



*Saffery Champness*

CHARTERED ACCOUNTANTS

# RURAL BUSINESS

## Summer 2010

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## Editor's comment

Welcome to the summer issue of Rural Business, our newsletter for landowners, rural businesses and their advisers.

With the outcome of the General Election decided, a Coalition Government in place and the Emergency Budget having been heard, much of the uncertainty of the first six months of the year is now passed and rural businesses and their owners can look forward to planning in a more certain environment, although the autumn spending review is a great worry as so much of rural Britain depends on subsidies or grants.

In this issue, as well as highlighting the main points arising from the Emergency Budget, we cover the new Feed in Tariffs which have generated enormous interest amongst landowners since being announced earlier this year: we have considerable specialist knowledge and experience of renewable energy projects, and our article outlines some of the key considerations for those embarking upon renewable energy schemes.

Whether individuals are employed directly or self-employed has long been a matter of discussion and we draw your attention to this matter once again in the light of the recent Weightwatchers (UK) Limited case. The implications of getting this wrong are considerable.

Finally, in this issue of Rural Business we include the latest VAT news, including an update on partial exemption, VAT issues for shooting businesses and we take a look at VAT and planning law.

I hope that you find this issue interesting and informative. If you would like to discuss any of the issues raised, please do not hesitate to contact either myself or your usual Saffery Champness contact directly.

A handwritten signature in white ink that reads "Mike".

**Mike Harrison**, Editor

## The Emergency Budget: how will this affect rural Britain?

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**The Emergency Budget on 22 June introduced widely anticipated changes to Capital Gains Tax (CGT) regime, which will impact significantly on owners of let properties, as will the increased rate of VAT from the beginning of next year. Those conducting business activities through limited companies will have welcomed the increase in the lifetime limit for Capital Gains Tax Entrepreneurs' Relief; the reduction in Corporation Tax rates for all companies; but not the reductions in tax allowances, set against profits, for investment in capital expenditure.**

Whilst some of the announcements were released before the Budget, there were still a significant number of surprises, such as the increase in the Entrepreneurs' Relief to £5 million from £2 million, especially bearing in mind that this had only been increased in the March 2010 Budget. We outline below the key changes affecting those operating in the rural community.

### VAT

The change that has probably attracted most media attention is the proposed increase in the rate of VAT from 17.5% to 20%, to take effect from 4 January 2011. This will have a significant impact on landlords in the rural residential

market who are unable to reclaim the VAT suffered on expenditure directly related to their business activities. It will also affect those receiving non-domestic rentals where the 'option to tax' has not been exercised and those businesses should review their position in advance of the change.

It is expected that the low paid and less well-off will be hit harder by the increase, as they tend to spend a higher proportion of their income on VAT-able items than the more wealthy, and also those in the rural community, as they are more dependent on private transport.

### Capital Gains Tax

The anticipated change in the rate of CGT was the most widely publicised topic in advance of the Budget, and it was therefore no surprise that an increase was announced. With much talk of a new 40% rate, or some even expected 50%, perhaps the new higher rate of 28% announced by Mr Osborne was a bit of a relief.

For those taxpayers who pay the higher rates of Income Tax (40% or 50%), and for all trustees, the flat rate of 18% CGT that applied immediately before the Budget was increased to 28%, but for basic rate taxpayers disposing of non-business assets it remains at 18%.

There is, however, a sting in the tail. Firstly, the new rates apply immediately. Many commentators believed the increase would only impact from the beginning of April 2011, thus creating a one-off boost to tax revenues. Secondly, whilst Mr Osborne stated basic rate taxpayers would only pay 18%, what he did not say was that chargeable gains might turn a basic rate taxpayer into a higher-rate taxpayer and would accordingly face the new 28% rate.

For example, an individual who earns, £35,000 would be a basic rate taxpayer. If that individual owns a buy-to-let property, which they decide to sell, the gain arising on the property, which will probably be well in excess of the annual allowance, may well practically all fall to be taxed at the higher 28% rate.

