

# YOURFC

PKF FRANCIS CLARK - ISSUE 05

In this issue:

Advice from your trusted advisers

Client case studies:

- Dan Rooke
- Gareth Steenson
- Farms for City Children
- Bristol Sport Ltd
- Gourmet Classic

FC in the community

Schedule and highlights of our popular and informative events



# Features

## FC NEWS

Appointments and promotions .....	4
Office move.....	4
Awards and achievements .....	5

## CORPORATE FINANCE NEWS..... 6-7

## YOUR TRUSTED ADVISERS

Payroll.....	8-9
Cyber Security .....	10-11
International Tax .....	12-13
Family Business .....	14
VAT .....	15
Inheritance Tax.....	16-17

## CASE STUDIES

Dan Rooke.....	18-19
Gareth Steenson.....	20-21
Farms for City Children.....	22-23
Bristol Sport Ltd.....	24-25
Gourmet Classic .....	26-27

## FC IN THE COMMUNITY ..... 28-31 |

## EVENTS ..... 32-35 |

# Welcome to Your FC

Welcome to the Summer edition of our firm wide newsletter. Of particular interest to our Exeter clients, having outgrown our existing offices at Vantage Point, Pynes Hill, our Exeter office will be moving in the Autumn - see page 4.

In the news we increasingly hear about breaches of computer system security such as the cyber attacks that recently affected the NHS, Talk Talk, Yahoo and others. What has become patently clear is that we all need to be far more prepared in protecting ourselves and dealing with these global incidents. The forthcoming EU's General Data Protection Regulation (GDPR) will require many companies to adopt much stricter processes in dealing with customer data and failure to comply will result in heavy fines. In relation to cyber threats, these can be mitigated by adopting the Cyber Essentials scheme which has been created by the Government for UK businesses.

I am pleased to say that PKF Francis Clark have become a Certification Body on behalf of the IASME (Information Assurance for Small and Medium sized Enterprises) Consortium - one of the five bodies set up by the UK Government to roll out the Cyber Essentials scheme. I would invite you to read the cyber protection article on page 10.

PKF Francis Clark's sector newsletters help our clients keep abreast of the latest changes in accounting and tax rules. If you currently receive these in hard copy and would prefer to receive them electronically, you can sign up to our online newsletters by registering via: [www.pkf-francisclark.co.uk/register](http://www.pkf-francisclark.co.uk/register)



A handwritten signature in black ink that reads "Andrew", enclosed within a thin black rectangular border.

Andrew Richards  
Managing Partner



## Introducing Chris Harrison



Chris Harrison  
Tax Director

With a background in Science and Engineering, Chris has a strong interest in supporting innovative technology companies. Accordingly, he has specialised in R&D tax incentives and international tax both in practice with 'big 4' accountancy firms and most recently in industry with Vodafone. Chris has also, for some years, been a member of the UK HM Treasury R&D Consultative Committee through which he is able to influence government R&D policy on behalf of his clients.

Chris has helped clients across a broad spectrum of industry sectors and sizes from small technology start-ups to some of the largest defence and aerospace companies in the UK. His background as a research scientist and a qualified tax professional means that he is uniquely placed to help technology companies maximise their entitlement to valuable tax incentives.

Although primarily based in the Poole office, Chris's skills enhance the team across the East region.

## Director promotions

We are delighted to announce the following director promotions which reflect the Partnership's on-going commitment to 'growing our own', and acknowledge the experience and expertise they bring to PKF Francis Clark:



Liam Dushynsky  
VAT Director, Exeter



Jemima Fox  
Director, Plymouth



Adam Kefford  
Director, Exeter



Frances Kingsnorth  
Director, Salisbury



Lisa Macpherson  
Tax Director, Poole



Ian Pring  
Director, Plymouth



Katie Skea  
Corporate Director, Plymouth



Daniel Sladen  
Director, Truro



Chris Watts  
Director, Torquay

## Office relocation

Our Exeter operation is moving to larger premises in November.

160 staff members will move to Peninsula Business Park, Exeter - just a stone's throw from our current premises at Vantage Point, Pynes Hill.

The move has been prompted by year on year growth for us, currently having eight offices across the South and South West of England, employing a team of 600 staff and 59 partners, 14 of which will be based at the new Exeter office.

We will enjoy sole occupancy at the new building comprising 18,000 sq ft of space over two floors - almost double the area currently occupied at Vantage Point.

Managing Partner, Andrew Richards commented:  
"As a firm, we have grown exponentially in recent years with a number of significant mergers, as well as joining the PKF International Network of professional firms and this has been reflected in rising staff numbers, new clients of all sizes and increased turnover.

"Simply put, we have outgrown our current office in Exeter and need bigger premises to manage the levels of work and to accommodate future expansion."

# Sports Business Awards 2017



Martin Aldridge, Partner, PKF Francis Clark with Sir Ben Ainslie, Land Rover BAR

Earlier this year, the firm entered the Sports Business Awards 2017 and were thrilled to be a finalist in the 'Best Professional Services Firm in Sport' category.

