

# FiNELINES.

*Advice that adds up*

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The Lubbock Fine Magazine ● ISSUE 63 ● Spring 2015

## CALLING ALL BUSINESSES – ARE YOU READY FOR AUTO-ENROLMENT?

By Ben Sier, Lubbock Fine Wealth Management LLP



Ben Sier

If you haven't yet prepared your company for auto-enrolment (AE), you need to contact us with all due speed! When you do, through looking at your payroll, we will help you establish when your key AE date is and what you are obliged to do, and by when, in order to avoid fines.

Since October 2012, and for the first time in UK history, every UK employer must now enrol certain 'workers' into an employer-sponsored workplace pension; both the employer and employee must pay pension contributions. This ultimately represents a cost for employers who need to plan accordingly.

This pension legislation introduced auto-enrolment which is designed to get Britain saving en masse for retirement. Employers have specific AE duties to meet by their 'staging date' (when duties begin) which are enforced by fines.

The government has made the employer responsible for ensuring that the pension is established and it is compulsory for an employer to pay pension contributions whilst a 'worker' also pays into the workplace pension. The worker

is allowed to 'opt out' of (i.e. leave) the pension scheme at any time but this must be employee led and the employer needs to be very careful not to be seen to have had any influence on this decision.

The legislation is the polar opposite of the previous workplace pension legislation (stakeholder), which allowed an employer simply to designate a scheme with no obligation to pay pension premiums or have any associated administration costs.

Experience suggests that planning a year in advance allows for a much smoother AE journey. The Pensions Regulator has started issuing fines for non-compliance; AE is a business risk that needs to be carefully mitigated by planning. ➤

(cont.)>>

## AE essentials

AE is concerned with 'workers'. In essence, it is referring to employees, including workers with a contract to perform services personally.

There are a number of essential steps that employers need to take and we can go through these with you in detail once we start working with you on your AE obligations.

Briefly, AE places certain obligations and duties on an employer which include:

- Confirming their staging date
- Assessing the types of worker for AE purposes within the organisation
- Communicating the changes to all affected
- Providing access to an AE pension; meeting the AE pension qualifying criteria
- Automatically enrolling all 'eligible workers' into the pension
- Paying pension contributions
- Carrying out AE and administering all aspects of the pension
- Registering with The Pensions Regulator (TPR)
- Keeping records

Once up and running, the employer is responsible for ensuring that it remains up to date with legislation and continues to comply.

Auto-enrolment is regulated by The Pensions Regulator. For further information and guidance please speak to your contact partner or to Ben Sier direct on 020 7490 7766, [bensier@lfrm.co.uk](mailto:bensier@lfrm.co.uk). <sup>LF</sup>

*This article is for information only and professional advice should be taken in advance of any changes to your financial affairs. HM Revenue & Customs' practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen. Tax advice and National Savings & Investments are not regulated by the Financial Conduct Authority. Lubbock Fine Wealth Management LLP is an appointed representative of Financial Ltd, which is authorised and regulated by the Financial Conduct Authority.*



## WE'RE IN THE TOP 40!

Exciting news... *Accountancy* magazine, the leading independent accounting profession publication, has ranked us as a top-40 firm in its UK Accountancy Firms' League Table 2014.

Published in February 2015, the table shows that our new position is due to a 39% increase in fee income. This is due in part to our winning a significant European Commission contract for financial audit services, which will see us carry out some

500 or 600 audits throughout Europe until 2017, alongside some of our colleagues from our international network, Russell Bedford International.

"Our jump up in the league table isn't just down to our EC work as we've had organic growth in all areas," explains managing partner, Mark Turner. "We are seeing a steady increase in tax work... and there is also increasing work around areas such as wealth management and auto-enrolment." <sup>LF</sup>



# SPOTLIGHT ON TAX

## TAX IS HEADLINE NEWS

**B**arely a day goes past at the moment when tax doesn't make news headlines. At the time of writing it's HSBC in the spotlight but next week another institution or celebrity could be in the media's crosshairs. With journalists from all sections of the press having views on our tax system, many of which seem to contradict each other, it's hard to know where the truth lies.

