

The Elman Wall Review, Preview



Elman Wall
Audit Tax Advisory

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www.elmanwall.co.uk

View From the Bridge

Shipshape and Bristol Fashion in 2014...

Let's push the boat out. For the first time in 5 years, we can unbatten the hatches and sail close to the wind. No more panic stations, we know the ropes and won't be all at sea. (Enough already!) There's certainly optimism in the air but don't believe all you read. 2014 won't be plain sailing (really, enough!) but all the signs are there that the UK economy is rapidly strengthening and that we are approaching the crest of the wave (ok, ok) of good times again, so bring them on.

We are fortunate enough to have enjoyed a strong wind in our sails throughout 2013 and never forget it is our clients who keep us afloat. Thank you to those of you who took part in our first Independent Client Satisfaction Survey. We scored highly despite having over 100 submissions, which is more than double the average. We really value your comments, especially in areas where we can improve.

We also asked all our team to take part anonymously in the Accountancy Age Best Employer Programme and were thrilled to win Best Employer of the Year at the 2013 British Accountancy Awards. At the same event, Elman Wall won Independent Firm of the Year, Greater London. This followed an earlier major win at the 2010 Innovation Awards.

Our sister company, Cavendish Ware, were announced by the prestigious Citywire publication as one of the 100 best independent financial advisors nationally.

British Accountancy Awards 2013

Elman Wall is delighted to have won:

**Independent Firm
of the Year, Greater London**

and

Best UK Employer

I am delighted to inform you that Yasin Khandwalla will become a director of Elman Wall Limited on 1 January 2014, joining Ian, Russell and myself. Yasin is thought of very highly by his clients and colleagues and this promotion is very well deserved.

If you remember visiting us in Bickenhall Mansions, you will be surprised to learn that we left there nearly nine years ago. As we move towards the final year of our Oxford Circus lease, and having outgrown our offices, we will shortly be planning the next phase of our firm's journey.

Someone asked me recently what we specialise in, and thinking a little deeper than normal, it occurred to me that I passionately believe we specialise in trying to be 'world class' for every client at every point of contact. We can never achieve that of course, but we'll try our hardest to get as close as we can.

So, Shipshape and Bristol Fashion - a nautical expression meaning to be in first class order. That's where we need to be in order to help and advise you, our clients, expertly and efficiently to be shipshape yourselves too.

Jonathan Wall

Managing Director

Follow me on Twitter
@jonjonwall



World class at
every point of
contact...

What's On The Horizon?

View From The A Team

Captain Khandwalla

I am delighted that Yasin is to be promoted to the main Elman Wall board with effect from January 2014. This promotion is in recognition of his continued efforts and is thoroughly deserved.

Three Sheets to the Wind - We're Going Paperless

We continue to invest in new systems and I am delighted to announce that the A-team is going paperless. We expect this to be a positive step and to make life easier for clients, reducing the need for bulky files and, perhaps, even the photocopier! We are introducing this in late 2013 and throughout 2014, so will be in touch to discuss how this will affect how we exchange information.

Fraud - Guard Against The Pirates

Fraud remains the scourge of many businesses. Last year, it affected 1 in 4 small businesses and is estimated to have cost SMEs £18 Billion. Whilst the largest frauds tend to be committed by people from outside the business, the most common frauds are committed by employees and directors. There are numerous ways the fraudsters can attack your business so you really need to ensure your systems and controls are watertight.

New Accounting Standards - Stormy Waters Ahead?

The most wide-ranging changes to accounting standards are on their way. These will be introduced for medium and large companies for accounting periods starting on or after 1 January 2015.

Any business that has any of the following will see a major change in the way its accounts are presented:

- Investment properties
- Derivatives
- Deferred tax
- Goodwill
- Holiday pay
- Lease incentives

These changes will also impact the method of calculation of tax and, for regulated businesses, free assets & capital ratios. The potential impact of these new accounting standards cannot be underestimated.

Furthermore, the comparative figures for 2014 in the 2015 accounts will also have to be re-stated in line with new definitions. In effect, these changes, therefore, impact relevant companies from 1 January 2014.

To ensure these changes don't rock your boat, the A Team Crew will be contacting all clients affected in advance to ensure your ship holds steady.

Lessons from the Recession Iceberg for SMEs

Has the SME marketplace navigated successfully around the recession iceberg? A few thoughts....

- There have been less company shipwrecks than many thought. Survivors are leaner, fitter and better prepared for any commercial challenges to come.
- A significant number of SMEs are now sitting on rich cargoes of cash hoarded away below to see them into safer waters.
- Britain appears to be more entrepreneurial; the recession iceberg may have forced people to build their own life rafts and set sail alone.
- Various newly structured government incentives and schemes designed to stimulate trade may prove to be lifejackets for some and buoyancy aids for others.