The awards celebrate the hard work and successes of individuals and teams who contribute to sporting success.

The panel of judges included five times rowing Olympic gold medal winner Sir Steve Redgrave; Colin Jackson, the former World, Commonwealth and European champion hurdler, and Steve Cram, the former 1500m, 2000m and mile world record holder.

As a firm, we have built up a considerable practice in recent years supporting professional sports people and elite athletes with accountancy, taxation, financial planning and business advice.

As well as participants in professional team sports including football, rugby, athletics, cricket, golf, horse racing and equestrian, both in the UK and overseas.

We advise almost all the GB Olympic Sailing Squad and Sir Ben Ainslie's Land Rover team for the America's Cup.

Partner Martin Aldridge said: "Our bespoke service assists clients to plan their financial future and protect their accumulating wealth while providing them with the financial peace of mind which allows them to focus on their sport."

Tamsin Tully, Director of PKF Francis Clark's Professional Sport Services, added: "Our Professional Sport Services team pools specialists from across the firm and has grown rapidly. We were delighted to be shortlisted for this very prestigious award.

"Although we did not take the trophy at the gala awards ceremony at The Brewery in London on Friday 2 June, it is a fantastic achievement to have been shortlisted."

In recent years, the firm has won several national awards recognising the firm's tax, audit, corporate finance and VAT practices.

## Staff achievements

Congratulations to the following members of staff who have recently qualified in their respective professional examinations:

### ACCOUNTANCY

#### AAT

Helen Hayward	Mike Walters-Symons
Indiana Perry	Lucy Whitmore
Tom Smith	

#### ACA

Fraser House	Jessica Marshall
Cesca Hunter	Kate Mcardell
Ben Hutson	James Underhill
Robert Kenyon	Emily Woolliiss
Jake Knapman	

*Congratulations to Richard Owen (recently ACA qualified) in our Salisbury office who was presented with an award for achieving the South Region's highest score in the advanced level Strategic Business Management exam paper at the Southern Society of Chartered Accountants (SOSCA) annual dinner in March - a fantastic achievement!*

#### ACCA

Jessica Chambers	Claire Tourle
------------------	---------------

#### ATT

Gemma Leader

#### CTA

Ross Bond	Will Roose
Nicola Cornish	Rachel Smith
Georgie McLaughlin	Jonathan Watson
Ryan Prynne	

#### CIPFA

Edward Mills

#### Business Admin Level 2

Fran Fisher	Hannah Mullins
-------------	----------------

### PAYROLL

#### CIPP Technician Certificate

Jessica Toy

#### Payroll Assistant

Clare Nash	Kirsty Small
------------	--------------

### FINANCIAL PLANNING

#### AFPS

Reme Holland

#### FPFS

(Fellow of the Personal Finance Society):  
Reme Holland

Congratulations also to Aimee Raymond and Ben Nurse who passed J05 (Pension Income Options) exam.

# Corporate Finance News



## 'Big hitter' adds extra firepower to corporate finance team

PKF Francis Clark has added extra firepower to its corporate finance team in the South with the arrival of 'big hitter' Paul Stout.



*From left: Andrew Killick, Head of Corporate Finance, Paul Stout, Corporate Finance Director and James Robinson, Office Managing Partner, Poole*

Paul, previously at Grant Thornton, has been appointed Corporate Finance Director and will lead the accountancy firm's corporate finance team in Dorset and Hampshire.

The move underlines PKF Francis Clark's commitment to the Southern region and the level of work the corporate finance team has generated and completed in recent months.

With the addition of Paul, the firm's corporate finance team is now 17 strong, making it one of the best-resourced and experienced teams in the region.

Paul has gained an excellent reputation in the South's corporate finance market working closely with the region's banks, lawyers and venture capitalists to complete some high quality transactions.

In the last 12 months they have included the sale of Pinnacle Foods, the acquisition of ITEC for VTCT and the sale of Utility Funding Limited.

Andrew Killick, PKF Francis Clark's Head of Corporate Finance, said: "On the back of another record year for the corporate finance team, Paul's appointment gives

us additional geographical reach and depth to continue the growth of our advisory services.

"The funding climate combined with the current strength of valuation multiples and a favourable capital gains tax regime makes it an ideal time for entrepreneurs to undertake transactions. Paul is regarded as a really 'big hitter' in the sector and his appointment will help us assist more clients to achieve their plans."

Paul, who attended Poole Grammar School and is a former graduate of the University of Southampton, added: "PKF Francis Clark is an ambitious firm with big plans for the future.

"There are a large number of opportunities across the South coast market and we are continuing to see an upturn in M&A (mergers and acquisitions) activity and enquiries."

James Robinson, Office Managing Partner at PKF Francis Clark's Poole office, said: "Paul's appointment gives us the firepower to deliver specialist advice to our clients across the patch and continue to grow our footprint."