Outrage seems to come from a number of separate sources, not all of which have anything to do with tax. The accusations aimed at HSBC seem to relate, to some extent, to the adequacy of money laundering procedures – the process of identifying and checking out a client before starting work.

All this has nothing to do with tax, at least not directly. When it comes to tax the waters get muddied when the media start to talk about evasion and avoidance. Encouraged by HMRC and the Public Accounts Committee, there's a marked tendency to conflate the two.

Some things are clear: hiding income or inflating expenses, for example, is evasion and it's illegal. Taking steps to arrange your affairs so as to pay less tax rather than more, however, has always been permitted and still is. The problem is that there is a spectrum of avoidance techniques so that, at one end, anyone who buys an ISA or pension plan is a tax avoider. At the other end are complex, possibly circular, transactions which few of those involved understand and fewer still would agree to if it weren't for the perceived tax benefits.

HMRC has been taking an increasingly tough line on evasion with campaigns to root out those who don't step up and disclose what's due. Increased access to information has helped, both from overseas jurisdictions and from use of technology. But at the same time HMRC has tried to encourage compliance with a series of 'disclosure opportunities' which might promise limited penalties or immunity from prosecution in return for coming clean. Some sections of the media are hostile to these deals, arguing that

defaulters should be prosecuted not pandered to. It's populist but not practical. HMRC's task is to collect the right amount of tax, as efficiently as possible – not something it will achieve by pursuing defaulters into jail where the state has an obligation to pay their board and lodging.

As to avoidance, there are big dangers in trying to impose a moral code on tax. People and businesses need to understand the rules in order to comply, and bringing subjective morality into the mix blurs the boundaries. At the margins it undermines the rule of law which we value so highly in the UK.

At Lubbock Fine we will always try to find you the best possible tax outcome. We do not promote or market tax schemes but can help in negotiations with old ones and also assist clients with disclosure opportunities. For anyone with offshore disclosures to make, the Liechtenstein deal closes in March 2016 - it's the best on offer and unlikely to be repeated, so speak to us now if you think it may be relevant. [LF](#)



## SHRINKING NUMBERS GENERATE HIGHER TAX 'TAKE'

**L**ike many other government departments, HMRC has shrunk in the last five years: it now operates with the equivalent of 60,000 full time staff where once it had over 90,000. Gone are the local enquiry offices and districts and, as more and more processing and collection is passed down to taxpayers, fewer people are needed within the service itself.

You might therefore be forgiven for thinking that HMRC is making it easy for tax-dodgers. However, the government has poured investment into IT systems for HMRC, which, in combination with some persuasive publicity campaigns, has enabled it to increase the tax take by £9bn in the last three years.

The key to this success lies in the increased access to information that the Revenue now has. We all know about the publicly available information from agencies like the Land Registry

but HMRC now has access to data from less obvious sources such as your insurance company or chip & pin records. Modern IT systems enable HMRC to link up all this information and the jewel in its crown is a system known as 'Connect' which does this job. The result is that it can reasonably say that it knows as much about individual taxpayers and their financial circumstances as the individual taxpayer does. It's not unknown for a taxpayer to be asked about the source of funding for his holiday in Italy last August, or why he remains a basic rate taxpayer when, according to his Twitter feed, he'd made his first million ten years ago!

The Revenue has invested some £45m into the Connect system and trained 5,000 tax inspectors to use it. Connect is now the launchpad for 83% of tax investigations and has seen the number of enquiries being initiated by HMRC increase from 119,000 in 2011/12 to 237,000 in 2012/13, a

jump of nearly 100%. HMRC credits the Connect system with additional tax revenues of £2.6bn.

