

HEADLINES

- Carter Update
- SBJ PII Promotion
- Travel Insurance Offer
- P35 Filing Issue

Going, going ...

Whilst for our Institute life has been hectic and as heated as the weather – our intended incoming President leaving one way and our Chief Executive the other – for SPA it has been relatively quiet and much of our Newsletter takes the opportunity to update you on the various supportive and economically beneficial services we offer to our members.

Carter Gives Way on Filing Dates

In the face of a concerted appeal from eight accountancy bodies and various major representative Groups, Lord Carter has recommended that 31 January should remain the final electronic filing date for Self Assessment Tax Returns, with paper returns filed by 31 October.

SPA attended an Inland Revenue 'Carter Consultation Working Party' at the Treasury on 12 July to discuss remaining concerns with implementation and communication to taxpayers of the intended compulsory online filing of business tax returns.

Other representatives present included the CBI, IOD, Chamber of Commerce, Builders Federation and other business groups, with a further meeting proposed in six month's time.

'Compulsion requires competence' was widely discussed in the knowledge that many businesses and individuals are not yet using computers and others are filing paper returns for security reasons.

In response to Peter Mitchell on the uneven application of 'penalties' applied for late filing of PAYE, SA, CT and VAT returns, it was learned that a 'harmonisation' review of this area was underway for intended introduction in the 2007 and 2008 Finance Acts.

Various improvements to the online system were outlined for introduction by late 2006. It is interesting that in Inland Revenue 'speak' we are now 'customers' – presumably 'Sales' have never been higher!

Audit (Still) Matters

At Home ...

As predicted by SPA when the threshold was raised to £5.6M registered auditor numbers have reduced by around a further 20%.

For those of you with a few audits remaining we should be interested to hear whether you have taken advantage of the network of SPA members able to provide audit support. Please let us know by email, fax or post of your experience.

... and Abroad?

The ISAman cometh! Actually ... he's already here. The audits you are currently undertaking – broadly those for all December 2005 year-ends and later – should be being carried out under International Standards on Auditing.

ISAs do make a difference – there are some aspects of planning and completion that



have to comply with specific requirements for procedures and documentation.

Nigel Hughes of Totteridge Associates, is currently offering a course "The ISAman Cometh" which aims to demystify the world of ISAs and give practical tips on compliance. He will be happy to run this course for your firm (or for a group of firms in your area) and can also supply ISA compliant audit documentation.

Contact Nigel at Nigel@totteridge.co.uk

SBJ's bespoke PII scheme



Nearly 350 SPA member practices benefit from the SBJ scheme so, if you have not already done so, you owe it to yourself to compare a quote from SBJ with your present insurer. To get a quote will cost you nothing, but may save £'00s – (or even more - see letter).

“My Professional Indemnity Insurance is due for renewal and I approached SBJ Professional for a quotation under the SPA scheme. They responded very quickly with a **figure that is over £1,000 lower** than the premium I paid last year. Thank you for your efforts in arranging this scheme which I am sure will be of great benefit to SPA members.”

R F K

SBJ have a team of professionals ready to provide a quote for you.

For the third year running scheme rates have remained the same - and eight out of ten new business quotes are taken up. For the small practice it is one of the best schemes on the market and includes:

- a 10% premium discount for SPA members
- a free legal helpline
- free legal support at a Disciplinary Hearing
- interest free instalments
- cover with Norwich Union – the UK's largest composite Insurer

SBJ's leaflet and proposal form are enclosed for your consideration.

Another great service for our members - economic travel insurance

A couple of years ago we had to drop our BUPA linked scheme. Now Preferred Medical, our Private Medical Insurance providers, have negotiated competitively priced travel insurance for our members. If you are in good health and under 65 the premiums are as follows:

8 days Europe	£10.95
15 days Europe	£14.23
15 days Worldwide	£27.11
Annual Europe	£31.43
Annual Worldwide	£43.81



This can be booked online through www.gotravelinsurance.co.uk/preferred-medical or by phone on 0870 421 1521 – make sure you quote 'Preferred Medical'.

If the above basic cover is not appropriate for you they offer other types of travel insurance including 'over 65', sports, golf and even backpackers!

Possible Golf Day – Harewood Downs

As you may remember we had to postpone the Golf Day in June. We have the opportunity to reschedule to Thursday 19 October 2006, and have made a provisional booking subject to your level of interest. **So if any member would like to play on this day (you are also welcome to bring a guest) please let us know, by phone or e-mail, no later than Friday 28 July.**

Alternates – Do you need one?

With Practice Assurance visits underway the issue of Alternates has generated several enquiries. We have been asked whether we have a standard Appointment Letter and also to help with finding an Alternate.

We should point out that if you are a sole practitioner you do NOT currently need to have an Alternate unless you practise in a regulated area - Audit, Investment or Insolvency. Whilst this will exclude many of our members there are still some who will be required to have an Alternate.