## Celebrating success



James Shepherd (right) of HSBC Corporate Bristol presents Nick Tippett with South West Insider's 2017 'Young Dealmaker of the Year' award

The corporate finance team at PKF Francis Clark is celebrating another impressive award after Corporate Finance Senior Associate, Nick Tippett, was announced as 'Young Dealmaker of the Year' in the prestigious South West Insider's Dealmakers Awards 2017

The awards were announced at a gala dinner held at the Bristol Marriott City Centre where the judges said that Nick had “stood out for the excellence of his submission, the breadth of the deals he has handled and the extent of his own involvement in these transactions”.

Corporate Finance Partner, Andrew Killick said: “Nick has been at the forefront of some of the largest and most complex commercial transactions over the past year, including the sale of Gilletts’ SPAR chain of convenience stores, the equity injection in Moortec Semiconductors and the sale of vehicle number plate recognition developer, ESSA Technology.

“We are delighted for Nick who thoroughly deserves this recognition. This is the second year in succession that a member of our corporate finance team has scooped this award and it clearly demonstrates the strength in depth of PKF Francis Clark’s corporate finance offering, confirming our position as the leading corporate finance team in the region.”

Nick Tippett added: “I am, of course, very honoured to have received this award, but would like to stress that the ongoing success of the firm’s corporate finance service is based on the quality of the team as a whole and our collective ability to deliver when it’s needed. This award is recognition for the entire team.”

PKF Francis Clark are previous winners of the South West Insider’s 'Corporate Advisory Team of the Year' and the British Accountancy Awards' 'Top 50 Corporate Finance Team of the Year'. Partner Mark Greaves is a previous winner of the Insider's 'Dealmaker of the Year' while Nick Tippett's colleague Matt Willmott was last year's recipient of the Insider's 'Young Dealmaker of the Year' Award.





# Payroll



**Eve Iunco**

Senior Manager, Payroll Services  
eve.iunco@pkf-francisclark.co.uk

Using the online service for payrolling benefits and expenses means that you won't have to submit a form P11D

## Payrolling of benefits

Employers wanting to payroll benefits and expenses must register with HM Revenue and Customs (HMRC) using the Payrolling Benefits in Kind (PBIKs) online service via the employer's Government Gateway service. This must be done before the start of the tax year; so by 5 April 2018 for the 2018 - 19 tax year.

Using the online service for payrolling benefits and expenses means that you won't have to submit a form P11D. You must tell HMRC which benefits you want to payroll during the registration process. The tax codes for all employees receiving these benefits will be amended, unless you exclude any employees that you don't want to payroll benefits for in the online service.

### Benefits you can payroll

You can payroll all benefits except:

- employer provided living accommodation
- interest free and low interest (beneficial) loans

You must still report these benefits on a P11D even if you're payrolling other benefits for the same employees. If you choose to payroll company car benefits, you're not required to submit form P46(Car). But if the car benefit is not being payrolled, you must submit a P46(Car).

### Telling your employees

Once you've registered to payroll benefits, you must provide your employees with a letter explaining that you are payrolling and what it means for them. You must also provide your employees with the following information before 1 June after the end of each tax year:

- details of the benefits that have been payrolled
- the cash equivalent of each benefit that's been payrolled
- separate details of any benefits you haven't payrolled

## Working out the cash equivalent

You should work out the cash equivalent of a benefit for payrolling in the same way as you do for a benefit that you report on a form P11D. Then work out the number of payments to be made to the employee in the tax year and divide the cash equivalent of the benefit by the total number of payments to be made. The resulting amount is the taxable value of benefit which should be added to the employee's remuneration in the payroll each pay period. If you're not sure what the value of the benefit is at the start of the tax year, you can make an estimate of the cash equivalent of the benefit and you can then adjust it later in the year when you know the exact value.

## Class 1A National Insurance contributions (NIC)

You will still need to work out the Class 1A NIC on the cash equivalent and complete form P11D(b). The Class 1A NIC liability applies whether you're payrolling the benefits or they're reported to HMRC on form P11D. You must keep a record of cash equivalents for benefits you provide throughout the tax year so that you can accurately report and submit your P11D(b) and the associated Class 1A NIC payment. This must be done by 6 July after the end of the tax year.



## Western Counties Roofing

### Lifting the burden of payroll

As the complexity and constant legislative demands of running an efficient payroll system increase, more and more businesses are outsourcing the function to highly trained experts.

Newton Abbot based PKF Francis Clark client, Western Counties Roofing Ltd (WCR), was founded in 1991 and is the largest roofing contractor in South West England, providing comprehensive and sustainable roofing solutions including slate and tile, cladding, Sarnafil flat roofing, leadwork and green roofs.

The family owned and managed company has seen year on year growth and provides roofing services to most of the major housing development companies in the South West, including Redrow Homes, Barratt Homes, Linden Homes/Galliford Try, Devonshire Homes, Taylor Wimpey and Bovis. Its operational footprint extends from Cornwall to Dorset and up to Bristol.

Whilst payroll had always been carried out in-house, the advent of pension auto-enrolment and the complexity of its implementation prompted the business to review their payroll management. They became increasingly concerned about non-compliance and the financial penalties involved and sought advice from PKF Francis Clark. In April 2016 they appointed PKF Francis Clark to take control of their payroll requirements.