It had been expected that the annual (CGT-free) allowance would be substantially reduced. However, it remained intact, at £10,100.

As far as business assets are concerned, the Government had previously stated that there would be generous exemptions for entrepreneurial businesses. These exemptions simply extend the existing Entrepreneur's Relief (charging CGT at 10%), which was only recently extended in Mr Darling's March Budget from £1 million to £2 million, to £5 million of gains.

### Business tax

Those operating their business activities through limited companies will have welcomed the news that Corporation Tax rates are to reduce. From 1 April 2011, the small companies' rate, applicable to those businesses with profits up to £300,000, will be reduced from 21% to 20%, rather than, as intended, increased to 22%. The upper and lower profit limits above and below which the full and small companies' rates apply remain unchanged for the 16th year in succession, at £1.5 million and £300,000 respectively. Had these been increased by the rate of indexation since 1994, the limits would be over £2.25 million and £450,000.

At the same time, those companies that pay the full rate will see a fall in their rate from 28% to 27%, with the intention that the rate will be further reduced over the next three years to 26% in 2012, 25% in 2013 and 24% in 2014.

The Government has also announced that it remains committed to a review of small business tax, and will release further details shortly. We will provide updates in future issues of Rural Business.

### Capital allowances

The cost of the reduction in Corporation Tax over the next five years is expected to be £10 billion. This will be financed in part by £6 billion of reductions in capital allowances that take effect from 2012/13. These will affect all businesses and not just limited companies.

The Annual Investment Allowance that provides 100% tax relief on qualifying capital expenditure, which was increased from £50,000 to £100,000 in the March 2010 Budget, is to be reduced to £25,000 from 2012/13. The annual writing down allowance will decrease from 20% to 18% for plant and machinery expenditure, and from 10% to 8% for special rate pool expenditure (eg integral features, long life assets and certain cars) from the same date.

Businesses that are planning to invest in capital equipment over the next few years will be well advised to consider

the impact of these changes and may wish to bring forward expenditure on qualifying plant and machinery to take advantage of the current more generous allowances.

When coupled with the phasing out of agricultural buildings allowances, which commenced in 2008/09 and which will be withdrawn completely after 1 April 2011, it seems that tax relief on investment by businesses is not considered a priority.

### Furnished Holiday Lettings

The decision by the previous Government to remove the generous tax concessions that apply to furnished holiday accommodation are to be reversed. Instead, furnished holiday letting businesses will continue to receive the previous special tax treatment until the end of the current fiscal year. New proposals are to apply from April 2011 and the Government will consult about how the special tax treatment might be amended. The altered rules will focus on (i) the ways in which losses may be used (ii) increasing the number of days properties are available for and actually let and (iii) ensuring similar treatment of properties in the UK and the EEA.

### National Insurance

There are two welcome changes to National Insurance. Firstly, the threshold for employer's National Insurance Contributions (NICs) will be increased by £21 a week above indexation. It is expected that the number of employees for whom employers pay no NICs will rise by 650,000.

In addition, new businesses set up after 22 June 2010 outside London and the South East will be exempt from the first £5,000 of employer's NIC for each of the first 10 employees. The scheme will start later this year and will run for three years.

### Income Tax

The Budget increased the tax free personal allowance from £6,475 to £7,475 from 6 April 2011. Whilst this measure did not go as far as the proposal in the Liberal Democrat manifesto, which undertook to increase the level of the personal allowance

below which no Income Tax is paid, to £10,000, the intention remains to increase this to £10,000 when possible. The increased allowance will benefit only basic rate and non-taxpayers as the higher rate threshold is to be reduced "accordingly".

### Annuities

The compulsory purchase by an individual with a money purchase pension scheme of an annuity by age 75 was proposed for abolition in the election manifestoes of both the Conservatives and the Liberal Democrats. This requirement will be removed from 2011/12, but in the meantime the age requirement is raised to 77. For those reaching 75 between 22 June 2010 and 5 April 2011 there will be special transitional rules.

