



NEWS

The Newsletter of The Society of Professional Accountants

..... *Strength in Numbers*

May 2004

Issue 40

HIGHLIGHTS

Practice Assurance - Don't Say 'No'

Members Area Gets Hits!!

Chairman Finishes Marathon

FSA General Insurance Regulations and the implications for acting as 'introducer' / 'agent'

Much debate surrounds the FSA's intention to regulate general insurance from 15 January 2005, and which may affect your practice and SPA's relationship with BUPA and Norwich Union (PII). Clarification and general guidelines will be advised to you as soon as possible. Members should also note that new regulations affecting mortgage advice comes into force on 31 October 2004.

SPA Goes European!

SPA is pleased to welcome our first practicing EU member. Paul Reichel from Glashuetten in Germany has joined our ranks and is already making useful contact with another SPA member - watch this space.

We have been pleased to keep in touch with John Harraway who retired to Crete a couple of years ago and with the 'migration' of those reaching retirement age increasing we may need to look further afield for our AGMs!

Practice Assurance - Don't Say 'No' Until You Know

At attending the Small Practitioner Conference at Cambridge in March, Chairman Peter Mitchell found, very worryingly, almost nobody had looked to see what the latest version of the scheme now provides.

SPA and GPP members have slaved for literally hundreds of voluntary hours to make the scheme manageable and something we can live with – you have only a few weeks left to find out how it would affect you. In summary:

- A flexible and supportive scheme to fit your practice
- Designed to be sensible and help – not trip you up
- An Annual Return plus an annual fee under £100
- A visit every six years from an experienced reviewer – the JMU is dead!
- An oversight committee to monitor progress (Peter Mitchell and Michael Shenker are members)

We may not want Practice Assurance – and it is a big 'ask' to trust ICAEW after the legacy of the JMU – but this is different and ICAEW has to get it right.

So ... before you say 'NO' next June please do have a look at the proposals – they may not be as bad as you imagined! (SPA website – www.spa.org.uk 'Library – Reports' - or hard copy on request from the Office)



SPA Gets More Hits!

We are pleased to say that the foundations for the re-designed Members' Area on our website are now in place and the first few 'bricks' (sorry) are in position. Our 'hit' rate has more than doubled over the past few months! Logging on is easy – your Member ID is your SPA membership number and your Password is your postcode (with one space between the two sections).

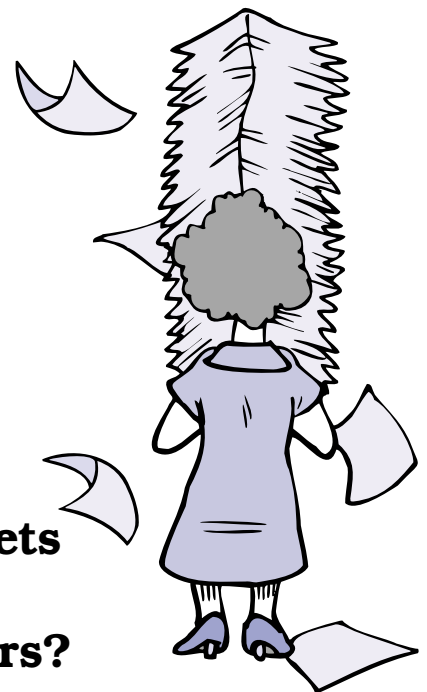
The first items loaded include a letter advising your clients of the implications of the Money Laundering Regulations with an on-line training programme for your support staff to ensure they meet the regulations, plus the beginnings of a catalogue for Standard Letters of Engagement – included so far are :

Sole trader
Sole trader + VAT
Partnership
Partnership – Tax + VAT
Company
Company – Tax + VAT

Personal Tax Return
Pension Scheme Audit
Solicitors Accounts
Friendly Society Audit
Standard paragraphs

with others to follow shortly – all can be downloaded and saved on your own computer. It is your responsibility, if using any of the information, to ensure it is relevant and appropriate to your clients and within your terms of engagement by amending each letter as necessary. Our thanks to Steering Committee Members Chris Lawman and David Sandground who have worked long hours on these documents.

Your Members' Area is an on-going project and SPA plans to expand the information provided – please let us have any ideas on topics for inclusion – it is your Area!



Data Sheets Flood In - Has Yours?

Our request for a 100% return on the data sheets has received prompt replies from the vast majority of members - if you haven't returned yours yet please do so as a matter of urgency. The 2004 Members' Yearbook will be published in June and we need this information to ensure it is as accurate as possible. The information is also used on our website under 'Find Your Local Accountant' – this used to include your email address but, following the huge problem many Members experienced recently with 'Spam emails' from The Blue Book Bulletin (Daphne received 2000 – yes thousand – in one day!!!) and the previous problems with other marketing organisations harvesting the information – unauthorised of course – to contact our Members, we have taken the decision to omit emails from the website and this year's Handbook.

Technology is a wonderful thing if used properly, but this abuse is now so irritating we will take measures to try and ensure you are only contacted by approved organisations - usually through SPA News.

Freeze on Cold Calling!

From June this year UK businesses will get the same right as individuals under new measures announced by Communications Minister Stephen Timms. You can register your phone and fax numbers with TPS and FPS (in writing to safeguard against bogus registrations - addresses below) to opt out of direct marketing calls and these firms have a legal obligation to check and comply with the list before calling, failure to do so can result in enforcement action by the Information Commissioner.

