

proactive

If the Inland Revenue asked you to spend two days locked in a room with them, how would you react?

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SUMMER 2004

Award Winners



Paul Aplin collecting the award from Clive Anderson.



Amanda Paddick with Institute President David Illingworth

On 25 May we were awarded the accolade "Best Tax Team in a Small Firm" at the Lexis Nexis UK Tax Awards.

The trophy was presented at an awards evening at the Park Lane Hilton in London attended by over 500 members of the tax profession. The judges said that the competition this year had been the toughest to date and commended the team for their involvement in the development of the Inland Revenue's new PAYE on line system, and the wide range of technical work they cover.

We were shortlisted for the award in 2002 and 2003, but this time came away with the trophy. "It has been a long haul," said Paul Aplin after collecting the award "but we were determined to win this year. Now that we have the award we will be working even harder to maintain the winning standard and to keep our service at the cutting edge."

The following morning the team met Taunton's MP Adrian Flook at the Houses of Parliament. A photograph of the team with Adrian appears on page 4 together with a selection of quotes from clients who supported our entry by telling the judges how they rated our service.

Amanda Paddick was also a prize-winner in the Institute of Chartered Accountants Advanced Stage Examinations in November 2003.

At a ceremony at Chartered accountants Hall on 6 April, the Institute's president David Illingworth presented her with the prize for her performance in the Advanced Case Study paper. She is following in the footsteps of partners Paul Kingdom and Nigel Banks who were both prize winners when they sat their Institute exams. Amanda was also awarded a prize by the South Western Society of Chartered Accountants.

Inland Revenue workshop

If the Inland Revenue asked you to spend two days locked in a room with them, how would you react? Well, in May 2003 that was precisely the invitation tax partner Paul Aplin received. Later that month he spent two days in London participating in a Revenue workshop. The event brought together Revenue staff, software designers, employers and others with the aim of establishing how the government's targets for the electronic filing of PAYE returns could be achieved. It was a unique opportunity to influence the design of a new system and to ensure that the views of our clients were represented.



May 2003: Paul Aplin at the Inland Revenue workshop

Compulsory electronic filing of PAYE returns was a recommendation of the Carter Report and businesses with more than 250 employees will have to file their returns electronically next year. Those with between 50 and 249 employees will have to do so from the following year and all employers - even those with only one employee - will have to from 2010 onwards. There will, however, be tax-free incentive payments totalling £825 for employers with 50 or fewer employees who file electronically from next year.

The first day of the workshop involved presentations and brainstorming sessions, which explored ways of adapting and enhancing the PAYE system by the use of the Internet and electronic media. The Revenue team worked overnight to draw together all that had been discussed and the second day was spent looking at how the ideas could be put into practice.

Over the following months, members of the Revenue team visited us with demonstration versions of the evolving system and sought comments from Gloria Hirst and Jane Patten of our payroll department. The team said that they regarded our input during the design process as invaluable and invited us to be the first accountants to file through the new PAYE online system on 6 April. Gloria and Jane sent the first live returns via the Revenue's own web site and also using IRIS PAYE Master payroll software. Both methods worked perfectly.



May 2004: Paul Aplin with Sandra Gardner, Melanie Wornack, Jane Patten and Gloria Hirst

We have been asked to remain involved in the continuing design process as more features are added. Why us? Because our experience in this area is unrivalled - we were the first firm in the UK to file a personal tax return electronically and the first accountants to file by Internet.

On the day we filed the first live returns, Gloria remarked to Jo Bell of the Revenue team that she found the input screens very user friendly. "Well they should be," Jo replied "you helped us design them". Which rather proves the point.

A C Mole & Sons payroll department handles payrolls for a growing number of clients, relieving them of the burden of coping with the ever more complex PAYE system. Whether you have one employee or a hundred, we can offer a cost-effective solution. We can also help small employers to obtain the £825 tax-free incentives for e filing. Action needs to be taken sooner rather than later, however, if the first payment is to be secured next year.

Peter Shapland

Peter Shapland, for many years a partner with A C Mole & Sons died on 11th April.



Peter first came to Stafford House in September 1939 as a prospective articled clerk. Soon after joining he found himself in the Home Guard and in 1942 he was released from his articles to join the army. He saw action in North Africa, Sicily, Italy and finally Austria.

In January 1947 he returned to complete his studies and in 1955 he was made a partner. Peter pursued his career in his own distinctive way. He had little interest in the social activities that a professional man was expected to embrace in those days. He just got on with the job of being a Chartered Accountant. He worked long hours and his car was frequently to be seen outside the office on Saturdays and Sundays. He took a personal interest in his clients and worked tirelessly for them.