### Pensions

The Finance Act 2010 introduced complex rules concerning relief for high earners, with a series of rules governing the amount of relief available to those with incomes over £130,000. The new rules were to come into effect from April 2011, with anti-forestalling provisions in place until that time to stop individuals paying substantial sums into their schemes before the new rules were implemented.

The Government will repeal the so-called High Income Relief Charge once it has formulated a better solution for pension savings. It has been suggested the current annual allowance of £255,000 might be significantly reduced to a level of £30,000/£45,000.

### Conclusion

Whilst the Budget measures are, perhaps, not as severe as many feared, bearing in mind the significant Budget deficit, there will be a number of rural businesses that are adversely affected, especially those unable to fully recover VAT or those planning investment in plant and machinery post-April 2012. These businesses would be well advised to review their circumstances now to see if pulling expenditure forward would reduce their tax burden.

# VAT and planning law: will you be caught out?

It is widely known, that there is VAT zero-rating for the construction of new houses (among other things), or the approved alteration of listed residential or charitable buildings, and that there is a reduced rate for residential renovation or conversion works. The rules are complex, and applying them to widely differing projects on the ground often leads to uncertainty. You may therefore breathe a sigh of relief when you have worked through these rules to get to what you think is the answer.

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However, an often neglected feature of these VAT rules is that in many cases they are conditional upon the exact terms of the planning or listed building consents applicable to the specific project.

There is a basic requirement that the works actually have planning permission if it is required, since HM Revenue & Customs (HMRC) will argue that there can be no VAT relief where works are carried out unlawfully. However, in addition, it is a common stipulation that VAT cannot be relieved if there is any restriction on "separate use or disposal of the building in any statutory planning consent, covenant, or similar provision" (the exact wording might vary from one part of the VAT legislation to another, with that variation in the wording itself giving rise to uncertainty and litigation).

There have been a fair number of tribunal and court cases in this area over the years. Two recent examples were *Sharples* and *Lunn*. The latter was successful at tribunal, but HMRC won on appeal. The interaction of VAT law and planning law now seems to have been settled by the courts, but unless you are familiar with the technical arguments in these cases you may not be fully aware of the dangers.

## What are the problems in practice?

In one case, a taxpayer renovated a cottage within the grounds of a farmhouse. On the facts, the work would have qualified for the reduced rate in normal circumstances, and at first sight there was nothing in the planning permission to prevent that being the case. However, on closer examination, it emerged that there was a planning restriction on disposal imposed by a previous planning consent dating from the 1930s. That condition was still in effect, and was carried forward into the new permission so there was no VAT relief.

The issue can be particularly difficult in the case of listed buildings. Approved alterations must both require and receive listed building consent. Some specialist VAT advice in relation to the planning application can be helpful in that respect because, of course, planning authorities do not word their approval documents with VAT in mind. However, even with a co-operative planning authority, we are finding that the Tax Tribunals will now second-guess the planners' intentions, or correct perceived errors in the application of planning law. So, just because you have a listed building consent, it does not mean that all the works qualify in law (although hopefully such exceptions will be rare).

Not all restrictions on use mean that VAT relief is not available. An example might be a condition that a property is to be occupied only by an agricultural worker.

All projects, of course, must be taxed on their own facts. However, experience shows that a vital part of VAT planning for construction works of all kinds is to check the likely impact of planning law. You need to start with a fairly good knowledge of the use and occupation of the building over the 10 years prior to commencement of the works and a full history of extant planning conditions, backed (as always in VAT) with copies of the relevant documentary evidence.



# Wind, water, sun and waste

Landowners and tenants alike stand to benefit from the worldwide need, and Government-backed commitments, to generate increasing amounts of energy from renewable sources such as wind, water, sun and waste.



