

Finelines 40

The Newsletter of Lubbock Fine Autumn 2006



We have two New Partners

"It is with great pleasure that I'm able to announce that we are admitting Philip Blackburn and Lee Facey to the Lubbock Fine partnership effective 1st December 2006" states managing partner, Geoff Goodyear. "Both have quickly become invaluable members of our team, and it is very satisfying that we are able to recognise and reward all their hard work and enthusiasm."

Phil originally joined Lubbock Fine from a large West End firm and Lee is genuine homegrown talent, having arrived as a graduate trainee in 1997.

"We know that everyone here at the firm together with the many clients and contacts who already know Phil and Lee, will be wishing both of them the very best of luck in their new roles" Geoff Goodyear added. "We all look forward to their having a long, happy and fulfilling future with us".

New partner profiles

Lee Facey

Lee joined the Firm as an ACA graduate trainee in 1997 following the completion of a BSc (Hons) degree in Economics and Accounting at City University, London (literally a stone's throw from Lubbock Fine's City Road offices).

Lee's excellent exam record throughout his training was capped by his winning a prize in the ICAEW's final admitting exam in July 2000 – an achievement not to be under-estimated.

Promoted to manager in 2001, Lee currently acts for a wide range of commercial and professional clients, including taking responsibility for all of the firm's solicitor clients. Although predominantly working in the audit department, Lee provides a variety of general practice services and advice to clients, and has recently been involved in a number of financial due diligence assignments.

"The wide variety of work I have been exposed to, coupled with the in-house support I have received

throughout my Lubbock Fine career, has enabled me to develop a broad base of technical, practical and personal skills. All of this has facilitated my progression in the firm and greatly enhanced the service that I am able to provide to clients" said Lee.

A broader role within the firm involves Lee in the recruitment, training and development of audit and accounting staff, something he considers vital.

"We are very much a people business and without doubt it is crucial that we recruit the right people. It is then essential that we follow through by devoting enough time and providing enough support to monitor and encourage their technical and personal development."

Away from the office, Lee lives in New Malden with his partner Helen whom he met at University. They recently became engaged although there is, as yet, no wedding date set. Helen is also a qualified accountant currently working in the Finance Department of Kingston Hospital.



Lee Facey.

"Although we're both accountants" said Lee, "our jobs are actually very different and I can assure everyone that we don't spend our spare time discussing the merits of flat rate VAT."

And talking of spare time, Lee is a keen footballer, playing for both eleven and five-a-side teams.

Phil Blackburn

Phil joined Lubbock Fine in May 2002. As a senior tax manager, with a roving consultancy role, Phil has historically assisted the firm's partners and their clients with ad-hoc tax consultancy projects.

At Lubbock Fine, Phil's work has been increasingly geared toward planning, therefore freeing him from much of the routine and allowing him more creativity in tax planning work with clients.

Having spent his training years with a provincial firm, Phil passed the ATIL tax examinations in November 1993. Leaving his first firm in 1995, he then went on to join a large West End practice where he spent the best part of the ensuing 7 years as a Chartered Tax Advisor. Whilst there, he was responsible for a mixed portfolio of private individuals, businesses and limited companies. The nature of this work allowed Phil the opportunity of weighing up where his main work interests lay. He found that he far preferred advising owner-managed businesses on work and family aspirations, providing for future family needs and succession issues, as opposed to getting tied up in the bureaucracy of working with very large corporations.

"I typically take the greatest satisfaction from working closely with clients looking to resolve their personal or business – or often both – affairs. By really getting to know clients, I am more able to offer tailored and relevant planning advice that meets both their current expectations and their future aspirations" he says.

Shouldering a growing responsibility for a broad spectrum of tax and VAT matters, with emphasis on cross border transactions, Phil's work encompasses



Phil Blackburn.

tax issues for both personal and corporate clients. All of this current work is utilising his carefully built expertise.

He goes on to add, "As a Chartered Tax Advisor, I am happy to advise clients on the spectrum of complex tax planning opportunities that are available under current legislation. However, it is my personal experience that many clients are not so interested in the "high risk" schemes but do like tax saving achieved by more traditional planning techniques. If there is one critical point to be made here it is to understand your client, so that you are able to offer the solution most suitable to each business and individual."

Phil is married to Sarah who is also a Chartered Tax Advisor. With the recent arrival of a second baby, Sarah is currently taking a career break to look after their two small sons along with undertaking voluntary work for the National Childbirth Trust (NCT).