Office administrator and payroll manager Sharon White said: "We have around 55 full-time employees and administering the payroll was becoming really burdensome and taking up far too much of our time. The added responsibility of auto-enrolment was certainly a step too far.

"We spoke with Eve Iunco from PKF Francis Clark and she talked us through the process and how her team could take the pressure off us and it has certainly worked. We send through a spreadsheet detailing the timesheets of the weekly and monthly paid staff at a pre-arranged time and by the same afternoon we will have back all the reports with payslips including holidays, sickness and pension reductions. It's then just a matter for us to pay everyone via BACS.

"We deal with Julie Knight at PKF Francis Clark and she is remarkably efficient. We only have a telephone relationship but it feels like I've worked alongside her for years. The system is seamless and saves us a huge amount of time, which we can now use to focus on running the business. It has also introduced some discipline to our employees who now know they have to get their timesheets in on time.

"I would have no hesitation in recommending PKF Francis Clark's payroll service to any business to lift the administrative burden of payroll and ease the constant worry that getting it right yourself inevitably brings. We also don't have to worry about incurring HMRC fines for non-compliance as we are in the hands of experts who tell us what to do and what to expect."

Eve Iunco, Senior Manager Payroll Services at PKF Francis Clark added: "It was clear that due to the increasing demands and pressure that now come with running a payroll, Sharon and her colleagues were spending a considerable amount of time on this process. We have since built up a comfortable relationship and they can relax in the knowledge that the payroll will be run correctly and on time regardless of all the changing legislation.

"Payroll has become so diverse with constant legislative demands that it can no longer be seen as a side role to bookkeeping and accounts, it requires trained experts with in-depth knowledge."



## Our Payroll Services

At PKF Francis Clark we are renowned for our professional service and expert advice; this accolade is never more prevalent than in our payroll services departments where our qualified experienced specialists are committed to providing a service that leaves our clients free to concentrate on running their business with the complete confidence that their staff will be paid on time. Our payroll service guarantees compliance with payroll and pension legislation along with all statutory requirements freeing you from the hassle of having to deal with HMRC. Working alongside the payroll teams is a **dedicated auto enrolment specialist team** who ensure you are complying with your new pension obligations.

### Summary of services

- Weekly, fortnightly, four-weekly, monthly, quarterly and annual pay runs
- All statutory requirements including (PAYE, NICs, SSP, SMP, SPP, SAP shared parental pay/leave & student loans)
- Standard Payroll Reports
- Bespoke reports
- All on-line submissions
- Advice on Income Tax and National Insurance matters
- Employee & HMRC payment's via BACS
- E-Payslips or Security payslips if required
- P60's for your employees

For a free quotation, please contact your local payroll team below:

**Exeter, Plymouth, Torquay or Salisbury:**  
Eve Iunco - 01803 320100

**Poole & New Forest:**  
Mandy Gardiner - 01202 663700

**Taunton:**  
Kirsty Small - 01823 275925

**Truro:**  
Erica Turner - 01872 276477

# Cyber Security



## Are you protected from a cyber attack?



Glenn Nicol

Partner

[glenn.nicol@pkf-francisclark.co.uk](mailto:glenn.nicol@pkf-francisclark.co.uk)

One in four businesses  
reported a cyber-breach or  
attack in the past  
12 months

HM Government Cyber Aware

Businesses are surrounded by ever increasingly complex digital systems. We store more information and regularly undertake digital transactions in the course of normal business. This digital interconnectivity exposes organisations to complex risks that have to be managed. More than ever before the key areas of confidentiality, integrity and availability of our digital products are under threat from those who seek to profit from illegal activity.

Poor governance and controls can present critical risks to the business by denying access to key systems or damage reputation with data breaches.

Cyber Security attacks are increasingly prevalent and it's not a question of will you be attacked, but when? These attacks may be as simple as denying access to your website; however, they may also be more severe - breaching your stored data. Fines and repercussions for this are severe and in 2018, with the introduction of the General Data Protection Regulation, they will extend to 4% of the firm's worldwide turnover or 20 million Euros (whichever is greater).

### Cyber Essentials

Cyber Essentials helps prevent the vast majority of cyber-attacks. Even a simple virus or piece of malware could result in loss of company and client data, disrupt your cashflow and take up staff time. An attack could also put off your customers, prevent you trading and damage your hard-earned reputation. It could also be reported in the local media. Loss of data could breach the Data Protection Act and lead to fines or even prosecution.

### Having a Cyber Essentials badge will:

- Protect your organisation against common cyber threats.
- Show your customers you take this issue seriously.
- Enable you to bid for Government contracts.
- Give independent assurance to Boards on their level of security.

Since October 2014, Cyber Essentials has been mandatory for suppliers of Government contracts which involve handling personal information and providing some ICT products and services. Holding a Cyber Essentials badge enables you to bid for these contracts.