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The UK Government has set the target that 15% of all energy is to come from renewable sources by 2020. The Scottish Government's target is 20% of all energy, including 50% of all electricity, to come from renewable sources by 2020. At present, UK-wide renewables generation is falling well behind target, but Scotland is generally on target to meet, or even exceed, its 2020 target, thanks largely to hydro and onshore wind schemes. This is in no small part due to the fact that Scotland has the advantage of being the windiest country in Europe.

At a time of reducing agricultural income from poor commodity prices and anticipated falling subsidy payments, the Feed in Tariffs (FITs), introduced in April 2010, provide an opportunity which should not be overlooked by landowners and farmers, the majority of whom will have the potential to diversify and invest in projects qualifying for FITs.

The tariffs apply to a wide spectrum of methods of energy production, eg wind, water, solar and anaerobic digestion. It is a case of identifying the best type(s) of energy production suited to the land area in question, noting that obtaining the necessary consents can be easier for some types of renewable energy production than for others.

FITs are paid on units (kWh) of energy produced and, generally, the smaller the scheme the higher rate paid per unit of output. FITs are paid on every unit produced, including those used in-house by the producer.

The banking problems in recent years have made funding capital costs of projects increasingly difficult. One of the major advantages of FITs is that the payments are index-linked, guaranteed for up to 25 years and they can be assigned – making renewable projects an area favoured for support by most banks.

It is worth noting that FITs are not a form of Government subsidy and will therefore be unaffected by spending cutbacks. FITs are, in fact, paid for by electricity generating companies and recouped, ultimately, from electricity users through utility bills.

When first looking at the potential of a renewable energy project, it is fundamental to identify any "show stoppers" at an early stage. FITs are only payable where the power produced is connected to the National Grid, making grid connection an essential component of any project. Unfortunately, grid connection can be both difficult to access and expensive, especially in Scotland where there is insufficient capacity within the grid to meet current demand for connections. Distance to a grid connection can render projects simply not viable.

Holding and operating structures for renewable initiatives need to be considered on a project-by-project basis to ensure maximum tax efficiency.

Factors to be considered for holding structures include:

- The type of power generation, which will determine the intended life span of the scheme, eg hydro projects lasting 75-plus years, onshore wind farms, initially 20 to 25 years, but perhaps with potential for repowering
- The overall scale of the project, ie anticipated levels of annual income
- The interaction of the project with other activities and operations undertaken by the developer, eg an anaerobic digestion unit on a dairy farm
- Will the project be developed in-house by a sole developer or will there be partnership interests with other landowners and/or energy producers, ie joint ventures or lease agreements involved?

The tax areas to be considered include:

- Possible tax exemption in the case of small-scale production that is intended primarily for the producer's own use
- The trading status of the production vehicle, to potentially access reliefs in connection with both capital gains and inheritance taxes, eg gifting reliefs and succession planning considerations
- Access to capital allowances, including Enhanced Capital Allowances, which give 100% relief on investments in the year of expenditure
- Family structures and income requirements of individual family members both in the short-term and longer term

FITs, which can be claimed on micro-generation schemes, ie up to five megawatts, have been introduced as an incentive to accelerate the development of small-scale energy production. Indeed, the early indicators are that FITs will achieve this aim with the number of enquiries regarding FITs increasing month-on-month. However, to meet the country's energy needs and the Government's targets, it will be necessary for more large-scale schemes to come online.

Landowners need to carefully consider their involvement in renewable energy schemes in relation to all of the points noted above, to ensure that their current and future interests are protected.

## New environmental spokesperson



Saffery Champness' Landed Estates & Rural Business Group has appointed Shirley Mathieson as a spokesperson on environmental and green issues. Shirley joins a group of over 20 partners who have a wealth of experience in advising rural estates, farmers and other rural businesses on all aspects of accounting, finance and tax, especially capital taxes.

A partner in our Inverness office, Shirley advises a wide client base that is involved in most areas of the Highland economy, as well as providing advice on renewable energy projects nationally.

Her varied experience and professional practice in the renewable energy sector includes everything from dealing with tax planning and corporate structures for the development of wind turbines and hydro-electricity schemes through to advising on biomass plant funding.

