mainly focuses on larger businesses and how they all too often offer poor customer service. Something, according to the report, that results in 'damaged profits' and which can in some cases lead to their demise.

The good news is that as well as highlighting how businesses all too often get it wrong, the report also includes a consumer checklist for business success. The checklist includes some straightforward advice to help ensure you keep your customers happy.



## Five ways businesses get it wrong

### • Incompetent and ineffectual

A 'stupid business' is slow moving, patronising and apparently incapable of getting the easy things right.

### • Inflated expectations and broken promises

A 'stupid business' over-promises and under-delivers.

### • Sell, sell, sell

A 'stupid business' is obsessive about making a sale.

### • Impersonal and robotic

A 'stupid business' appears distant from consumers and deals with them in a clinical and sometimes uncaring manner.

### • Sneaky and dishonest

A 'stupid business' believes it can succeed by misleading customers and then being underhand and evasive.

## A checklist for success!

### • Provide continuity and ownership

Have good systems in place so that the same member of staff deals with an individual customer from start to finish and a culture in which people take pride in sorting things out for customers.

### • Show respect and honesty

Be straight about costs, times and targets and explain complex things simply.

### • Give the personal touch

Encourage staff to treat customers like individuals and to show initiative.

### • Reward existing customers

Acknowledge repeat business and provide incentives for loyal customers.

### • Provide aftercare

Do not forget your customers after they've bought something; instead check that they are still happy.

The full report is available from the National Consumer Council,  
[www.ncc.org.uk/publications/stupid\\_company.pdf](http://www.ncc.org.uk/publications/stupid_company.pdf)

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# Office Heroes!

Meet our front of house team, Audrey Kearney who has been with us for 6 years and her new assistant Lianne Wood, who has been with us for 6 weeks.

These ladies are our "Smile Directors"! They greet you on the phone and when you come to visit and hopefully give a great first impression of our firm. Nothing is too much trouble for them and Audrey especially has accommodated some very strange requests from clients over the years which she has nearly always been able to achieve.

They are the multi-tasking stars, and whilst they are calmly talking to you on the phone, usually have dictaphone headphones in their ears, a courier standing in front of them and clients to settle into our meeting rooms. They also keep the rest of us in shape and not much goes on without them knowing about it. Where would we be without them?



# Competition Corner

A pair of top price tickets to "We Will Rock You" at the Dominion Theatre to the first person drawn out of the hat on 1 July with the correct unravelling of these 5 anagrams of Queen songs:

1. Who Emancipates Her
2. Belt For Dogmatist
3. Bash My Radiophone
4. Peruses Red Urn
5. Lowlier Cow Yuk

Please send your answers to  
[audrey.kearney@elmanwall.co.uk](mailto:audrey.kearney@elmanwall.co.uk)