The Assurance Framework provides organisations with a staged approach towards embedding mature and sustainable information risk management from common internet-based threats as well as the broader risks they might face. Each stage adds confidence and it is for organisations to decide which they choose based on their risk appetite, their customers' expectations and cost considerations.

For more information, contact:

Richard Wilding  
Head of Cyber Services

T 07900 733441

E [richard.wilding@pkf-francisclark.co.uk](mailto:richard.wilding@pkf-francisclark.co.uk)

or contact your usual PKF Francis Clark adviser.



IASME Consortium®

**GOLD**

Certified  
Company



**One in four** businesses reported a cyber-breach or attack in the past 12 months.

(Source: HM Government Cyber Aware)

**Cyber criminals** are after your money, your data and your intellectual property. If you haven't taken steps to protect yourself, you should take action now. It's easy to get good protection in place with Cyber Essentials.

**Cyber** criminals don't just attack banks and large companies - they target any organisation which isn't properly protected, even small businesses.

The majority of **cyber attacks** exploit basic weaknesses in your IT systems, software and policies and procedures. Cyber Essentials shows you how to address those basics and prevent the most common attacks. The scheme is designed by the Government to make it easy for you to protect yourself or your business.

The new EU general data protection regulations (GDPR), will make the current data protection regulations much stronger. The GDPR comes into force in May 2018 and, if breached, could result in a fine of up to 4% of global turnover.

Every organisation processing personal data must carry out safeguards against loss, theft and unauthorised access. Respect for privacy, security of data and awareness of breaches will be key. There is a duty to report a breach within 72 hours. If that breach is potentially of high privacy risk, then affected individuals should also be advised of the data breach. This is a significant change to the current Data Protection regime in the UK.

The definition of personal data has been extended and includes anything that could be used to identify an individual. This includes, for example, genetic data and even IP addresses. The GDPR will be more robust in its protection of data than anything we have previously seen and businesses will be more accountable.

### **So what should I do?**

Certification to Cyber Essentials is a great first step. It can already mitigate ICO fines if a company suffers a breach. Cyber Essentials certification is evidence that you have carried out basic steps towards protecting your business and your data from internet based cyber attacks.

GDPR will require more than just the Cyber Essentials basic technical controls. By certifying to the IASME governance standard as well you show your organisation has a wider governance system for management of the controls protecting personal data. The IASME governance standard adds a number of topics to Cyber Essentials which will really help with GDPR compliance, such as assessing business risks, training staff, dealing with incidents and handling operational issues.



# International Tax



## Making Tax Digital or Digital by Default?



**Lisa Macpherson**

*Head of Tax Technical*

*[lisa.macpherson@pkf-francisclark.co.uk](mailto:lisa.macpherson@pkf-francisclark.co.uk)*

I think MTD represents a huge opportunity for UK businesses - yes, there will be a great deal of work to do during the next three to four years as all of HMRC's digital plans come to fruition, but I think that it's going to place advisers in a position to give their clients real 'value-added' advice.

I recently had the opportunity to speak to Andrew Beattie of PKF about their experience of the Australian Tax Office's (ATO's) 'Digital by Default' (DbD) programme and whether it differs from Making Tax Digital (MTD) here in the UK. Andrew works with PKF's Business Advisory team, and is primarily based in their Newcastle office. He kindly agreed to share some of his experiences of 'Digital by Default'.

Since MTD was first proposed in the UK, we have already heard some concerns from the major software suppliers that details necessary to write the software haven't been forthcoming soon enough. However, the Government's welcome change of heart announced on 13 July will make the UK transition far smoother and has helped allay some of these fears.

The movement to digital reporting was dealt with very differently in Australia. The move towards better record keeping started with the introduction of the 10% goods and sales tax (GST). At first, there was no digital component, but the requirement to keep quarterly (or monthly, depending on the size of the business) records revolutionised the way that Australian businesses dealt with their accounts, and tax obligations. Over the years, the ATO developed online access, leading to full digital engagement around five years ago. In complete contrast to the UK though, in Australia, agents were given access to their clients' information online considerably before access became available to taxpayers.

The UK Government announced on 13 July 2017 that it has listened to the many representations from the professional bodies, the Treasury select committee and agents and has set out a new MTD timetable under which:

- Only businesses with a turnover above the VAT threshold (currently £85,000) will have to keep digital records and only for VAT purposes
- They will only need to do so from 2019
- Businesses will not be asked to keep digital records, or to update HMRC quarterly, for other taxes until at least 2020
- MTD will be available on a voluntary basis for the smallest businesses, and for other taxes.

This means that businesses and landlords with a turnover below the VAT threshold will be able to choose when to move to the new digital system.

As VAT already requires quarterly returns, no business will need to provide information to HMRC more regularly during this initial phase than they do now.

All businesses and landlords will have at least two years (presumably 30 months starting with the private beta commencing this autumn, through the full trial during 2018, until the 2020 start date for 'other taxes') to adapt to the changes before being asked to keep digital records for other taxes.