They live in Bedfordshire from where it's a hop, skip and a jump to Highbury, allowing Phil to indulge his passion for The Gunners, whenever possible. ●

Specialising in charity accounts and audit

Lubbock Fine has been working hard for some years developing a specialist niche in handling the financial affairs of charities. Our clients in this sector vary widely from, for example, The Design Museum to Reprieve, a charity fighting for lives of people facing the death penalty.

With charity clients ranging from small to medium sized organisations, the work is hugely interesting, extremely varied and often very rewarding.

The audit of charities has become very specialised and without the right expertise, it can be a real minefield. In recent years a deluge of new requirements and guidelines from the Charity Commission are generating a feeling in voluntary organisations that they are being victimised.

One of the current 'hot potatoes' in this area is the new Statement of Recommended Practice (SORP). Unlike previous versions, this latest one is more rigid, not only providing broad guidelines but introducing specific new reporting obligations. Although the new SORP introduces a further layer of accounting requirements, it would be hard to argue that this is simply more red tape. In fact, it is widely agreed within the sector that the SORP clarifies certain areas that were badly in need. If voluntary organisations can now clearly demonstrate their achievements and not merely report upon their spending, they will surely be in a stronger position to attract funding.

Our dedicated team of partners and staff working with charity clients are trained in the specialised requirements of this sector. We are also proud of the breadth of expertise we have acquired, as it means that our clients benefit from our experience in acting for similar organisations.

If you or any of your friends or colleagues are involved with a charity that may need expert financial advice, we would be delighted to meet up with them. For an initial chat, please contact Russell Rich on 020 7490 7766 or email russellrich@lubbockfine.co.uk

It's not possible to list all of our charity clients here but we've profiled a number below, briefly outlining the work that they do.

Reprieve



Reprieve is a charity, which fights for the lives of people facing the death penalty and other human rights violations. Focussing on the cases of the innocent, people who are mentally ill or learning disabled, women, racial and

ethnic minorities, all those unjustly on death row and those detained out of reach of the law in the war on terror. "At Reprieve we need to spend the bulk of our time helping those who need our help" said director Annabel Harris. "That's why we're so pleased to have Lubbock Fine on board. They have enabled us to substantially cut down on the time we need to spend on financial administration which can only be good for our 'clients'" she added.

Contact: www.reprieve.org.uk

Release



Release is the national centre of expertise on drugs, the law and

human rights - reducing the suffering caused by drugs; advising the socially excluded and promoting debate based on research, health and human rights.

Since 1967 Release has provided advice, information and support to drug users, their families, parents and carers, with currently well over 1000 people contacting the organisation each month. With lawyers working alongside experts in drug treatment, Release is able to offer a unique service to the public, as well as to other professionals and the media.

Marginalised drug users are able to access professional help at Release legal surgeries in treatment centres across London. With its independent expertise, Release is also often called to provide testimony in courts of law.

Drug use affects people across all divides. Release aims to ensure that problems are not made worse by a disregard for human rights and civil liberties.

"In my experience accountants have a habit of making the simple appear complicated - it is the opposite with Lubbock Fine." Sebastian Saville, Executive Director

Contact: www.release.org.uk

Design & Artists Copyright Society (DACS)



DACS is a membership based organisation representing 36,000 fine artists and their heirs, in addition to 16,000 photographers, illustrators, craftspeople, cartoonists,

architects, animators and designers, including some of the biggest names in contemporary visual arts.

The organisation provides a range of licensing services for copyright consumers seeking to license the individual rights of an artist. Licences for secondary uses of artistic works are administered under collective licensing schemes on behalf of all visual creators. DACS distributes these funds through their Payback scheme.

DACS also manages Artist's Resale Rights on behalf of all artists in the UK (except where an artist has expressly mandated another society for this right). The Artist's Resale Right entitles an artist to a resale royalty each time their art work is sold by an auction house, gallery or dealer for more than €1,000.

Contact: www.dacs.org.uk

The Design Museum



The museum was founded by Sir Terence Conran and Stephen Bayley in 1989 and is housed in a

sparkling white building that was originally a 1950s warehouse, which was converted to a modern style by architects Conran Roche. The building's elegant facade has views of the River Thames and Tower Bridge.



Its stark and spacious interior is the setting for its collection of innovative design, as well as educational activities, public talks and events, a café, and the Design Museum Shop.

The museum, with two floors of gallery spaces, hosts a number of temporary exhibitions throughout the year. The Design Museum's programme of exhibitions of contemporary design, and design history, span a wide range of design disciplines, including architecture, graphic design, fashion, product design and industrial design.