However, fair trade winds are needed for some time before SME skippers feel secure enough to undertake debt-financed expenditure.

At least the R-word on everyone's lips today is not Recession, but Recovery.

Ian Palmer
Audit Director



Travel Industry Focus

Changes to TOMS - Are Transport Companies Sinking?

The recent ECJ case could have an impact on how TOMS VAT is calculated. This is likely to negate the benefit of the use of transport subsidiaries, hence increasing VAT liabilities. At the time of writing we are still waiting for HMRC's formal response so, for now at least, it is business as usual.

Tax Review of

The Year

Ahh Jim lad, climb that monkey line to the crow's nest and tell me what you see of the 2013 tax year that lies in our wake, and 2014 that lies a yonder the yankee. Are we to be becalmed or face a storm – it's time for those tax returns and to plan for next year!

The Jolly Roger

Some would say HMRC are a law unto themselves.

The revolution of Real Time Information (the new PAYE collection system) on 6 April did not actually blow many off course, although in contrast the new rules for taxing Child Benefit did cause some taxpayers to suddenly hove to.

The introduction of the Statutory Residence Test still has many adrift – so much for simplification! However the EW Tax Team has already advised a number clients on this and we can competently help out if you are thinking of leaving or coming to the UK.

2013 also saw the introduction of a new tax and tax return associated with holding residential properties in companies, and once again, we are here to help clients through the relevant new procedures. But HMRC are not necessarily all bad! They are still ready to hand out cheques to companies, particularly our travel clients, who expend on qualifying Research and Development. In the last few months alone the tax relief claimed has amounted to hundreds of thousands of pounds.

Walking the Plank

Most people are pushed, but Margaret Hodge, as chair of the Public Accounts Committee, appears to have voluntarily sought to dive headfirst into stormy waters. Her near single-handed attack on any type of tax planning has caused many reactions – including the esteemed Taxation magazine running a front cover awarding her the "Tax Prat of the Year" - either controversially or applauded, depending on your view point.

This, combined with the introduction of the General Anti Abuse Rule in late July, has possibly acted as a shot across the bow for many taxpayers. However everything needs to be put into perspective. Knee jerk reactions to popular press are probably about as useful as a sextant in fog and will certainly just lead to Davy Jones' Locker.



Good navigation is critical

By being precise in the application of legislation, and above board in recognition of risks, we have once again helped clients save significant amounts of tax through careful planning. For those who still wish to benefit, opportunities still exist. Think of the EW Tax Team as anti-fouling – we're here to both protect and benefit you!

Land Ahoy

2014 is likely to be an interesting year. Current Government consultations, which Elman Wall has actively engaged in, will impact on all sorts of taxpayers next year – directors of companies (treatment of directors' loans), ordinary employees (treatment of collecting tax through Notice of Coding) and partners of LLPs (removal of exemption of employment status) are just some of the groups who could be affected.

On the plus side, 2014 will see the start of the £2k NIC allowance that is available to all employers. The EW Tax Team is already busy working on relevant numbers to ensure all employers, from those with one employee upwards, will be able to benefit from this.

There is perhaps even more good news. Possibly the least welcomed annual tax form – the P11D – is now being considered by the Office for Tax Simplification, with the suggestion that some wholesale reform be enacted around this and the treatment of travelling and subsistence expenses generally.

Able Bodied Seamen

Employee Share Schemes have continued to grow in popularity, and since the 2013

Finance Act improvements brought in during the year, we have seen a significant increase in demand for implementation of Enterprise Management Incentive share option schemes.

This can be a very flexible way of both rewarding and incentivising employees allowing them to really benefit in a tax efficient way from some future sale of the business. So now may be the ideal time to think about this for your business!

Landlubbers

And for those of you still trying to find your sea legs, there remains just a little more time to benefit from the very favourable tax regime for emission efficient company cars. If you're about to change cars, talk to the EW Tax Team first – it may save you money!

Shipmates

Finally it is my pleasure to welcome Sarosh to the Tax Team who joined earlier on in the year and to congratulate Dean for being asked to join the Taxation magazine editorial board so who was responsible for *that* headline!

Russell Eisen
Tax Director

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Always looking out for you

Elman Wall - The Travel Accountants

As the UK's leading independent firm of Travel Accountants, we address and attend many trade conferences, meetings and events. In addition to this, 2013 saw Elman Wall hold our third Travel Directors' Summit- the annual Travel Industry's 'must attend event'. Below are photos from a selection of these events...