HMRC has said it is fully committed to supporting businesses in this transition. Its new plans will allow for well over a year of testing before any businesses are mandated to use the system.

I think MTD represents a huge opportunity for UK businesses – yes, there will be a great deal of work to do during the next three to four years as all of HMRC's digital plans come to fruition, but I think that it's going to place advisers in a position to give their clients real 'value-added' advice.

We'll have quarterly figures – in effect, management accounts, which we've simply not had access to for most of our clients in the past – for our VAT registered clients with effect from April 2019. We'll be able to advise in nearly real time, which gives us huge scope to deliver proactive and worthwhile advice on both the tax and accounting fronts.

In Australia, clients had about ten years to become accustomed to quarterly GST reporting, before the ATO asked them to begin reporting digitally for that tax (although it was still voluntary when first introduced). It is similar to VAT in the UK, so effectively, the base records have to be well kept to make the appropriate returns, and Andrew has seen a sweeping change in compliance since the introduction of GST. The ATO has also been using sophisticated data matching technology, so that it has become harder and harder to hide – the introduction of digital reporting has had a huge impact on the tax office's effectiveness at combatting evasion.

HMRC has now decided not to mandate compliance with MTD, other than for VAT, which almost exactly mirrors the Australian experience.

One of the most attractive attributes of MTD is the potential for giving pro-active and timely advice. Clients and advisers in the UK already deal with their payrolls through the real time information (RTI) system and MTD is just a further development along the digital pathway. PKF Francis Clark is currently undertaking a huge project looking at our client base and preparing them to move to the cloud accounting packages that best suit their businesses.

Around 70% of the businesses in Australia are actually 'small businesses' and they found the transition to digital reporting hard. Andrew and his colleagues supported them through that change. PKF's advisers have a dashboard on their desks which can show real-time movements in the value of clients' assets, bank accounts, even the value of their residence, and that enables them to pick up the phone and talk to clients in real time. They found that they had a lot to offer at the value-added end of the spectrum.

The future for record keeping is definitely digital and many businesses, large and small, could see great advantages from moving to cloud based accounting systems, including the ability to track sales and costs in virtually real time, automate manual tasks such as invoice input and bank reconciliations, monitor margins and profitability and adapt their strategies accordingly. MTD is just a further development along the digital pathway and it is a step that I now think will have a far higher success rate, following the Government's very welcome relaxation.

For further information please contact your PKF Francis Clark adviser.

# Family Business



## Keeping it in the family - the benefits of a family constitution



**Paul Butler**

*Partner, Head of Family Business  
paul.butler@pkf-francisclark.co.uk*

while 70% of businesses in  
the UK are family owned,  
only 10% of them make it to  
a third generation

When did you last have a family meeting? Have you agreed how the business will be governed? Do all the family members involved in the business have the same vision for the future as you? Have you thought about how you plan to hand the business on?

Too many owner/managers are so focussed on the day to day running of the business that they fail to plan ahead, and this is perhaps one of the main reasons that while 70% of businesses in the UK are family owned, only 10% of them make it to a third generation.

If you haven't established a formal protocol of decision making that will set standards and provide a means of conflict resolution, disagreements and tensions within the business grow.

Different generations have different desires, aspirations and motivations. Understanding this helps to distinguish the dynamics of selling to a family member or to a third party.

Equally, it is important to establish rules of governance that apply to everyone – family members and paid employees alike, and this includes documented expectations, rates of remuneration, grievance procedures and success measurements. Where the founding entrepreneur is the only one who knows the minutiae of the business finances and operations, sudden changes in circumstances can badly affect the business.

These scenarios can all be mitigated if owner/managers take time to plan; and if they are worried about the complexities of succession or exit strategies, help is at hand. Establishing a family constitution provides a framework of rules which governs behaviour. It should also address how communication should be dealt with, conflict resolved and provide a clear policy for the training and employment criteria for members of the family joining the business.

Each family and family business differs, but there are common themes that should be included in such a constitution including the vision of the business, measures of success, subsequent ownership, governance, provision for retirement and family employment policy. The best chance of a successful succession is where the new leaders are appropriately trained well in advance of taking over. Whilst the statistics are stacked against a family business continuing through successive generations, with the right planning, particularly with the support of a strong family constitution, there is no reason why more family businesses should not continue to grow and to flourish.

For further information please contact your PKF Francis Clark adviser.





## Alcohol Wholesaler Registration Scheme

Everyone who buys and sells alcohol needs to be aware of the Alcohol Wholesaler Registration Scheme (AWRS).

- Are you a business or organisation that buys alcohol to sell? Perhaps in a café, shop, restaurant or even at a fundraising event?
- Are you a sports or social club with a bar on your premises?
- Do you have associated businesses where one buys the alcohol and sells to the other in bulk?

Then this applies to you.

### Wholesalers

There is a requirement for businesses that wholesale and/or sell alcohol to other businesses and organisations to apply and be approved for registration under the AWRS regime by HMRC. Guidance can be found here:

<https://www.gov.uk/guidance/the-alcohol-wholesaler-registration-scheme-awrs>

and in Excise Notice 2002:

<https://www.gov.uk/government/publications/excise-notice-2002-alcohol-wholesaler-registration-scheme>

It is an offence to trade without the necessary approval and you may face penalties for non-compliance!