To register your numbers write to:

Telephone Preference Service
DMA House
70 Margaret Street
London W1W 8SS

Fax Preference Service
5th Floor
Haymarket House
1 Oxenden Street
London SW1Y 4EE



Editor

Hooray!! With time being so important to the small business we can ill-afford to get hot and bothered with such calls!

Data Protection

Following numerous referrals concerning the blossoming market in scam Data Protection demands SPA has received a response from the OFT advising that they have been successful in obtaining injunctions in the High Court against many of these bogus companies.

SPA is being notified almost weekly of new scams and it is not possible to report all of them in this Newsletter. Suffice it to say that, if the demand is for more than £35 and comes from any office other than the address below IT IS A SCAM – DON'T PAY!

The official address for Data Protection is:

Notification Department
Information Commissioner
Wycliffe House
Water Lane
Wilmslow
Cheshire SK9 5AF

If you are not sure whether you need to register for Data Protection visit their website at www.dpr.gov.uk

Erroneous Penalty Notices

Our friends at the Inland Revenue don't seem to appreciate our suggestion of billing them direct for issuing erroneous penalty notices. The message coming back is that you should bill your clients for the work done, your client should pay you and then bill the Inland Revenue. We haven't heard whether any of these invoices have been paid yet - have you?

SPA has received many reports concerning erroneous penalty notices including one member who hand delivered 3 tax returns in the same envelope in November 03 and received penalty notices for 2 of them!!!

Chairman and Wife Reach the End of the Road!

Despite atrocious weather Peter Mitchell and wife Annie crossed the finishing line as promised – together – to collect their hard earned London Marathon medals.

Peter told us 'It was a huge and enjoyable occasion, with great crowd support plus the many kind donations from friends and colleagues spurring us on over the last gruelling miles. We were narrowly beaten into 30,649th place by a 92 year old!!'

Peter hopes when all money is collected they will have raised over £10,000 for Macmillan Cancer Relief and the Ian Rennie Hospice at Home. Our photo shows them stopping for a banana at mile 17, with only 9 more to go through the pouring rain.

It Must be Spring ...



... because Peter is now off playing golf on Wednesday afternoons (but don't let anyone know!) His story is that he is checking out the course ready for our 6th Golf Day on Friday 11 June – have you booked yet? We are delighted to report that many old friends are coming back again and will be joined by several new recruits this year. A booking form is at the end of this SPA News.

SPA's Golf Day is a no-pressure, friendly day out for members to meet together and relax (well all but the competitive element do!). Handicaps vary greatly so don't worry if you are a bit green or that you might not be on the ball and make a hole of things – it's a fair way from Wentworth!

Editor

Sorry – I couldn't resist!

Can Anyone Help?

Member Barry Hampson is looking for a form of report to attach to a cashflow projection. If you can assist contact Barry at Barry@beh.uk.com or phone on 01908 664182.



Editor

SPA members have so far donated over £2,000! Any remaining donations can still be sent to our FREEPOST address payable to IRHH. What a fantastic all round effort!

If you want to see what happened to Peter and Annie after they ate their banana look up this issue of SPA News on our website and see the photo in colour!!!

Letters

Your signature could cost a lot!!

Dear Sir

We write in respect of our authorisation by the FSA to conduct investment business.

We were originally authorised through ICAEW and we were grandfathered into the FSA scheme. When our scope of permissions came through it was so complicated and difficult to understand that we signed it on the mistaken premise that we would only be authorised by the FSA to do the same work as we were authorised to do by the ICAEW, no less and certainly no more. We then received invoices for 2003/04 for upwards of £5,000 when we paid under £1,000 to ICAEW, basically just to arrange pensions (not transfers) for our clients. We found that amongst other things, we were being charged as fund holders, something

we've never done, are not capable of doing and were not authorised to do under ICAEW. Having written to the FSA to advise them we should only be invoiced to arrange pensions they said as we had signed the scope of permissions we had to pay for this for the whole year to 31 March 2004. They also advised us that unless we paid the fees by this date our application to withdraw from investment business in June 2003 would not be approved and we would have to pay fees for the whole of the next year.

Having spoken to ICAEW about this intransigent attitude of the FSA we were advised we were not alone and a lot of others had made the same mistake as us, finding it all very complicated and difficult to understand.

Has anyone else encountered similar problems?

WW

**PLEASE PHOTOCOPY THIS FORM IF OTHER PARTNERS FROM YOUR FIRM WISH TO ATTEND
OR IF YOU WISH TO BRING A GUEST**

To: SPA
FREEPOST
Great Missenden
Buckinghamshire HP16 0BR

Fax: 01494 864454



**MEMBERS' & GUESTS' SIXTH ANNUAL SPA GOLF MEETING
FRIDAY 11TH JUNE 2004
HAREWOOD DOWNS GOLF CLUB LITTLE CHALFONT BUCKS**

- Meet at 10.30 for coffee and bacon rolls
- 11.00 am 9 hole Greensome Stableford Competition
- Ploughman's Lunch
- 18 Hole 3 ball individual Stableford Competition for

**THE CHAIRMAN'S CUP
PLUS MANY OTHER PRIZES**

- 6.30 pm Dinner and Prizegiving (Jacket and tie please)

Cost £60 per person, please send cheques with application form payable to SPA. A map and tee-times will be sent to all attending. If you have any queries please contact Daphne on 01494 864414

Name _____ **(BLOCK CAPS PLEASE)**
Member / Partner / Guest (please delete)

Golf Club _____

Handicap _____ **I enclose my cheque for £** _____ **payable to SPA**

SPA Membership No _____ (If guest please give address and tel no below)