BETA Parliamentary Reception at House of Lords 2013



Jonathan Wall, Elman Wall, at the Advantage conference, Malaga, with Joanna Lumley and Ron Baldwin, Baldwins Travel



Peter Long, President of The FHA Charity and CEO of TUI Travel, with Deborah and other instated FHA ambassadors



Noel Josephides (Current) and John McEwan (Immediate past) ABTA Chairmen with Deborah Potts, Summit Advisory



Elman Wall Masterclass

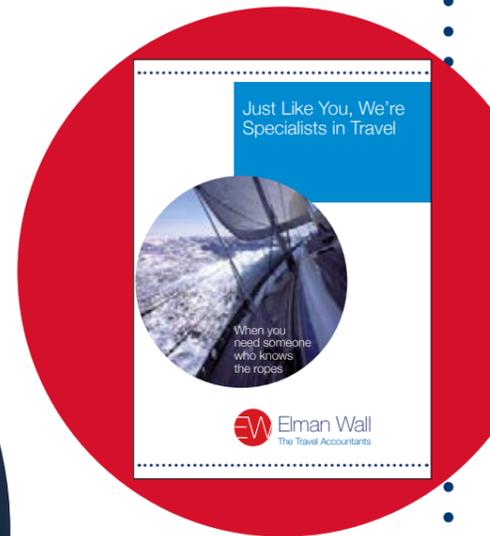


BETA Youth Travel Awards December 2013



The British Accountancy AWARDS 2013 WINNER The Elman Wall Team-Winners!

Simon Ferguson, UK & Ireland MD, Travelpart Speaking at the Travel Directors' Summit



NEW! The second edition of Elman Wall's Travel Industry Brochure was launched earlier this year



Yasin Khandwalla, Elman Wall and Ismet Emin, Sunvil International



Brian Kelly, Online Regional Travel Group, Jonathan Wall, Elman Wall, Allan Lamb - Legendary Cricketer, Deborah Potts, Summit Advisory, Simon Goddard, Online Regional Travel Group at the Travel Directors' Summit



Michelle Barnes, Family Holiday Association Charity and Matt Purser, Travel Trade Consultancy at the Travel Directors' Summit



Hat-trick Travel Directors' Summit

Elman Wall team and guests at Travel Directors' Summit



Your route
to riches

'The Entrepreneur's Prime Minister...'

The flourishing entrepreneurial community in Britain today is made up of children of Thatcher'

So stated Lord Bilimoria*, Founder and Chairman of Cobra Beer, in a tribute to the late Prime Minister.

Inspiring Captains of Industry

Were you, as a young person, inspired by the 1980s enterprise culture to launch your own business and set sail as captain of your own ship, as Lord Bilimoria and many others were?

A Voyage of Discovery

If thirty or so years later, you remain at the helm of your business, having weathered many treacherous storms and survived intact, congratulations!

You learnt the ropes, navigated hazards and steered a successful course. Unlike many, you kept your ship and crew afloat and, I trust, enjoyed well-deserved bounty to boot along the route.

So Skipper, where's your final port of call? Apologies, but you're no longer that fresh-faced sailor anymore.

Your Final Port of Call?

Are you happy to end up as an old sea dog and remain at the helm, come hell or high water? Never being totally off watch or tiring of sailing your ship alone? For some Skippers, this is their choice – assuming they remain able-bodied and minded.

Certainly no Captain wants to be buried at sea if you aspire to a life ashore one day.

Perhaps a family member is waiting below to come up on deck and replace you. Fine if you have stored up enough treasure over the years to bequeath your precious vessel to them for little or no recompense. Are you happy simply to see them fly your flag?

Or you may have complete trust in your officers and competent crew never to mutiny or leave you high and dry. You choose to stay on shore in return for regular rewards to fund your retirement.

Titanic or Treasure Island?

Sadly some captains are forced to abandon ship, bale out, or go down with it. Think Titanic.

For most Captains who have enjoyed many a good run and who are wise enough to know the calm always comes before the

storm, there is only one final destination in their sights: Treasure Island! Or finally realising their reward for all those hard years on the bridge - in the form of a successful business sale.

Knowing your Final Port of Call is one thing. Getting there is another. It's no good hoping to just drift there. Nor do you want to risk being boarded by pirates, or find yourself over a barrel, or caught between the Devil and the Deep Blue Sea when it comes to dealmaking.

For the Voyage of Your Lifetime, you need clear coordinates, the right charts and the right course to be plotted. Most importantly you need the right pilots to guide you and your crew safely and successfully into harbour.