### Retailers

From 1 April 2017 there is a requirement for persons buying alcohol to sell from a UK wholesaler, to check that the wholesaler has been approved by HMRC and has an AWRS Unique Reference Number (URN). This should be included on their invoice and can be verified here: <https://www.gov.uk/check-alcohol-wholesaler-registration>

The checks must be carried out before trading with the wholesaler, repeated periodically to ensure continued wholesaler AWRS approval and a record maintained to evidence those checks.

There are penalties for failure to comply!

### What you need to do...

- If you sell alcohol in any part of your business, check your AWRS obligation.
- Wholesalers consider your need to register for AWRS.
- Retailers obtain your suppliers AWRS reference number and check HMRC's approved wholesaler list.

If you require further assistance, please contact Kathryn Jenkins in the VAT & Indirect Tax team at PKF Francis Clark on 01202 663626.



Kathryn Jenkins

Assistant Manager, VAT Services  
[kathryn.jenkins@pkf-francisclark.co.uk](mailto:kathryn.jenkins@pkf-francisclark.co.uk)

Everyone who buys and sells alcohol needs to be aware... There are penalties for failure to comply!

# Inheritance Tax



## Changes in rules put estate planning back on the agenda



**Brian Harvey**

*Partner, Head of Agriculture  
brian.harvey@pkf-francisclark.co.uk*

Unfortunately, for many farmers or landowners, there is a catch...

6 April 2017 saw the much heralded £1m nil rate band for inheritance tax (IHT) come a step closer with the introduction of the residence nil rate band (RNRB), which comes gradually into force from that date and is fully effective from April 2020.

Most are aware of the fact that an individual has a nil rate band (NRB) protecting assets of up to £325,000 from IHT. The NRB is transferrable to the surviving spouse leading to a combined NRB of £650,000.

The RNRB has been introduced to help families pass down their homes to the next generation without large IHT liabilities arising. From 6 April 2017, the RNRB exempts up to £100,000 of an individual's estate from inheritance tax (in addition to the NRB) if they leave a property on their death which they have lived in, or assets representing a previously-owned property (if disposed of prior to death) to their lineal descendants, being essentially children or grandchildren. The RNRB is to increase by £25,000 per year until April 2020, at which point the total relief available will be £175,000 for each spouse. As the RNRB is transferable between spouses and civil partners then, when combined with the general NRB, you arrive at the magic £1m figure that can be left without IHT.

### The catch!

Unfortunately, for many farmers or landowners, there is a catch! The RNRB is tapered down by £1 for every £2 that the net estate exceeds £2 million such that for a couple it is completely removed once an estate exceeds £2.4m in value (£2.5 million in 2018-19, £2.6 million in 2019-20 and

£2.7 million in 2020-21). The important point to note here is that the net estate is the value prior to the deduction of reliefs and exemptions i.e. before any deductions for agricultural property relief (APR) and business property relief (BPR).

With land and property prices where they currently are, this could certainly impact a number of farmers and landowners, including:

- the land owner who rents out the farm where APR on the farmhouse is not available;
- the farmer whose contract farming agreement is poorly worded meaning that the house could revert into their estate;
- the farmer with the rental farm cottage that they used to occupy; or
- the common situation where the open market value of the house is deemed to exceed its agricultural value, meaning that after allowing for APR on the farmhouse an element remains within the taxable estate.

### The opportunity?

Given the above, it is important to consider what may be in your estate and whether some IHT planning now would save a significant tax liability for the next generation, and as you might expect we are already looking at this for many of our clients.

Most understand the 'seven year rules' for making lifetime gifts and understand that any gifts made within the last seven years of their lives will revert back into their estate for IHT purposes. However, any such gifts are not considered to be part of the estate in considering if the £2 million limit is breached.

nda

As such whilst all tax and practical implications need to be carefully considered, potentially life time giving, including death bed tax planning that reduces an estate to below £2 million, could mean that a couple's estate would qualify for two RNRBs totalling £350,000 by 2020-21, which could save £140,000 in IHT.

The conditions for claiming RNRB can be complicated and I recommend that you seek our advice to ensure that a tax planning opportunity is not missed.

For further information please contact your PKF Francis Clark adviser.

it is important to consider what may be in your estate and whether some IHT planning now would save a significant tax liability for the next generation



**PKF Francis Clark client, Dan Rooke, claims his first international rallycross victory on July 2, closing the gap to the series leader to just six points (July 2)**



Dan Rooke - 1<sup>st</sup> place for GBR in Sweden

British star Dan Rooke (20) shone in the Swedish round of the RX2 International Series at the legendary Holjes circuit to claim his first international rallycross victory and close the gap to the series leader to just six points.