All in all, the increased focus on compliance by HMRC means that we all need to take extra care with the accuracy and completeness of our tax returns. We encourage our clients to provide information early and avoid making last minute estimates, so that the return can go in right first time. In the current environment an estimated figure that is not confirmed as final is very likely to lead to an enquiry, as is the amendment of previously submitted figures. Enquiries can be very costly in fee terms even if no extra tax is found to be due. We encourage all of our clients to protect themselves from the additional professional costs of dealing with most HMRC enquiries by subscribing to our Tax Investigations Service. For further information about the Tax Investigations Service, please feel free to contact us. [LF](#)

## HMRC VISITS: TROUBLE IN STORE?

Many businesses dread a visit from HMRC. Aside from the possible disruption it could cause, there is always the worry that a visit may result in paying more tax. If you receive a visit from HMRC, you would be well advised to involve us at an early stage.

### Preparation

HMRC will usually pre-arrange a visit by telephone or by letter. We will always ask the officer to confirm all details in writing and, at the outset we will try to establish if any particular risk areas have been identified. Together with you, we will then ensure that all records are available for the visit.

### Unannounced visits

There tend to be two types of unannounced visit. The first is generally a routine inspection where there has simply been a failure somewhere along the line to notify the trader. In this case, you may ask HMRC to come back at another time. This will also give you enough time to inform us of the visit.

The second type of visit is where HMRC deliberately does not forewarn the business but turns up unannounced. In this case, HMRC will have a formal notice signed either

by a Tribunal or an authorised officer of HMRC, which is actually a request to enter the premises. Contrary to popular belief, IT DOES NOT GIVE HMRC AUTOMATIC RIGHTS OF ENTRY. There is no penalty for refusing entry for a notice signed by the authorised officer. There could be an initial penalty of £300 if the notice has been signed by a Tribunal but this would only be applicable if there was no reasonable excuse for not permitting entry, for example, if the trader wanted his accountant to be present. These types of visits are not random and we would strongly advise clients to seek professional advice before giving HMRC access to your premises.

Be aware that the visiting officers will initially ask to speak with the business owner. However, if the owner cannot be traced, the officers can ask to speak to anyone who is in charge at the time. If no one is actually in charge at the time, they may simply enter the premises and leave the notice displayed in a prominent place. They need only be told "no" once and they should not enter.

### Know your rights

HMRC does not have any absolute right to meet the business owner; both announced

and unannounced visits are inspections, not searches. It does have the right to ask for any business record which is reasonably required to check your tax affairs. If there is any uncertainty over whether an item is reasonably required, HMRC should be challenged instantly rather than afterwards. Also, the extent of the inspection should have been made clear prior to the visit and this should not be extended without justification.

### Take advice

The best advice we can give is to let us know immediately if you are contacted directly by HMRC. Ideally, we will then follow up with HMRC on your behalf.

It is good practice to ask HMRC to issue any follow up in writing.

If you are not currently protected against the professional costs incurred when you have a tax investigation or enquiry, please speak to your contact partner or one of our tax partners about our Tax Investigation Service, which is backed by an insurance policy we have taken out in Lubbock Fine's name. <sup>LF</sup>



## BUDGET NEWS

For an in-depth analysis of the Chancellor's March 2015 Budget, please go to our website [www.lubbockfine.co.uk/news/budget-2015](http://www.lubbockfine.co.uk/news/budget-2015)



## LOOKING AT THE CAREER OF GEOFF GOODYEAR

Lubbock Fine's former senior and managing partner, Geoff Goodyear, retired as a partner in November 2014. He is though still very much around in his capacity as a consultant.

"I became an accountant due to a series of absolute chance encounters," said Geoff.

At the age of 17, having to leave school to earn a living, Geoff had a series of interviews which failed to yield any job offers. Undeterred, and with an introduction from his school form master, he was set up with an interview with an accountancy firm and in early 1964, he was offered a job by Bernard Rader and Co.