Shirley can be contacted on  
T: 01463 246300  
E: shirley.mathieson@saffery.com.

# VAT: new partial exemption rules

The partial exemption rules were revised with effect from 1 April 2010. There are two main changes: revised “de minimis” tests (there are now two) and the introduction of a new annual test.

## De minimis tests

Up to 1 April 2010 there was one de minimis test – if your exempt input tax in relation to your purchases did not exceed £7,500 per annum on average, and if it was no more than 50% of your total input tax, you could reclaim all your input tax.

That test remains unchanged (and, unfortunately, yet again the thresholds have not been increased). However, two new tests have been developed.

They are intended primarily as simplification measures compared to the full test, but in fact they can produce slightly different results. Under the new tests you are ‘fully taxable’ if your exempt sales are not more than 50% of total sales and:

- total input tax is not more than £7,500 per annum (£625 per month on average), or
- total input tax, less total taxable input tax, is not more than £625 per month on average

## New annual test

Under this new test a business that was fully taxable at the end of a VAT year can opt to treat itself as fully taxable for the whole of the following year instead of carrying out the usual quarterly calculations. A calculation must be carried out at the end of the second year, and if the de minimis

tests are not met the over-claimed input tax must be repaid.

One of the conditions for applying this annual test is that you do not expect your total input tax to exceed £1 million.

We have published a free factsheet on these new rules, which is available on request from your usual Saffery Champness contact or by contacting our VAT Department direct on 020 7841 4032.

## Saffery Champness partial exemption calculator

We have updated our calculator on our website, which now applies all the tests in a single operation and tells you the answer. The calculator is free to download at [www.saffery.com](http://www.saffery.com).

# Scottish Government commits to 50% renewables

The Scottish Government has announced a commitment to increase the amount of electricity it generates from renewable sources to 50% by 2020. There is an interim target of 31% of electricity to come from renewables by 2011 and 20% of Scotland’s total energy use to come from renewables by 2020.

The Renewables Obligation (Scotland) (ROS), places an obligation on electricity suppliers to provide an increasing amount of their electricity supplied from eligible renewable sources.

In May, the Scottish Government launched a consultation to investigate

ways to help reduce greenhouse gas emissions and to realise Scotland’s multi-billion pound potential in renewable energy. At the same time, it was also announced that Whitelee, Europe’s largest onshore wind farm, located south of Glasgow, is to expand by more than a third, increasing its capacity to 452MW.



# Employed or self-employed?

The thorny question set out above has reared its head in a fairly spectacular way in the recent case of Weight Watchers (UK) Limited, which appealed against determinations by HM Revenue & Customs (HMRC) that their “leaders” were employed for tax and National Insurance purposes. The appeal was heard by the First-Tier Tribunal and was decided in favour of HMRC. Weight Watchers are likely to appeal, as the liability to tax and National Insurance Contributions (NICs) for the years concerned amounts to more than £23 million.

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It is, perhaps, unlikely that there will be such a high-profile case again, but it does highlight the continuing attack by HMRC on self-employed status, and in particular those situations (as in the case of Weight Watchers) where self-employed arrangements have been in place for many years.

As might have been expected, Weight Watchers had gone to great lengths with regard to the documentation concerning their relationship with their leaders, but they lost their appeal primarily because the facts of their relationship with their leaders were at variance with the documentation, and the facts were more indicative of an employer/employee relationship.

The problem for any organisation that makes payments for self-employed services (and where HMRC determines that it is an employer/employee relationship) is that HMRC will always look to the employer to meet any

liabilities to tax and National Insurance, on the basis that the employer has failed to operate the PAYE system correctly. This means that the employer has to pay over to HMRC not only the employer’s NICs, but also the employee’s NICs and PAYE Income Tax. As the employer will already have made payments to the “employee” the additional liability can add over 40% to the original cost, ignoring the interest and penalties that HMRC will also levy.