He enjoyed photography, walking, music and wildlife, but will perhaps be best remembered by those who worked with him for his sense of humour. Shortly before he retired, we received a letter from Companies House to say that a public complaint had been made about an annual return - the writing was illegible. The writing of course was Peter's and he walked around the office roaring with laughter, inviting everyone to enjoy the joke at his expense.

His favourite story perhaps was from the war years when, at the end of an exhausting day, he found a stream to wash in and having placed his precious scrap of soap on a rock, he stripped off and stepped into the water. Reaching out for the soap however he saw it hop away from him, for the rock had not been a rock at all but a frog. It could only have happened to him.

Peter was a kind and talented man but above everything he had that most precious of gifts, a wonderful sense of humour. He will be greatly missed.

Stamp Duty Land Tax

Stamp Duty was often regarded as a minor tax, with low rates and a relaxed regime.

The new Stamp Duty Land Tax (SDLT) introduced on 1 December 2003 brings with it an enquiry regime and a host of potentially costly tax traps for anyone undertaking transactions in land.

Negotiating a lease may seem straightforward, but structuring it the wrong way could significantly increase the SDLT payable. Lease premiums, shortening lease periods, granting indefinite leases or periodic tenancies, partnership changes and rent reviews all have SDLT implications.

The technical problems are compounded by the practical implications of the new administrative regime. There are complex rules for determining when a return has to be made and the new regime is self-assessment, which means that the Revenue will be opening enquiries, undertaken by a specialist unit of senior Revenue staff.

Our new SDLT service offers technical advice on structuring transactions to reduce the tax payable whilst achieving commercial objectives, practical assistance on meeting compliance obligations and support in dealing with Revenue enquiries.

To launch our SDLT service we are delighted to welcome Ros Martin to our award winning tax team. Ros has been lecturing to the profession - and to Inland Revenue inspectors - and consulting on SDLT since implementation. Her reputation with Stamps Office Policy Division has even resulted in a change in the legislation (in the taxpayer's favour of course).

If you are embarking on a property or lease transaction or changing your partnership shares, you need to consider SDLT. In fact you need to talk to Ros.

What Our Clients Say about Us

Although part of our entry for the Lexis Nexis Tax Awards was a description of the range of technical work that the tax team undertook during the year, the judges wanted to hear what our clients thought. On this page we have reproduced some of the things they said.



Adrian Flook MP with the A C Mole Tax Team on the terrace of the Houses of Parliament.

"The level of competence and commitment you show exceeds that of the 'Nationals' we use from time to time. We always sense a tremendous team spirit and your firm's tax service to HM Group is second to none."

[Steve Hanney, Finance Director, HM Plant, Europe's largest Hitachi excavator dealer](#)

"I am always amazed at the level of tax knowledge that resides within your in-house team. Whatever the question I ask, and however complex the tax position may seem to be, I know that you will produce a member of the A C Mole team with an answer!"

[Anne Tofts, Joint Managing Director, Healthskills](#)

"Uniquely, in my experience, you provide the support and advice with a smile and an appropriate sense of humour that lets clients know that there is a real person standing behind the figures and wisdom."

[Jonathan Dingle, Joint Head of Chambers, 2HG Chambers \(London, Taunton, Manchester, Paris\)](#)

"With your firm it is different - completely and utterly different. Trying to put the buzz of your enthusiasm and professional excellence into words, without sounding patronising, is very difficult."

[Andrew Durie, Director, Spillers of Chard.](#)

"It is essential to be able to wheel in the experts whenever a tax issue arises. The breadth and level of knowledge and experience that you have built up has meant that we have not had to look to a national name..."

[Mark Blackwell, Finance Director, Summerfield Developments Ltd](#)

"At a corporate level, your tax advice has been very impressive."

[Kit Chapman MBE, Managing Director The Castle at Taunton](#)

"Without exception, you are always able to provide specialist advice on any tax subject, no matter how complex"

[Colin Wilkins, Chairman, Southern Industrial Redevelopments Limited](#)

"I did at one stage feel we were pushing you one tax problem too far, but as before you successfully concluded the matter to our advantage. Whilst I was aware that we were reaping the benefits of your advice and guidance it was not until I saw the figures that I really appreciated how much."

[Rene Pennington, Director, Pennington's Storage Services Limited](#)

"Your team deserves the highest accolade."

[Mark Vaughan-Lee, Chairman, Brazz plc](#)

"The increase in size and sophistication of the firm has done nothing to diminish the personal nature of the contact."

[John Downs](#)

"I have found your handling of our tax affairs to be not only efficient but creative and proactive - rather rare for an accountancy firm."

[Michael Bromfield, Chairman, Casterbridge Tours - Britain's only Queen's Award winning tour operator](#)

"If there were Oscars for accountants, these guys should get one"

[Martin Booth, novelist](#)