"That was the first and last interview I ever had," said Geoff. "I never had to go through another one as my career progression was always through takeover and merger which, from a modern day perspective, is pretty strange and possibly unique. From leaving school in 1964 through to retirement, I've had 50 years of unbroken service, albeit with several different firms."

Bernard Rader & Co soon ceased to trade but Geoff, along with his principal, branched off to share offices with a firm in Great Portland Street. Soon afterwards, they moved to a firm called Walker Newman.

In 1972, Walker Newman merged into Lubbock Fine & Co, having made Geoff a partner shortly before as, by then, he was dealing with several of their larger clients. One of these was a businessman, Bobby Marmour, who had put together some significant companies, two of which were subsequently listed on the stock exchange. Marmour went on to found Westmorland Investments, a substantial private property group, which then acquired two listed property companies. Geoff was responsible for the audit of all of those companies.

Due to a relaxation in exchange controls, many property groups were pursuing investments outside the UK in mainland Europe, namely in France and Germany. "Part of my job was to review the work of overseas auditors conducting audits of the overseas subsidiaries," explained Geoff. "That was an eye opener for me as I was able to compare what we were doing in the UK against other countries. It was really fascinating."

This was the start of Geoff's interest in international work which has been so significant throughout his professional career.

The French and German firms, with whom he worked, were connected through an international group to which Lubbock Fine promptly applied for membership. The application was rejected. This was key because from there, the firm resolved to form its own group, Russell Bedford International (RBI).

Phil Fine, senior partner at the time, threw himself into developing the organisation. "It was an important step for me," explained Geoff. "I was involved with that organisation from its inception. As Phil approached retirement, I played an increasingly significant part in it but as I was too young to become its chairman, the then managing partner, Stanley Prashker, took on that role. Unfortunately, as the difficult economic times of the 1990s arrived, a number of the members left as the organisation had not yet established its critical mass."

A further important step occurred in 1988 when Lubbock Fine acquired Anthony Murty & Co led by Tony Murty who was an international tax planner. It fell to Geoff to take control of Murty's practice, introducing him to the world of international tax and adding to his portfolio of international work.

Lubbock Fine's international dimension was growing elsewhere, and Czechoslovakia's 'velvet revolution' in 1989 meant that the firm's historic connections with Skoda GB and various other Soviet and Iron Curtain clients led to the firm establishing offices in Prague and Moscow. Geoff spent the next eight years going backwards and forwards to Moscow in an effort to help ameliorate the chronic effects of the recession in the UK. By 1995, this new market began to show some promising rewards.

"What was novel about this market was the work. We were asked to look at companies that were organised and managed under the principles of central planning and to help them restructure their activities towards a market-led economy. We gained some traction in Prague and Moscow and started to carry out profitable assignments, although as with any new venture, the first 10 years were the most difficult!"

The next phase of Geoff's career was when David Levy retired as managing partner of Lubbock Fine in 2000. Many of the problems caused by the recession of the early 1990s had by then been resolved and there was a marked improvement in the economic outlook.

Geoff quickly established that what needed to be done was for the firm to re-structure, improve productivity and focus on achieving consistent, good quality work. With a dedicated team of young partners and managers, improvements at all levels began to appear.

"Slowly but steadily our ability to raise the tempo of the firm, by rewarding the hard work of personnel which in turn attracted better quality professionals and trainees, resulted in improved staff retention. This helped us attract better and more challenging assignments, thus strengthening our overall performance."

Geoff relinquished the role of managing partner in 2011 by which time the firm was a very different one from that of a decade ago.

"By the time my responsibilities were passed to Mark Turner, I knew that Lubbock Fine was in good shape for the future," said Geoff. "The move to new premises last year and now being a UK top-40 firm (as ranked by *Accountancy* magazine in February 2015) has consolidated the firm's success. I am

still dealing with a body of client work relating to the area in which I have specialised over the years, but spending a little more time with my family, travelling and playing tennis doesn't sound too bad either." 