When carrying out a PAYE inspection, it is standard practice for HMRC to ask for details of any payments made to self-employed people, and this can then lead to lengthy and protracted correspondence with HMRC in terms of providing details of the relationship with those self-employed people, and attempting to refute any assertions from HMRC that those people are employed. The employer, in this situation, cannot rely on confirmations

from the self-employed people that HMRC recognise them as self-employed, as in all likelihood their status has never before been examined by HMRC.

So what is the advice to organisations that are making payments to self-employed people? Inaction is not a recommended response, as this will leave you open to future attack by HMRC, and the consequent interest and penalties.

Organisations should review the payments they make to self-employed persons, and should take professional advice if they believe any of the recipients of such payments could be construed as employees. Unfortunately, the tests for establishing whether a person is employed or self-employed are complex, and ultimately the decision will rest on the particular facts and circumstances of each case.

# Aldourie Castle

## An interview with Roger Tempest



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**Roger Tempest is well-known for his skills in the rural and heritage regeneration sector. He is involved in many businesses and at his ancestral home, Broughton Hall near Skipton in Yorkshire, Roger created the award-winning Broughton Hall Business Park from disused estate buildings. Among his latest projects is the restoration of the Aldourie Castle Estate, a 385-year old castle set in 500 acres in the Scottish Highlands.**

### **What appealed to you about owning a castle in Scotland?**

It was a challenge that I couldn't resist! Primarily an environmental and heritage restoration challenge, although it should turn out to be a good investment, both capital and income-wise.

Scotland's heritage and environmental qualities need good representation in the Highlands and Aldourie is now the only habitable, exclusive-use castle on the banks of Loch Ness. The Loch is 24 miles long and one of the most famous bodies of water in the world. It's an amazing area and, unfortunately, much undervalued.

### **Running Aldourie Castle as a top-end, short-term let business is different to your previous business interests – what was the rationale behind it?**

There is a gap in the market for exclusive-use historic houses in

amazing environments, which are not a hotel, not a museum, not a private members club – Aldourie fills this rather beautifully.

### **What do you think would have happened to Aldourie if you had not purchased it?**

Aldourie was in need of major restoration and investment. Places such as Aldourie need redefining to survive. Perhaps it would have not fulfilled its economic, social, environmental and cultural potential. It might have been split up into flats or had a poor restoration job on it. People seem very impressed with what we have created so hopefully it will have a strong future.

### **Have you planned an 'exit route' from the project?**

Every project one gets involved in should have some sort of commercial and economic options within it. At the moment, Aldourie is establishing a very good reputation and providing a useful service. If this stopped, or if there was a better idea presented, then I might have to consider it. We do get people trying to buy it now that it has been restored and I always try to get them to stay for a week or two and become a customer rather than owning the whole thing. Capital tax and other considerations would certainly come into the decision whether to sell.

### **What do you think your biggest successes have been at Aldourie?**

We have redefined and re-invented it, and given it a new sense of purpose so that, hopefully, it can be a force for good in the local community and in the Highlands, on many levels. So, overall, Aldourie's biggest success is hopefully that it is a little jewel in Scotland's crown.

### **What is the biggest challenge you've faced?**

As the restoration was extremely extensive, involving everything from re-roofing and re-wiring to forming a new collection of contents, the biggest challenge was making it work as a 'whole' and making sure everything fitted together to give a unique Aldourie authentic experience. I suppose it's as if someone walked out of it in the 1900s and yet all the modern necessities and comforts, from WI-FI to fire protection, are discretely hidden away, so people can enjoy living life in an historic house as they used to, without any of the responsibilities.

### **When do you expect the business to go into profit?**

Results are good so far and the more energy and effort we put in the better the results become. In terms of capital growth, even in these tough times it should prove to be profitable and, in terms of trading profit, the first year has exceeded budget. Hopefully, Aldourie will remain in profit throughout its existence.

