



**Welcome** to the Spring edition of our newsletter which is accompanied by our separate summary booklet of the Budget changes announced by George Osborne on 23rd March 2011. As ever the selection of articles is varied but one of the shortest is worth particular attention at this time of year as it relates to Individual Savings plans. It is really important to top these up every tax year now that meaningful sums can be dropped into a tax free environment and which can then in turn provide a tax free income in later life.



by Colin Burns

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## ISA News

# ISA limits increased

The Government has announced that the annual ISA investment limit will be increased from £10,200 to £10,680 with effect from 6 April 2011. For a couple, this means that £21,360 can be invested with no tax on income withdrawn, no capital gains tax on sale and no need to account to the Revenue.

With the benefit of the tax advantages, it has been calculated that a 35-year old investor would accumulate a fund of £679,077 by age 65, assuming an average annual return of 4.5%.

### Junior ISAs

Following the demise of Child Trust Funds ('CTFs'), the Government has

announced that an alternative tax-free savings plan for children is to be introduced, which has been dubbed the Junior ISA.

The new product will be available from the Autumn of 2011 but will be available for all children born after the withdrawal of CTFs. The same tax advantages are



by Graham Thomas

likely to be maintained as for CTFs, but participation will be optional and there will be no Government contribution.

An alternative way of saving for children is to place a taxable investment in a bare trust. This permits any gains to be set against the child's annual capital gains tax allowance and income up to £100 p.a. against their income tax allowance.



# Compensation limit raised for Savers



The amount of compensation available from the Financial Services Compensation Scheme to depositors in failed banks has been increased from £50,000 to £85,000. This brings the UK into line with other EU states, where the limit has been increased to €100,000.



by Rob Jones

The scheme pays compensation for financial loss arising out of the inability or likely inability of a bank or similar institution to pay claims against it. This will generally be because it has stopped trading and has insufficient assets to meet claims, or is insolvent.

UK subsidiaries of foreign banks are covered by the scheme but overseas deposits will be subject to the applicable local scheme.

The compensation is payable per depositor per institution, so those with joint accounts could claim up to £170,000 but people with deposits in banks within

the same group may be limited to a single claim.

However, the increase applies only to deposits. Claims in respect of defaulting investment firms remain subject to the £50,000 maximum; an "investment" being defined for this purpose as "a financial product in which money can be invested to earn interest or profit (although the value of investments can go down as well as up)".

Claims in respect of insurance company bond products will be paid in full up to 90% of the loss, with no upper limit.



## Sean Lamb 1948 to 2011

Our much respected Office Manager and employment law specialist, Sean, sadly passed away on 1st January 2011 following a two-year battle with cancer. The illness was borne with courage and dignity.

Sean came to the United Kingdom in the 1970s and worked for BOC Oxygen as a buyer and previously for another firm of chartered accountants.

Sean joined Gerald Edelman in 2001 as our Office Manager following a short spell with U.P.I.

Sean was uniquely talented in many ways. He was an accomplished photographer and a dab hand in the kitchen. He also had a passion for Waterford Crystal and had amassed a magnificent collection at his home.

We are sure that many clients who dealt with Sean on HR matters will remember him as "professional, accurate and with a focus on attention to detail". This summed up Sean in many respects. In the office he brought his organisational skills to bear and there are many facets of current practice life which will last as a legacy to Sean. The most poignant was the recent refurbishment of the second floor at the Whetstone Office. This project was delivered both on time and on budget and was dealt with in Sean's usual organised way. Despite his grave illness he worked throughout the period to ensure that every detail was finalised.

Sean was looking forward to his retirement and spending time in his much loved second home of Southern India and to be able to devote time to his favourite charity, a children's orphanage. The partners and staff are delighted to be associated with this project and have made appropriate donations in Sean's memory.

He will be sadly missed by his friends and colleagues.

# Use of Home as a Place of Business Sparks of light



by Colin Burns

A recent tax case made a major decision which could have a wide impact on many of our self employed and small corporate clients, who typically use their home as an office. The case concerned is known as Paul Mellor. Mr Mellor is a self employed electrician working on various sites. He travelled to the sites by car and claimed motor expenses for the journeys. He claimed that his home was also his work base, so the travel to and from the sites was wholly and exclusively for the purposes of his trade. He said he has no other office, all his business records are kept in his home, all correspondence is sent to his home address, and he keeps some small tools and equipment there when not using them.

HM Revenue and Customs disallowed his claim saying that although Mr Mellor might do some administrative work at home, it was not where he carried out his trade as an electrician. His travelling costs were not allowable as they were not wholly and exclusively for the purpose of his business.

The first tier tribunal said that a sub-contractor such as Mr Mellor had to have a base for his business. Arranging work was integral to being a sub-contractor and the administration in dealing with that had to form part of his trading activity. He carried out the administrative part of his trade from his home and therefore, his business base was his home.

The good news is that Mr Mellor's appeal was allowed, subject to the figures being agreed with HM Revenue and Customs.

# “Salary Sacrifice”

## rewarding and motivating your staff in a tax efficient and cost effective way.

Do you have staff who currently pay for any of their own training and development? Perhaps a member of staff pays for night school, is funding their own professional exams, or an M.B.A?

If your staff are currently paying for their training out of their own taxed income, a big chunk of their gross income goes on paying taxes, income tax, National Insurance and VAT.

The bonus alternative : Are you seeking a cost effective, tax efficient and “politically correct” way to reward and motivate your staff?

Employees want to be recognised for their efforts and rewarded for their work. Yet paying bonuses in these tough times is often unpopular with the owners/ investors in the business and rarely popular with the general public, if we are to believe what we read and hear from the media. Additionally the government continues to encourage enterprises to develop and train their staff but government cuts reduce funding available for public training programmes.

So can you reward and motivate staff, keep your costs down, minimise taxes paid, avoid upsetting shareholders and the general public and develop staff which will help improve your company’s commercial competitiveness?

Whether you are in the first or second situations , “salary sacrifice” is a cost effective way to achieve your objectives, reducing costs for the employer and saving tax for the employee and leaving everyone richer both financially, and hopefully, intellectually!

### Situation A

A member of your staff, Ms S Palin, has decided to join a class to study a foreign language, recognising her limited knowledge of the outside world. The programme she has signed up for costs £210.00 for a 12 week term. This is inclusive of VAT

Cost £175 plus VAT at 20% £35 = £210.00 paid to the provider.

She is a 20% Tax payer. She must earn £305 to be able to pay for this course.

Gross	National Insurance 11%	PAYE Tax 20%	Net Salary
£305	less £33.55	less £61.00	leaves £210.45

NB. The required salary will rise to £309 after 6th April 2011 when national Insurance will go up to 12% for employees.

Mr F Capello, a colleague who is a 40% tax payer earning just less than £43,875 threshold for National Insurance, also wants to join a class. He needs to earn £430.00 for the same (£175.00 plus VAT £35) £210 course.

Gross	National Insurance 11%	PAYE Tax 40%	Net Salary
£430	less £47.30	less £172.00	leaves £210.70

NB. The required salary will rise to £438 after 6th April 2011 when national Insurance will go up to 12% for employees.

Language training is a genuine business expense, tax deductible and VAT recoverable.

If the company pays for the course, and the employee sacrifices £175.00 from his/her salary they would be left with an additional amount of gross salary of

£130 (£305 – £175) if they are a 20% tax payer a 42% saving

£255 (£430-175) if they are a 40% tax payer a 59% saving

After paying tax and NI on this they would still have an additional £90 and £125 respectively in their net pay whilst still getting the same training.

NB Employees earning more than the £43,875 threshold for National Insurance will save themselves the 40% or 50% PAYE

tax, the £35 VAT and 1% National Insurance that is paid on any incremental income above the threshold.

Additionally, by sacrificing some of their salary, not only are the employees better off, but the company is too, saving the 12.8% Employers’ contribution to National Insurance on the £175.00 sacrificed, or £22.40. Employers’ contribution is also increasing to 13.8% after 6th April 2011.

### Situation B

You are keen to offer to a member of staff, Mr G Osborne, a reward in lieu of a bonus. This member of staff is keen to do an executive MBA at, for sake of example, Warwick Business School. The annual fees for each of three years is approximately £10,000 plus any residential costs. Mr Osborne, a higher rate tax payer, was planning to fund this himself, as do 52% of the intake at Warwick who are not sponsored by or getting contributions from companies. (source <http://www.wbs.ac.uk/students/mba/exec/>)

He would have to earn £17,000 gross to pay the fees.

Gross	National Insurance 1% (above threshold of £43,875)	PAYE Tax 40%	Net Salary
£17000	less £170	less £6800	leaves £10,030

A 50% tax payer would have to earn gross £20,400 for each year.

The Savings for the employer are huge this time, saving 12.8% National Insurance contributions of £2,176 and £2,611 respectively for a 40% and 50% rate payer and this will be even higher after 6th April 2011 at £2,346 and £2,815 on a £10,000 salary sacrifice.

So the employee gets the training they want, which is going to benefit both them as an individual and company. The company has been successful in finding a way to reward and motivate a member of staff limiting their costs to the cost of the training and not the much higher gross salary that they would have to have paid to allow the employee to fund it themselves, and substantial savings in employers’ National Insurance contributions have also been achieved.

### What is not to like?

Anthony James, a visiting professor of finance at CEIBS, the China Europe International Business School based in Shanghai, is an independent financial training consultant based in London [www.anthonijamesmanagementtraining.co.uk](http://www.anthonijamesmanagementtraining.co.uk) and is the proprietor and managing director of London Languages, a London based language training company.



“salary sacrifice” is a cost effective way to achieve your objectives

## Construction industry administration

# I cannot believe that is a penalty referee! Here is a way of changing the decision

by David  
Allis

As a football fan I will often find myself saying that penalty was not fair! I have found numerous clients over the last few years stating that the Construction Industry Scheme (CIS) penalty regime is certainly not fair. Unfortunately, within the construction industry, the penalties have been automatic and until the very recent announcement by HM Revenue & Customs (HMRC) there was very little flexibility to reduce these. It would seem that HMRC have now started to listen to accountancy firms with a considerable number of construction industry clients, such as ourselves.

I have undertaken some work recently for a new client who had advised HMRC of a Limited Liability Partnership (LLP) that they had failed to register under CIS. There is lengthy guidance issued by HMRC of what they consider to be construction activities to determine whether CIS registration is required. This LLP had been subcontracting building work since before March 2007 and is required to register. They were shocked to receive penalty notices last year totalling over £80,000. Unfortunately, there were two further LLP's that they still had not registered with further penalties under the current regime anticipated to be approximately £200,000. They have realised that they need our help to reduce these penalties.

The current penalty regime has been with us for some time so I will only provide a brief summary. After numerous delays we started to see penalty notices being issued to new clients from October 2007. I have been in tax for eighteen years and it has been common knowledge for some years that HMRC were concerned that they were not collecting the correct level of tax from the construction sector. The current regime requires contractors to register under CIS and relies less on cards and certificates which were used under the previous scheme. The penalties for failing to register and comply with the reporting requirements can be considerable as has been the case for our new client.

It is necessary for the contractor to check with the HMRC CIS helpline whether tax should be withheld from payments made to subcontractors. There is also the facility to check with HMRC whether they would actually consider the subcontractor to be an employee. Although tempting, I will not digress to discuss enquiries launched by HMRC to determine whether individuals should have been treated as employees – this is for another article!

It is then necessary to check with HMRC whether the subcontractors should be paid gross or net of tax. This would be dependent on whether they have complied with their tax obligations and applied for gross status in which case no tax has to be withheld. Otherwise, guidance will be given on the tax that should be withheld and paid over. Then, on a monthly basis, the contractor is required to prepare a return summarising the payments made to subcontractors also showing the tax that has been withheld and paid over. The time limit for submitting

such returns is fourteen days as otherwise penalties are likely to be pursued.

I return to our new client who should have submitted a monthly return for the month to 5 October 2007 which should have been done by 19 October 2007. The penalty levied would initially be £100. The following month a further £200 will be pursued as two returns were late and then the next month there is a further £300. There are then further penalties for twelve late returns. You will now appreciate how quickly the total penalties can increase.

The good news is that HMRC have announced from October 2011 that a new penalty regime will be available. There will now be an upper limit applied to penalties for contractors that have failed to register and this can be applied to penalties from 2007. This caps the penalties for a late monthly return and for those that are two months overdue. It is however necessary to consider the deductions that should have been paid over because part of the penalty will be based on this and will determine whether the new regime is beneficial.

I should take this opportunity to point out that there is still a penalty regime where a return is outstanding by more than twelve months and where HMRC determine that the information was withheld deliberately whether concealed or not.

Although the regime has not yet started, any contractor under CIS who has been, or is charged penalties for filing a monthly return late before October 2011 may ask HMRC to calculate the penalties under the new regime. Then, if this is less than the amount already charged the lower amount will be pursued. The new regime has only recently been announced and I am therefore still finding out how we can best use it to help clients. I have had verbal confirmation from HMRC that if you request the new regime to be applied then it reduces your chances of a successful appeal against the penalties if there was a good reason why monthly returns were late. Other than this small drawback, I am looking forward to trying to reduce penalties for anyone who should have but has failed to register under CIS.

I mentioned earlier in this article that subcontractors can apply for gross status. This is dependent on the size of the business and that the correct tax has been paid over on time (see below) with correct timely submissions having been made to HMRC. This gross status can be removed for the late payment of tax or late submissions but Gerald Edelman has had success in overturning such decisions which is satisfying because the survival of a business can rely on a successful appeal.

There is one exception not commonly known where gross status can be preserved even where a business has cash-flow problems and is struggling to settle tax on time. It is important that we are advised of any such problems before the due date(s) of payment for any tax liabilities. We can then contact HMRC to arrange a formal "time to pay" arrangement. This reduces the likelihood of gross status being removed and would certainly be very useful in any appeal if required.



“They were shocked to receive penalty notices last year totalling over £80,000.”

## Latest Tax Amnesty from HMRC

by David  
Allis

It has been announced in the last few weeks that HM Revenue & Customs (HMRC) have launched the plumbers' tax safe plan (PTSP). This will enable individuals who notify HMRC the chance to report any income that should have been reported and have a discounted penalty between zero and 20%. This is open to

plumbers but also to gas fitters, heating engineers and members of associated trades. HMRC has obtained information from Gas Safe and Corgi registers and compared it to advertising directories and Health and Safety prosecutions to build up a database to help it identify people who, they believe are not declaring their income.

It is necessary to make the initial disclosure by 31 May 2011 and then full disclosure by 31 August 2011. Please note that after 31 August 2011 it is the intention of HMRC to launch enquiries into those it believes should have made a disclosure and have failed to do so.

# Restructuring of the Corporate Finance Division

The partners are pleased to announce the restructuring of our corporate finance functions as a separate division of Gerald Edelman under the name Gerald Edelman Transaction Services (GETS).

An acquisition, disposal, flotation or raising finance may be the single biggest business transaction you have faced. The support of people who have many years experience in these areas can make all the difference.

At GETS we will strive to provide close personal attention, creative thought, and practical advice to help you with the implementation of your corporate goal. Supported by the expertise of our corporate finance team, we specialise in providing corporate finance advisory services and transaction support to a wide range of businesses from the entrepreneurial owner managed businesses to public companies quoted on the AIM market of the London Stock Exchange.

#### Our services include:

Advice on flotation – AIM & Plus Market companies.

Mergers and acquisitions.

Business valuations.

MBO and MBIs.

Business development and strategic planning.

Source of finance – debt or equity fund raising.

Evaluation & design of budgets and forecasts.

We believe that GETS can provide an efficient and cost-effective transaction service to rival those of any our competitors. The directors of GETS have many years of experience in this field and are well equipped to provide an efficient and personal service to our clients, irrespective of the size or complexity of the transaction.

If you would like any further information please contact either Richard Kleiner at our Harley Street office or Hemen Doshi at our Whetstone office.



Gerald Edelman

Corporate Finance

# Directors may be held personally liable for unpaid PAYE!

When directors seek advice on their position in an insolvency, the main issues that advisors will normally talk about are those risks which arise specifically from the insolvency legislation, such as wrongful or fraudulent trading, and what the impact on them might be in a formal insolvency. However it is not often recognised that directors can be held personally liable for arrears of Crown payments due to HMR&C; while the taxman can also impose conditions on any new business they are involved with which can lead to severe funding issues.

The three key risks directors run if tax liabilities begin to build are:

#### Potential Personal Liability for PAYE/NIC

Where a company fails to pay over PAYE deductions and NI contributions because of a director's 'negligence', under Section 121C of the Social Security Administration Act 1992 HMR&C has the power to issue a personal liability notice (PLN).

The effect of a PLN is to make the director personally liable for the company's unpaid taxes.

HMR&C can issue a PLN 'whenever contributions are unpaid because of the neglect of a culpable officer'. While failure to pay contributions can obviously constitute neglect, in practice HMR&C have only considered issuing a PLN in the most serious of cases where they will look at factors such as:

Any persistent failure to pay over PAYE/ NIC when other payments are being made on time;

If directors' remuneration has continued to be paid during the period; and

Has the individual been involved with other companies which have failed to pay over taxes?

While this power has obviously existed for many years, its use by HMR&C seems to have been quite rare. However as HMR&C has both lost its position as a preferential creditor and become owed substantial sums in arrears of taxes (in excess of £40 billion at the time of writing according to some estimates), there has to be a concern that HMR&C will be looking at all its powers for collecting in sums that are due and might therefore begin to use this power more extensively.

In one case, *Leslie Livingstone v HMR&C Commissioners*, taxes were unpaid over a period exceeding a year while other creditors were paid, including to the sole director who was a qualified accountant as well as companies linked to him. The director argued that he had not intended to deprive HMR&C but was found to have been negligent and was made personally liable for £60,000 of unpaid taxes.

An investigation of this type by HMR&C can be a prolonged and stressful experience for a business owner, as well as being a potentially expensive one.

#### Disqualification

The extent to which Crown debts are unpaid 'trading with Crown monies' is one of the items that insolvency practitioners have to include in their report on a director's conduct. As a result, 'trading using Crown monies' is increasingly a key issue in the Crown bringing disqualification proceedings against directors.

#### Deposits On New Trading

Finally, where the directors of a company which has failed owing substantial amounts of tax, PAYE/NIC or VAT, are involved in a new business, the tax authorities are also increasingly making use of their powers to demand that the new business pays a deposit to cover tax that may fall due.

The sums involved can be up to the equivalent of a full year's worth of expected tax for the new business. While the deposit will be returned at the end of a year, it can obviously be a substantial sum to find for a new start up, but do not ever be tempted to carry on trading without paying it as this can lead to criminal proceedings.



by Bernard Hoffman

HMR&C will be looking at all its powers for collecting in sums that are due



# Happy 20th Birthday

## VAT option to tax



by Colin  
Burns

It was back in the days of Margaret Thatcher's reign as Prime Minister when on 1 August 1989 the ability for a property landlord to make an 'option to tax election' on a property used for generating rental income was first introduced. This meant that input tax on purchases could be recovered by such landlords for the first time provided they made the election. A landlord usually has a big source of input tax he wishes to claim either on buying a building or possibly on improvement or repair costs and this can only be achieved by opting to make his rental income (or possibly the sale of the building) taxable rather than exempt.

Many of our property clients have one or more properties on which they have exercised the option. The reason for the Happy Birthday wishes is that when the regulations were introduced, they specified that the election applies to a property for a twenty year period. But once that twenty year period has expired (and more twenty year limits are expiring each day) then income from either renting opted property or selling it can again be exempt from VAT rather than standard rated if the business revokes its option with HM Revenue and Customs. The paperwork to revoke an option is simple (Form VAT1614J) but the ramifications are massive.

It could for example once again make the property attractive to tenants who cannot recover their VAT because they do not make taxable supplies. Examples of businesses in those sectors are health (doctors/dentists etc), the financial services sector, insurance brokers, betting shops, undertakers, casinos, and some educational or charitable establishments.

Landlords should therefore consider revoking the option to tax where there is little prospect of any future VAT being recovered, particularly as it could make the property more attractive to either a new tenant on the expiry of the current lease or for an onward sale. There are

certain anti-avoidance tests to pass when an option to tax election is revoked and these are as follows:-

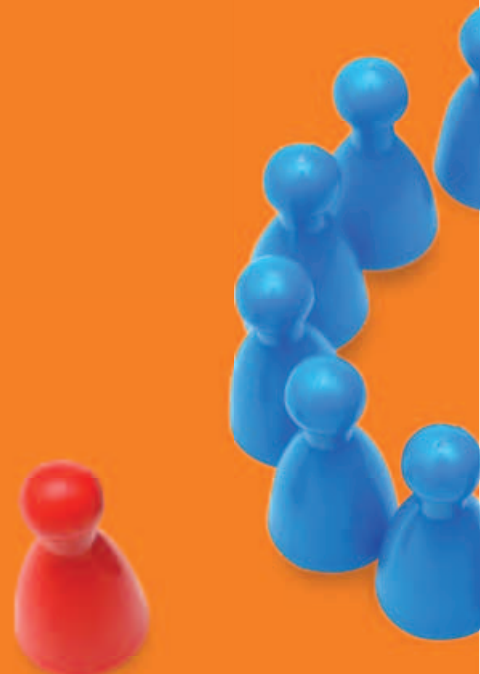
- No pre-payment of expenses that will apply for longer than a twelve month period after the option is revoked.
- No rental charges at less than market value have been made in the past ten years.
- No adjustments are necessary with the Capital Goods Scheme (or any outstanding adjustments involved are less than £10,000 VAT).

If any of the above tests are failed, HM Revenue and Customs' permission is required to revoke the option, rather than it being an automatic right for a taxpayer when the twenty year period has expired. HM Revenue and Customs will need to be convinced that there has been no tax loss caused by the outcome of the anti-avoidance test. For example, pre-payment of expenses would not be a problem if no input tax was claimed on the expense in question.

If you are a tenant and are paying VAT on the rent that you cannot fully recover can I suggest you ask your landlord, if you think he has owned the property for more than 20 years, to consider revoking the election. You may get a pleasant surprise if he agrees.

We have teamed up with a firm of solicitors who specialise in employment law and other related issues. Tolhurst Fisher is an Essex-based practice and the person responsible for the relevant legal issues is Marsha Robinson.

Marsha has kindly contributed an article which focuses on one of the hot topics at the moment dealing with the Equality Act which came into effect last year



# Equality Act 2010

## The Equality Act 2010 – what does it all mean?

For a long time now employers have been prevented from discriminating on the grounds of such things as sex, sexual orientation, religion, disability, age, religion, pregnancy and maternity, marriage and civil partnership and gender reassignment.

One of the problems has been that the law for each area has been developed separately, over time, and in a piecemeal fashion. Each element has been dealt with in a separate piece of legislation.

Most of the Equality Act came into force on 1 October 2010 and its aim is to bring all the elements together and to deal with equality in one single, comprehensive, piece of legislation. This article is a (very) brief summary of some of the main provisions. The Equality Act defines certain "protected characteristics". Those are:

- Age
- Disability
- Gender Reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

In respect of most of the protected characteristics the types of discrimination and unlawful conduct set out are:

- Direct discrimination i.e. because of a protected characteristic A treats B less favourably than A treats or would treat others. As part of this there is now consistent protection for association and perception discrimination across most protected characteristics. For example, you can discriminate against someone who you perceive to be gay even if they are not.
- Combined discrimination: dual characteristics. This is a new cause of action and allows a direct discrimination claim to be brought in respect of a combination of two protected characteristics. For example, a woman over 50, could bring a claim for discrimination because of a combination of age and sex. It should be noted that pregnancy/maternity and married/civil partnership status are excluded. This has not yet come into effect.
- Indirect Discrimination i.e. an act or policy which, although is not intended to treat anyone less favourably, in fact has the effect of disadvantaging a group of people with a protected characteristic. A classic example of this is not allowing part time working, which is likely to impact more upon women as they tend to have more childcare responsibility as a group. This already existed, however protection has now been extended to the characteristics of disability and gender reassignment. This is particularly important for disability discrimination. Recent case law stated that to show indirect discrimination a person had to have a comparator of a non-disabled person to whom the underlying reason for the less favourable treatment applied. This was very difficult, as if the comparator was not disabled it is unlikely the reason for less favourable treatment would apply. Under the new law, an employee must show unfavourable treatment and there is no need for a comparator. This will make claims for disability discrimination easier for employees.
- Harassment. The test for this has changed somewhat. Conduct can amount to harassment if it is related to a protected characteristic. The characteristic does not have to be the reason for the harassment. Also, there can be associative harassment and perception

harassment. Therefore, harassment can be based on someone else's protected characteristic or based on the perception that someone has a protected characteristic.