There are Temporary and Exhibition Galleries, where a number of shows are held each year. These exhibitions of international design provide a taste of what may become familiar in the future.

The Collection and Review Galleries are arranged by theme, looking at the design of mass production and concentrate on a number of different types of product. The section devoted to cars includes a wooden model made up from a 1928 drawing by the designer and architect Le Corbusier. The gallery also takes a look at objects such as tableware, telephones, radio and TV sets, washing machines and office equipment. The furniture here includes a chair by Rennie Mackintosh. Temporary shows are sometimes held in the Collection Gallery.

The top floor is given over to contemporary design. Recent exhibitions have featured Nike trainers and an Aston Martin V12 Vanquish.

"I have been very impressed with the service provided by Lubbock Fine. It was backed up by real knowledge of the sector; in particular they were able to offer sound advice on the adoption of SORP 2005"

James Hill, Head of Finance and Operations

Contact: www.designmuseum.org.uk

New Horizon



New Horizon provides assistance to the young homeless in London. Under the chairmanship of Channel 4's Jon Snow, New Horizon has seen its work moving forward from basic 'life support' to enabling real and meaningful change

and opportunity for those who use its services. The numbers of people 'sleeping rough' is now falling and the charity has played a considerable role in the prevention of homelessness.

Through engagement, motivation, advocacy and long term support in the community, thousands of young people have been steered away from the cycle of homelessness through a comprehensive programme of learning, training, volunteering and job opportunities.

New Horizon director, Shelagh O'Connor said: "Lubbock Fine has shown tremendous support to New Horizon Youth Centre down through the years. Their personal approach and genuine interest in our work with young, vulnerable people has ensured that they are a valued and trusted stakeholder in the organisation".

Contact: 020 7388 5560 ●

Tax News

Inheritance tax and overseas homes

If you own a home overseas, please be sure that you are making the correct declarations on UK tax returns.

HMRC has stated its intention to scrutinise homeowners with houses and flats abroad as part of a new crackdown on foreign properties. The Revenue believes that some taxpayers may be using their overseas homes to try to dodge inheritance tax and warned that penalties may apply if they are not properly declared.

In cases deemed 'appropriate' by the Revenue, an enquiry will be opened and further information requested to prove that all foreign assets have been included and that they have been valued on the statutory basis. Many people wrongly assume that if they move permanently overseas they will not be liable for the 40% IHT levy when in fact some of these homeowners may still fall under UK rules. ●

VAT clampdown

Following the Government's heavy clampdown on carousel fraud (when bogus traders fail to pay over VAT due), some businesses are being forced to close due to a delay in VAT registration. As part of the HMRC's effort to tackle criminals, who exploit EU rules to defraud HMRC of VAT, the Government has imposed significant amounts of red tape on small businesses.

Businesses are now routinely waiting for as long as eight weeks to receive a VAT number, a process which used to take around two weeks. Additionally, delays in VAT registration and strenuous checks on legitimate VAT repayments may cause serious cashflow problems.

Many firms are now devoting a lot of time and resource to ensure that companies they trade with are legitimate. Some have even hired foreign lawyers to verify the identity of overseas trade partners. ●

Revenge is a dish best served cold

The Sunday Telegraph reports that some of the 266 whistleblowing calls received each day have been from pranksters, divorcing couples, or ex-colleagues denouncing each other.

Allegedly, many of the calls to HMRC's hotline for reporting tax evaders have been false and malevolent claims from people seeking revenge against others. The newspaper said a freedom of information request revealed that 40,000 people have called the hotline since it was launched in April. The Revenue refuses to comment on how many investigations have been launched as a result of information received via the hotline but revealed that an e-mail address which allows the public to 'shop online' has also received a strong response. ●

Now you could be paying tax when you're sleeping or eating...

The Treasury is allegedly spending time designing schemes to tax us when we're sleeping or eating.

Reports that the government is considering the introduction of a new tax on restaurant meals and take-aways have not, it seems, been wildly exaggerated. It is believed that amongst the ideas being explored are proposals to add a levy of between 6% and 10% to restaurant and take away bills, which would raise £1.5bn, a year for government coffers. This news has also prompted concerns over the implications that a new 'bed-tax', a 10% levy on hotel accommodation, as well as other 'tourist taxes', are under consideration.

Caroline Spelman, shadow local government secretary, said the recent high street resurgence of food quality through the rise of gastro-pubs could be inhibited by the new 'plate tax'.