Racing at the challenging, undulating circuit for the first time, in front of a 41,000 strong passionate crowd in the Varmland region of Sweden, Rooke had to produce the come-back performance of his career after he suffered broken steering in Q1 and lost further time in traffic in Q2.

Fighting back in Q3 and Q4, the reigning MSA British Rallycross Champion finished second in the Intermediate Classification in the FIA World Rallycross Championship support category, and won semi-final two to line up on the front row of the grid for the final.

In the all-important final, Rooke ran second on the opening lap but briefly dropped to third on lap two when he lost time behind Cyril Raymond, whose car had picked up a puncture. Rooke then passed the championship leader, but had also been overtaken by Belgian driver Guillaume De-Ridder.

In a textbook overtaking manoeuvre in the final corner of the lap, after the circuit's second large jump, the MSA Academy member made a decisive move for the lead of the race and was never headed to claim his first victory in RX2, and the first win for the fledgling Team Faren squad.

"I'm so, so happy. Cyril (Raymond) has dominated RX2 all season so far, so this victory means so much to all of us.

I started off on the Friday after my two qualifying sessions on the back foot. I was lying 13<sup>th</sup> overnight – we had it all to do, but we managed to make a really good come back. Team Faren is new to the series like I am and we don't have any previous data like the other teams, so we are really having to learn a lot all the time," said Rooke.

"I had a big push in the semi-final and then just kept the pressure on in the final until Cyril accidentally rolled the tyre off the rim and we were able to take advantage, even if we lost some time behind him. I saw Guillaume on my outside, so I just kept clean, managed to get past Cyril before the jump and braked as late as I dared into the last corner and tucked up the inside of Guillaume for the lead. It's amazing."

Despite the dream result closing the gap on the championship leader, Rooke's season still faces an uncertainty. The West Country driver still needs to secure the required budget to compete at the next round of the championship in Canada, 5-6 August 2017. "It's incredible to win, but now our focus is completely on trying to get to the next round in to Canada, to keep fighting for the title" he said. "This weekend proves that we are right in the fight, and I'm desperate to continue. We're all working so hard to try and find the budget to continue on this amazing journey."

Rooke's RX2 campaign is loyally supported by Morris Lubricants, Outlaw Tools, Parnall Engineering Advanced, XS Wraps, F G Stacey Engineering Limited and Dave Bellerby, along with his dedicated family.



#### RX2 International Series. Round Four, Sweden, Result:

- 1 Dan Rooke (GBR)
- 2 Guillaume De-Ridder (BEL)
- 3 William Nilsson (SWE)
- 4 Andreas Backman (SWE)
- 5 Stein-Fredrik Akre (SWE)
- 6 Cyril Raymond (FRA)

#### RX2 International Series standings:

- 1 Cyril Raymond (FRA) 108
- 2 Dan Rooke (GBR) 102
- 3 Guillaume De-Ridder (BEL) 68
- 4 William Nilsson (SWE) 63
- 5 Tanner Whitten (USA) 60
- 6 Glenn Haug (NOR) 59

Tamsin Tully, Director - Professional Sport Services at PKF Francis Clark, said, "I sat down with Dan and his Mum prior to the trip to Sweden and there was such a belief he could do it! To see him get the win in Sweden and really put the title pressure on is fantastic! It's a real family effort.

"The focus for Dan, his family and team now switches to Canada but with that comes additional cost. Some of the expense is funded by existing sponsorship, but to compete successfully at this level and make the additional trips this season has meant that the costs far exceed those in previous years and much of the funding is being subsidised with personal savings.

"Opportunities exist for businesses and individuals to help support Dan in his plight to win the International Series. For further information please email: [danrookeracing@hotmail.com](mailto:danrookeracing@hotmail.com) or visit: [www.justgiving.com/crowdfunding/dan-rooke-rx2](http://www.justgiving.com/crowdfunding/dan-rooke-rx2)

"Everyone at PKF Francis Clark wish Dan the best of luck for Canada and the rest of the series! It would be great to see a local talent take the title!"







## PKF Francis Clark supports Steeno Testimonial

Players, business representatives and fans turned out in force for the launch of Exeter Chiefs legend Gareth Steenson's testimonial year.

The fly-half is on the eve of his 10<sup>th</sup> season with the club and has an action-packed 12 months of events lined up.

And there was an extra treat in store for those attending the launch event at Exeter Castle – the chance to be photographed with the Premiership trophy, which the team won in a thrilling final at Twickenham.

The event was sponsored by chartered accountants and business advisers PKF Francis Clark.

Director of Professional Sport Services with the accountancy firm, Tamsin Tully, said: "As a firm that provides accountancy and taxation advice to sports professionals, both at an individual and club level, we are delighted to be assisting and supporting Gareth during his special year."

Gareth played a massive part in the final leg of the 2009-10 Championship final against Bristol Rugby, scoring 24 points, helping the Chiefs win 29-10.

He narrowly missed out on the golden boot by one point to Premiership rival Freddie Burns at the 2012-13 Aviva Premiership awards however, he took the title in the 2016 Aviva premiership awards.

Exeter Chiefs, senior coach, