

# EXCLUSIVELY FOR CONTRACTORS

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## Hats Off To PCG

PCG was set up by Andy White in 1999 to represent the thousands of individuals who would be affected by the introduction of IR35. We welcomed PCG because we act for several hundred IT contractors and like everybody involved in the industry, we were concerned about and very vocal in our opposition to IR35 and the way in which it was introduced.

However, at a very early stage we were dismayed at the way that PCG 'took on' the Government. There were highly personalised attacks on Dawn Primarolo and the ill-judged attempt to have the legislation killed off by the judicial review process appeared to be ego-driven and raised far too many unrealistic hopes for contractors. We have consistently urged for co-operation and not confrontation with the Government.

We have, along with NamesFacesPlaces, urged the reform of PCG, particularly in the cosy way by which Andy White and organisations associated with him landed plum contracts with the organisation.

Now, however, we are delighted to be able to say that under the chairmanship of Jane Akshar and, after pressure from interested parties like us and the members of PCG itself, things have changed.

Firstly, PCG has scored a notable success in persuading the Government to suspend its work permit system whereby contractors outside the European Community could obtain a job in the UK if they could prove to have one of the skills on the Skills Shortage list.

Additionally, Andy White's company, Webtastic Ltd has terminated its contract to provide services to PCG and is now serving out its notice period. Ominously, Andy White says that it is a "long period of notice". Susan Hughes & Associates have not tendered for the public relations and political lobbying contract which has been awarded to Know Comment, an altogether more influential organisation.

So,- well done Jane and well done the members of PCG who we hope will now not only get good value for their money but will also have a much more open organisation to deal with rather than the one that wasted so much of their money in the early days.

There remains one source of concern and that is the ownership of Shout99. This is not owned by PCG although most members thought that it was but remains the property of Andy White. In our view he should do the decent thing and hand it over to PCG. After all it is their members who have been instrumental in its creation and development and their members who have provided Andy White with his mailing list to develop the publication.

## BACK TO BASICS

There is plenty of talk these days (some of it from us) about the increasingly tough stance being taken by the Inland Revenue towards tax payers. If pushed, most people would agree that although they do not want to pay too much tax, they do have a responsibility to pay what they 'reasonably' should pay.

The word 'reasonable' increasingly does not seem to feature in the dictionary used by the Inland Revenue and so it is worth bearing in mind the words used by Lord Clyde many years ago when he was giving judgement in a case involving the Inland Revenue. He said

"No man in this country is under the smallest obligation, moral or other, so to arrange his legal relations to his business or to his property so as to enable the Inland Revenue to put the largest shovel into his stores".

Nicely put, don't you think?

The sentiments expressed by Lord Clyde still apply today,- whatever the Inland Revenue may think and we will do our best when dealing with your tax affairs to make sure that the Inspector of Taxes has a trowel in his hand rather than a shovel!

## GETTING UNIVERSITY STUDENTS ON THE PROPERTY LADDER

Regular readers will know how concerned we are about the buy-to-let property market but at this time of year with students either starting or going back to university it is worth a look at the way in which it is possible for the younger generation to get on to the property ladder in a tax efficient way.

Residential property in university towns is generally in demand and if one of your children is about to move out of accommodation provided by the university then it may be worth looking at investing in a house which your child will live in.

Usually the house is purchased in the child's name and the parents can expect to have to act as guarantors. There are however deals for first time buyers which may be beneficial.

If a proportion of the house is let out to other students then a proportion of mortgage interest is allowed against the rental income. If there are four students in the house in addition to your child then typically 80% of the interest paid on the mortgage will be allowed as a deduction against the rent. Any surplus is then set off against the annual tax free allowance of £4,615 and this generally means that there will be no tax to pay.

The Government's rent-a-room scheme can give the owner the first £4,250 of income, tax free and it is really a case of working out what is best for your child. If you need any help then please give Iain Ferrie a call or email him on [iainf@wheawill.co.uk](mailto:iainf@wheawill.co.uk).

This is a popular method of getting on to the housing ladder but not one that would appeal to everybody!

## MUST BE THE FUNNY SEASON!

This item is for all of you who have not been tempted into taking a slice of some apparently mind-boggling amounts being offered to you by various people in Africa.

Last week I was approached (via email) by a Nigerian wanting some help so that he could release US\$50m, which I was promised a reasonable slice of and this week an email from the Son of the late Jonas Savimbi, who used to be in charge of UNITA. For my help in extracting US\$36m I am being promised an 'agreeable percentage' by Mr Savimbi junior!

There is a serious message here. We know of some people who have actually been taken in by these conmen and have sent amounts of money to them to grease the process of releasing the really big money.

Stay well clear,- we have not yet heard of anybody who has been successful!

## BOOKKEEPING SPREADSHEETS

The bookkeeping and IR35 deemed salary calculator spreadsheets are now available from our website.

You will appreciate that they are only available to clients of Wheawill & Sudworth and you will require a password in order to access them. If you have not already received an email informing you of what the password is, please contact [EvanJ@wheawill.co.uk](mailto:EvanJ@wheawill.co.uk).

Thanks to Peter Jupp of Sundance Solutions for the suggestion.

## SPAM GOES OUT OF DATE

Spam, which has been called the curse of the Internet, will be banned in the European Community from October 2003. Users receiving spam emails will be able to contact a Watchdog which will track down the source and, if necessary, take legal action to prevent a repeat.

## QUOTE

"You know the trouble with the French, they don't even have a word for entrepreneur"  
*George Bush*

## COMPETITION

Recent visitors to [www.wheawill.co.uk](http://www.wheawill.co.uk) will have seen that we have set you a competition. For those of you who have not seen it we will repeat it here - it should be right up your street!

Listed below are words and phrases particularly related to the Internet and we are offering a prize of a bottle of champagne for the best definitions that we receive for these words and phrases.

The competition remains open until 31 October and all entries should be submitted to [competition@wheawill.co.uk](mailto:competition@wheawill.co.uk)

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|--------------------|-------------------|
| 1) Bug             | 9) Packet Sniffer |
| 2) Code            | 10) Phishing      |
| 3) Crack           | 11) Phreak        |
| 4) Firewall        | 12) Root          |
| 5) Hack            | 13) Router        |
| 6) URL             | 14) Shareware     |
| 7) Kludge          | 15) Warez         |
| 8) MUDhead (& MUD) |                   |

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