"Having been eyeing up the popularity of eating-out, the Treasury now wants to cash in and grab even more money from people's pockets via this new tax" she said. "Most people already facing high council tax and utility bills will find a levy on their Chinese take-away, fish and chip supper or sit-down meal hard to swallow." (Get it?)

Meanwhile, guests at Butlins holiday resorts staged a 'lie-in' protest against these controversial bed-tax proposals. To voice their objections, guests at Butlins camps in Bognor Regis, Minehead and Skegness were invited to take part in a John and Yoko-style 'bed-in' protest. The holidaymakers stayed in bed for an extra hour as well as signing a petition against the proposed legislation.

Experts claim that a new 'bed-tax' would put a 10% levy on all overnight stays, in addition to VAT. Butlins said that if the legislation becomes law, it would cost between £100 and £150 extra for a week long UK break for a family of four leading many to opt for cheaper overseas breaks instead.

John Dunford, Butlins managing director, said, "We're mobilising the Butlins community to have its say in opposition to these ludicrous proposals." ●



Ten things you always wanted to know about tax but were afraid to ask

1. Is it true that you don't have to pay tax on the sale of a family home?

Not always. If a family home has, at some time, been let out, empty or used for business purposes it is possible that capital gains tax may be payable when the home is sold.

2. If I let a room in my home, is the income taxable?

All income from letting is taxable but, to encourage people to let a room in their home, income of up to £4,250 per annum is exempt under the rent-a-room scheme.

3. Does my student son/daughter have to pay tax?

If a student earns more than the personal allowance, tax will be payable. Employers will usually ask student employees working in the holidays to sign a form P38S so that they can pay wages gross.

4. Are my children taxable?

It doesn't matter how old a person is, even babies fall within the tax system if they have income. For most children there won't be any tax to pay since the personal allowance of £5,035 for 2006/07 allows each person this much income before they start paying tax.

5. If I give money to my children, do they escape tax on any interest earned?

If the interest on money given to a child by a parent exceeds £100, it is treated as being the parent's income and not the child's. Grandparents however can give away money without the same problem occurring. Watch out for inheritance tax (IHT) though – some gifts will be exempt, but larger amounts may create an IHT problem.

6. If I keep my money in another country, will it still be liable to UK tax?

If you live in the UK, the income is more than likely taxable. Even if you leave your money in, say, Jersey and never touch it, you may still have to pay income tax on any interest. However, if you are either not resident or not domiciled in the UK, the position may be different and you need to seek further professional advice. As reported in an earlier edition of Fine Lines, the Revenue are looking far more closely at overseas bank accounts.

For UK resident and domiciled individuals, money in an account outside the UK is liable to IHT upon your death

7. Do the Inland Revenue always get personal tax codes right?

The short answer is no. Even if the information you have submitted is correct, it can be easily lost amongst the millions of other PAYE codes. You need to ensure that any benefits you receive have been valued correctly. You can do this by checking that the prefix (the letter before your numerical code number) is right for your circumstances (check out the leaflet that came with it) and remember that a number of PAYE codes were incorrectly issued earlier this year.

8. If I overpay tax, will the Revenue always pay it back?

If you are paying tax under the PAYE system and have no other income then yes, this should happen automatically. If your situation is more complex, you will need to ask for the tax back either by completing a tax return or by completing a repayment form (R40). Investment income is taxed at a different rate from earnings and pensioners are particularly liable to be caught out and overpay tax as they may have several sources of small amounts of pensions and interest income.

9. State pension isn't taxable, right?

Wrong. State pension is taxable but is always paid gross. If the state pension is your only source of income, no tax will normally be due. If you do have other income then you will probably find that your tax code is adjusted for the state pension.

10. Gifts aren't taxable

Wrong again. Some gifts will escape tax but many will not and it is normally the person making the gift left to pick up the tab. So be aware of what your generosity might really cost! ●



Sense International



Sense International is a charity working exclusively to meet the needs of deafblind people and their families in developing countries. At the invitation

of Sunil Sheth, a Trustee of Sense International and a long standing contact of Lubbock Fine partner Pankaj Shah, both he and Geoff Goodyear attended a reception on Monday 11th September 2006 in the presence of HRH The Princess Royal.

Sense is a small charity and the reception was limited to a guest list of around 60 people. This didn't stop The Princess Royal making clear her enthusiasm and support for the work of the organisation.

