



ELMAN WALL

CHARTERED ACCOUNTANTS • BUSINESS & TAXATION ADVISORS

5-7 John Prince's Street London W1G 0JN

Tel 020 7493 9595 Fax 020 7493 8585

E-mail gen@elmanwall.co.uk Web www.elmanwall.co.uk

Elman Wall Limited is registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

INSIGHT

Welcome

Welcome to our spring newsletter. It may feel as though spring is still some way off but console yourself with the fact that as we went to print there were only 327 shopping days until Christmas! More seriously spring is the time to turn your attention to an annual tax review as the end of the tax year on 5 April approaches. Read our year end tax planning supplement to help you focus on areas relevant for you. We would be delighted to discuss a plan with you and any action you may need to take.

Last December's Pre-Budget Report may seem a long time ago but a number of the important changes announced take effect later this year. Read our summary of the major changes most likely to affect you. We also summarise for you some significant recent changes to the Small Firms Loan Guarantee Scheme and point you in the direction of some useful guidance on making the most of your office space.

As ever, we hope you enjoy this quarter's news and we would be delighted to hear from you if you have any questions or comments.

Delay not cancellation

Just as business was starting to gear up for the introduction of the new Construction Industry Scheme (CIS) due to start in April 2006, having already been deferred from April 2005, the government announced that the new scheme was to be delayed again until April 2007. The real problem was that the Revenue's systems were nowhere near ready to cope with a launch this April.

Part of the (largely unreported) background to this was the considerable pressure brought to bear on the Revenue by the construction industry who indeed announced as long ago as last September that they had withdrawn from negotiations with the Revenue because of the Revenue's refusal to delay the start date.

As we now know, the current scheme will continue until April 2007 and over the next year there will be a full joint testing programme for the new verification service and monthly contractors' returns and an analysis of areas of non-compliance in the industry.

In the run up to April 2007, the Revenue will step up their compliance activity in the construction industry. The message seems to be that there will be no light touch from April 2007, as business is being given an extra year to put its house in order. Contractors should certainly not be lulled into a false sense of security by the delay.

Please contact us if you would like to discuss any aspect of the current or new CIS.