## CONGRATULATIONS TO OUR CLIENT – MATRIX APA



Charlie Bradshaw, managing director, Matrix APA

We are delighted to announce that our client Matrix APA recently won a prestigious industry award at the European Supply Chain Excellence Awards 2014.

Matrix APA sources and delivers bestselling products across multiple categories and sectors. From fashion accessories, to toys and novelties, gifting and jewellery to cosmetics and skincare, the company is capable of delivering almost anything.

"If you've ever wondered where British Airways sources products for its onboard First Class amenity kits, you need look no further than our first class client, Matrix APA, said managing partner, Mark Turner. "Matrix also supplies a whole host of blue chip companies, including BBC Worldwide, the Halifax and Oxfam amongst others. Everyone in the Lubbock Fine team

congratulates Matrix APA on this very well deserved award."

Commended for the team's passion and enthusiasm in proactively driving transparency and improving labour conditions within the supply chain, Matrix APA is immensely proud to have been recognised for making a difference in this ever-challenging space.

Managing director Charlie Bradshaw comments, "As an SME, being shortlisted for an award alongside major players such as Sky and Vodafone in the Sourcing and Procurement category, is a tremendous achievement. However, to actually win it, is even further testament to the sheer passion and hard work our sourcing team continues to put into our social and ethical programme. I am extremely proud and I am hoping this will demonstrate to other SME companies that you are never too small to make a big difference."

Matrix APA's social and ethical programme continues to improve the lives of factory workers, as well as increase efficiency and profitability for suppliers and clients alike.

For further information, please go to [www.matrixapa.com](http://www.matrixapa.com). 

## SENIOR PARTNER – JEFF GITTER



**W**e're delighted to let everyone know that Jeff Gitter has been appointed as senior partner of Lubbock Fine.

Jeff joined the firm in 1975 as a newly qualified senior, having trained at Coopers & Lybrand (now part of PwC) which was at that time one of the then 'Big 8'. He was admitted as a partner in 1978 and since then has built a wide-ranging client portfolio comprising mainly owner managed SMEs. He specialises in advising businesses in the restaurant, leisure, media and medical arenas.

He also has a number of private clients and executorships/trusteeships, always mindful that the terms of his appointments are properly implemented and that beneficiaries are protected from stress in what may be difficult times.

Jeff is the Lubbock Fine partner responsible for the human resource function of the firm and is fully involved in our management and development.

We're sure that all of our clients will join us in congratulating Jeff and wish him all the best on his appointment. 



## LUBBOCK FINE WEALTH MANAGEMENT (LFWM) IS NOW A UK TOP 100 FIRM

**W**e are delighted to announce that LFWM has been selected as one of the UK's top 100 financial planning firms by respected professional magazine, *New Model Adviser*.

To be ranked a UK Top 100 firm places LFWM as one of the movers and shakers in the profession. "This is recognition for many years of hard work in building a highly regarded business; for the technical quality of our advice, our fee transparency and the exemplary service and commitment that we offer our clients," said Neville Pereira, financial services director.

At LFWM, every aspect of a client's tax position and finances is examined before lifetime cash flow is planned to provide a

fully holistic service which helps to ensure that clients achieve meaningful financial and life goals. With the benefit of real time information, and by working in tandem with colleagues at Lubbock Fine, a highly personal client service is provided.

LFWM constantly reviews and expands its services. What's more, as part of its ongoing commitment to client care, LFWM is offering a 'no obligation' financial health check with a free, half hour initial meeting.

For more information about how LFWM could assist you with your own financial planning, please speak to your contact partner, or to Neville Pereira or Sam Whybrow at LFWM on 020 7490 7766 or email [nevillepereira@lfwm.co.uk](mailto:nevillepereira@lfwm.co.uk) or [samwhybrow@lfwm.co.uk](mailto:samwhybrow@lfwm.co.uk). 

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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](mailto:marketing@lubbockfine.co.uk) and we'll try to get your story into our next issue.