We are aware that the ICAEW's Alternate scheme appears complex and unwieldy and it is our intention to produce a simplified version. We are considering the practical aspects and SPA's legal adviser is evaluating the legal implications. As soon as we have something to offer we will let you know.

Disciplinary Matters (A Lot!) - Are you Aware?

Unhappily one of our members found himself enmeshed in the Institute's disciplinary machinery following a technical complaint and, whilst SPA provided the legal support, he could not avoid the heavy penalties plus costs incurred.

Each year a small handful of members find themselves in this position. It is imperative that you seek advice as soon as you are aware that an action may emerge. DO NOT DELAY - minimise the risk of escalating a minor matter into a major, costly hearing.

Remember, free legal advice from SPA's

lawyer is available for all disciplinary matters commencing after you took up membership. If you are part of SBJ Professional's PII scheme they will refund the legal costs incurred by SPA for this service.

SPA has given notice to the ICAEW that a paper will be presented this autumn on proportionality of fines and cost imposed. These appear to be out of kilter with the nature of the offence and the size of practice. In our member's case this amounted to some 25% of his fee income – imagine what that might mean if applied to one of the Big 4!!

SPA Website - Member Support Services page

In the 'Members' Area' of the SPA website the page for 'Member Support Services' is now operational. This page provides contact information and links to the respective websites

for the specialist firms offering various services to our members, often at reduced rates and with most providing a free technical helpline. Remember, if you make use of these services you will need to quote your SPA membership number which is at the bottom of your membership certificate - hopefully in a frame on your wall!

Member Support Services

SPA has enlisted the services of several specialist firms who can provide services to our members at reduced rates. If you would like to find out more please click on 'further information'.

Please remember to state that you are a member of SPA and have your membership number ready to obtain your discount.

Professional Indemnity Insurance
 Further information

Helpline for Tax, VAT, Employment & Health & Safety
 Further information

Pensions
 Further information

Private Medical & Travel Insurance
 Further information

Making a Will
Chancery Law Services
 Further information

Company Formations
 Further information

Operational Efficiency & Profitability
 Further information

Money Laundering
 Further information

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“Inheritance tax trust slips through chancellor’s net”

Chancery Law, who advise on Inheritance Tax matters, say ...

Take a married couple with a home worth £570,000. When the husband dies, the house will pass to his wife with no inheritance tax because transfers between spouses are tax free.

When the wife dies, however, her estate will be taxed at 40% on assets above her IHT allowance (also called the nil-rate band) of £285,000 – a tax bill of £114,000.

Alternatively, they could set up a discretionary will trust to make use of both their IHT allowances. They would draft their will so that on the death of the first spouse, say the husband, assets up to the value of his nil-rate band (£285,000) would pass into a discretionary trust set up for the couple’s heirs. However to avoid selling the house, the wife would simply owe the trust the £285,000.

When the wife died, the trust would call in the £285,000 loan, which would be deducted from the value of her estate and pass to the couple’s heirs free from IHT.

The remainder of the estate (£285,000) falls within her nil-rate band, so there is no tax to pay – a saving of £114,000.

For this to work, you must own your property as tenants in common, rather than joint tenants. And if you leave assets worth more than the nil-rate to a discretionary trust, the amount over the threshold would be subject to tax at 40%.

(Chancery Law are the largest Estate Planning organisation in the UK. They are SPA’s specialist advisers in this field and can provide advice and training on preparing a will. If you need assistance in this area, either personally or for one of your clients, call their Business Development Manager on 0870 013 0012 or e-mail them at spa@chancerylaw.co.uk)

‘Newsflash’ summary

26.5.06 We advised members that HMRC has requested a discussion with SPA on the Carter review.

20.6.06 We informed members that:

- the SPA website now lists areas worth reviewing within your practice as identified by QAD Inspectors’ visits – a paper copy of which is available from this office
- there was an article in Accountancy Age about the anticipated decline in registered auditors – this can be read on the SPA website as a newsflash
- we attached an Update on Budgets and Trusts provided by Chancery Law – again, a copy is available from this office

Problems with filing P35 returns online

One of our members wrote to us recently outlining the problems he has had with filing P35 returns online:

“with regard to my inability to file online the P35 returns for nine of my sixteen registered clients because they were not listed on the Revenue

website. They had, however, appeared when I checked the website a few days after the filing deadline.”

Have you experienced similar difficulties? We are keen to receive member feedback on this subject so please let us know of your experience by email, fax or letter.

Do any of your clients want to Buy or Sell a business?



Goldsmiths have set up a new service to assist accountants to find buyers and sellers for their clients’ businesses. They offer a tiered approach covering basic advertising, individually tailored requirements, a joint venture exercise or an introduction to a business transfer agency. Tel: 0118 942 0987 for further details.