To achieve your successful business sale, contact Summit Advisory – Elman Wall's Business Growth, Acquisitions and Sale division.

And remember

Time & Tide Waits For No Man – or Woman

* Lord Bilimoria CBE, DL, is also an ambassador for The International Festival for Business, which will take place in Liverpool in 2014



Deborah Potts
Director
Summit Advisory
(Elman Wall sister firm)



Setting a Course for the Future

A steady course is required, although it may need some adjustments along the way...

Cavendish Ware works in two main areas for our clients:

Financial Planning – creating a long term plan that sets out the future for our client's lifestyle and finances, perhaps 'setting a course' for your short, medium and long term goals.

Wealth Management – managing funds on behalf of clients to maximise returns and minimise risks, maintaining the 'financial engine' that supports clients' long term plans.

The two areas are inextricably linked, supporting each other towards the goal of ensuring that a clients' lifestyle is maintained and plans are achieved.

Setting A Course

The steps to charting out a successful financial plan can be broken down into a number of key steps:

- Identify where you are – what baggage have you picked up along the way – many people we see have various policies, pension plans and investments which may not be what is required.
- Establish it- Do you have a suitable Life raft if the waters get choppy, such as life and medical insurance?
- Clarifying where you want to get to and when you expect to get there

It is imperative to keep reviewing the maps and charts to make sure you haven't been blown off course.

Maintaining the Engine

Once the plan is in place, it is important to ensure that the 'Investment' engine is fit for purpose and that it has the capacity to deliver required returns over the long term. Investment markets have had a year of two halves. The first half gave us strong trade winds, with very positive growth, particularly in equity markets. The second half has been highly stormy, with big waves driven largely by events in the US, but we haven't moved backward or forward and it feels like we have been in the doldrums.

With a telescope to our eye, the next 12 months looks likely to be similar, with periods of strong growth and periods of volatility. So long as the turbulence doesn't make us sea-sick, the eventual outcome should be a positive one. We remain positive on equity markets, but nervous of fixed interest markets and believe a cautious course needs to be set on that particular sea.

The key to any engine is that it requires maintenance to ensure strong performance. Like sails on a ship, different fund managers will perform or under-perform in different climates and without constantly trimming the funds it is not possible to maximise the returns. Regular maintenance avoids the need for major overhauls.

We provide a 'First Mate' service to our clients. It is your ship, but we help you get it to where it needs to be.

I would also like to take this opportunity to welcome the new Cavendish Ware Crew on deck- Sandeep, Dawn and Derek!

Adrian Ware
CEO
Cavendish Ware

(Elman Wall sister firm – authorised and regulated by the FCA)



Welcome Onboard



Ann-Marie Egan BA(Hons) –
Marketing & Research Executive
Summit Advisory & Elman Wall

Grow Your Travel Business

- Looking to grow 20% year on year?
- Employ 1 – 249 staff?
- Turnover less than £40m?
- Based in England?

If so, and you can demonstrate ambition, opportunity and capacity to grow, Summit Advisory can help you unlock heavily subsidised Business Coaching and Training from ourselves and our network of trusted Business Coaches and Trainers. Deborah, herself, is an accredited government Growth Accelerator Coach.

T: 020 7493 9595
E: deborah@summitadvisory.co.uk

achieve your
business ambition



The power behind the dreams...

Our People- Your Team

This year the infamous Elman Wall Away Day was at Lymington Yacht Haven... or as some staff would say... heaven! Earlier this year, Adam Pennyfather was announced one of TTTG'S 30 under 30, Tomorrow's Travel Leaders- a prestigious honour indeed! Sandeep Bharj welcomed his new little bundle of joy, Jayraj, into the world, and the men had an excuse not to shave whilst also raising money for a great cause by doing Movember! - 2013... the year of celebration!

Yasin at World Travel Market.
All work and no play...



Sandeep's new addition to the family, baby Jayraj



Ann-Marie graduating with a degree in Philosophy



Jonathan receiving Managing Partner of the Year from England rugby coach Stuart Lancaster at the 2020 Innovation Awards



Adam, Tomorrow's Travel Leaders TTTG 30 under 30



Adrian's band, 14 Carat Grapefruit Gig



Jonathan Wall, Ian Palmer, Russell Eisen, Elman Wall with host, Miles Jupp, comedian at British Accountancy Awards, Tower of London



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Left to right: Sandeep, Seb, Andrew, James F, Aldo, Sarbjit, Imran

Front to back: Shakira, Rachel, Sarah, Aldo, Dean, Lori, Seb, Ian, Adrian, Sandeep, Andrew, Jonathan, Greg, Russell