Sense International is a young, dynamic charity working exclusively to meet the needs of deafblind people and their families in developing countries. They currently operate in East Africa, Latin America, India and Romania working in partnership with local and national government and other grassroots level non-government organisations to meet the needs of the communities. The challenges faced by a person who is both deaf and blind are enormous, but as The Princess Royal emphasised, with the right support it is perfectly possible for a deafblind person to learn, to be educated, to develop friendships, to get a job and to lead a quality life.

"The Princess Royal was charming," said Pankaj Shah. "As well as being amusing, elegant and not averse to cracking a joke, she is quite obviously extremely supportive of this very worthwhile cause. It was a delight to meet her."

Further details of Sense International can be found on their website: www.senseinternational.org.uk ●

Lubbock Fine congratulates... Sheargold

Lubbock Fine is delighted to congratulate an ex-employee and a long-time client, Nitin Mehta, managing director of Sheargold of Ruislip on receiving the Watford and North West London International Trade and Export Award 2006.

Sheargold has been actively trading for eleven years as specialist procurement and sourcing organisation. The company provides a complete range of industrial and technical purchasing and supply services primarily in Africa, including the power, water and sewerage, road and transport, ports and harbours, railways, post and telecommunications, sugar, petroleum and refinery and aviation industries.

"There's no-one more deserving of this award" said Lubbock Fine partner, Pankaj Shah. "In its eleven years of trading, the company has gone from strength to strength and the future's looking very bright for Sheargold. This is in no small way due to the diligence and hard work of Nitin and his hugely dedicated staff – it's a great company not only to trade with but to work with" he added.



Nitin Mehta receiving his award.

Nitin Mehta said: "I was delighted and somewhat surprised to receive this prestigious award. It has recognised our position in the marketplace and will act as a motivation to key employees. It's given us the confidence, recognition and motivation to do even better in the future. It is in no small way due to our team, our strategic partners and our professional advisors". ●

Lubbock Fine congratulates...

Ben Collins of The Stephen James Group



Ben Collins receiving his award.

We are also delighted to congratulate Ben Collins, managing director of Lubbock Fine client The Stephen James Group, on his recent AM magazine Rising Stars award.

The Rising Stars awards were conceived by AM magazine (a leading business publication for the franchised and independent dealers, repairers, bodyshops and carmakers of the automotive industry) in conjunction with Courland Automotive Practice. They are sponsored by Bank of Scotland Corporate and are in their second year.

Rising Stars was set up to identify the leaders of tomorrow - those men and women who will shape and influence the future direction of the automotive industry. Not only did Ben win the general management award but he was also named overall Rising Star of the year across all of the six award categories.

In what has been a pivotal year for the group, Stephen James Limited – Enfield branch was also a finalist in the Franchised Dealer Bodyshop of the Year award in Bodyshop Magazine's 2006 Industry awards. This is indicative of the credibility that 28-year old Ben Collins has generated and the respect he has gained not only amongst his work colleagues but also in the wider industry.

Formed in 1970, Stephen James Group had never owned more than two sites. Ben changed all that as he spearheaded the move earlier this year to acquire three BMW and two Mini dealerships from Whitehouse Group.

"I found that my Oxbridge education had a novelty value in the motor trade, which helped to open doors with banks when it came to funding" he says. "The offer to buy the Whitehouse businesses came at the right

time as I'd become managing director. Lubbock Fine was key to securing the right sort of deal and I'm glad to have professional advisors with whom I've been able to develop such a valuable rapport."

"Ben is certainly passionate about what he does," said Lubbock Fine managing partner Geoff Goodyear. "It's rare to meet someone in their 20's with this degree of talent, commitment and focus. Aside from all of those qualities, he is able to inspire the people around him which can only lead to even bigger and better future successes."

With his five-year plan to lead Stephen James Group into the AM100 top 20, Ben Collins needs to more than treble its current turnover. He is keeping his eyes open for potential acquisition targets and part of the group's long term growth strategy includes encompassing other prestige brands as well as growing its current BMW and Mini business. ●

We're always delighted to feature good news about our clients. If you have something special that you'd like to shout about, please email marketing@lubbockfine.co.uk and we'll try to get your story into our next issue.

LubbockFine
Chartered Accountants

Russell Bedford House, City Forum,
250 City Road, London EC1V 2QQ
Telephone 020 7490 7766
Fax 020 7490 5102
www.lubbockfine.co.uk



Editorial information: Edited by Nicola Coleman.
E-mails, faxes or letters to the editor are welcome.

nicolacoleman@lubbockfine.co.uk
marketing@lubbockfine.co.uk

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