### **The financial world is a very different place today than it was when you started work on Aldourie. As a business appealing to the super-rich, is it recession proof?**

One primary policy we established from the start was that we wanted to appeal to a wide range of people and be able to host a range of activities, which should prove to be pretty recession proof.

The location of Aldourie, with access to a wonderful heritage and environmental site at the head of Loch Ness, which is only about five minutes from Inverness, makes it accessible to many different groups of people and not just the 'super-rich'.

Although we have played host to a Middle-Eastern royal family and various celebrities, we also have many clients who bring their family and friends together and split the cost of a stay. This means it is equivalent to the cost of a normal holiday abroad. Of course, we don't just appeal to people looking to get away from it all, and we also regularly host educational tours, corporate lets, car launches, weddings, international visitors as well as filming and photography-related activities.

We know that we have to be better than the competition and, after substantial investment, we have put together an exceptional in-house team. It certainly seems to be working and, competing against similar venues in Scotland, people give us a pretty good rating.

### What advice would you give to people considering similar business projects?

As with all businesses, perseverance is probably the word of advice I would give to anyone else considering such a project. Heritage and environmental projects are generally more medium to long-term in their returns. There was a tremendous amount of hard work involved in it all and the people and teams you work with is a big factor – it is not all easy and a missing link or two can easily make things fail. We had over 70 people working on Aldourie over two years and probably over 1,000 suppliers.

### If the opportunity presented itself, would you go through the project again? Why?

At the moment I am involved in a range of different businesses, but I'm concentrating on making Aldourie a huge success. If another opportunity presents itself, although I would be tempted, I might just pause over the coming months. I would like to do something outside London, as we are just finishing a project in the North of England.

Ultimately, it is a challenge to utilise my company and my own skill base in terms of heritage and environmental regeneration and, although it has been a tough journey, I am quite proud of the legacy Aldourie's renovation has left the area.

The accountancy issues have been wide and varied and with Saffery Champness' 'help we seem to have got through them – whether the VAT on listed buildings, new build construction industry CIS, SPV issues offshore onshore, part of a group of companies employment NI etc. There is a whole host of issues that need to be dealt with in the correct manner.

I have a little policy in life that £100 per day is £36,000 a year and so money needs looking after, whether income or expenditure. Redefining estates and finding the appropriate equation is quite an art and Aldourie seems to have found its purpose, with a variety of activities and events, from 'Rock Ness' (an annual event – sort of the Glastonbury of the north) to an NSCCP charitable event recently. With all this going on, Aldourie is certainly going to have an interesting life!

*More information on Roger's projects can be found at [www.broughtonhall.co.uk](http://www.broughtonhall.co.uk) and [www.aldouriecastle.co.uk](http://www.aldouriecastle.co.uk)*



## VAT and shoots

Interest in the taxation of shooting, particularly from the VAT point of view, continues to run high, and some of that interest unfortunately continues to come from those responsible for collecting it – HM Revenue & Customs (HMRC).

We have been advising shoots, whether run by our clients or by non-clients, whom we advise in a consultancy capacity, since the start of the HMRC crackdown nearly 10 years ago. We have helped some very large shoots, including some run as Members Clubs, but also a huge range of private or syndicated shoots of all shapes and sizes.

For more advice relating to VAT and shoots, contact Douglas Gordon, our specialist VAT partner directly, on 020 7841 4000. Douglas will be present at the CLA Game Fair on Friday 23 July, answering landowners' questions relating to VAT and shoots.



10 **The CLA Game Fair 2010**

Experts from Saffery Champness will attend this year's CLA Game Fair at Ragley Hall in Warwickshire, which is being held between Friday 23 and Sunday 25 July.

This is the first year that Ragley Hall, the home of the Marquess and Marchioness of Hertford and their family, has hosted the annual event, which attracts up to 150,000 visitors over three days.

Partner Douglas Gordon, who heads the Landed Estates & Rural Business Group's VAT Team holds a VAT clinic on Friday 23 July, on the Guns on Pegs stand, to answer landowners' VAT questions relating to their shoots.

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