- Victimisation. This occurs when an employee is subjected to a detriment (rather than less favourable treatment as was previously the case) due to having done (or believed to have done) a protected act. For example, bringing proceedings under the Equality Act, giving evidence in connection with the Act, doing any other thing in connection with the Act or alleging that someone has contravened that Act are all protected acts.
- There is also a new protected act in respect of equal pay, which allows employees to be protected if they make, seek or receive a disclosure on how much they are being paid in order to discover if there is any discrimination in the rates of pay. Related to this is the fact that contractual pay secrecy clauses are now unenforceable, as they would prevent employees from making a relevant pay disclosure.

There are some exceptions whereby discrimination can be lawful. For example, where it is an occupational requirement and applying that occupational requirement is a proportionate means of achieving a legitimate aim. This can be used in respect of indirect discrimination, direct age discrimination and discrimination arising from a disability.

There is also the opportunity to take positive action – by taking proportionate measures to overcome a group's disadvantage or to meet specific needs based on a protected characteristic. It should be noted that this does not apply to recruitment or promotion.

So what should employers do to ensure they comply with the new provisions of the Equality Act? We suggest that you ensure that your Equal Opportunities Policy and your Anti-Harassment and Bullying Policy is up to date to reflect the Equality Act. If you require assistance with this please your contact partner who can put you in touch with Marsha Robinson at Tolhurst Fisher.

Marsha Robinson  
MRobinson@tolhurstfisher.com  
01245 216114 (direct dial)

There are some exceptions whereby discrimination can be lawful



# No U-Turn on iXBRL Filing for Company Tax Returns

This might sound boring but this is the most major change in the filing of company tax returns and company accounts that has ever taken place and no one is looking forward to it!



by Colin Burns

Despite almost universal requests to delay implementation HM Revenue and Customs have now confirmed the start date for iXBRL filing of accounts and tax computations as 1 April 2011. This affects ALL clients who own or manage companies. We have explained the concept in our last edition but essentially all PDF files attached to company tax returns including the accounts must be machine readable and hence in a very standardised format. No doubt this is destined to assist 'Big Brother'.

If we produce your accounts then there is no further action required as our software is expected to produce the necessary output with little manual intervention.

However if you produce your own accounts and/ or tax computations then these will need to be "tagged" prior to submission. We will be offering the facility to any client who requires this service

although there will be an additional cost per set of company accounts charged by the software suppliers which we will have to pass on. If you believe this affects your Returns we suggest you speak with your contact partner as soon as possible as you may wish to adopt new procedures.

It is sad that neither the government nor HMRC listened to a united profession to delay implementation as no software house is currently confident of complying with the required output. This has all the hallmarks of a nightmare for everyone concerned in generating accounts and company tax returns on or after 1st April 2011 and we will do our utmost to ensure that our clients are not unduly inconvenienced but we ask for your understanding in the months ahead as the new system beds in. We predict that it will take up to one year for all systems to function properly.

It is sad that neither the government nor HMRC listened to a united profession



## Dorothy Summer

It is with great sadness that the partners announce the tragic and untimely death of Dorothy Summer. Dorothy was married to Neil for well over thirty years and was well known to partners, staff and clients alike. Dorothy had been suffering with cancer for many years and lost her brave fight against this awful disease in February 2011.

We are sure that all readers of Genie will want to express their sincerest condolences and best wishes to Neil and the rest of Dorothy's family.

Partners  
Michael Harris LLP  
Colin Burns LLP  
Richard Kleiner LLP  
Neil Summer LLP  
Bernard Hoffman LLP  
Howard Wallis LLP  
David Convisser LLP  
David Atkinson LLP  
Deval Patel LLP  
Stuart Rosenberg LLP  
Stephen Coleman LLP  
Ajay Shah LLP  
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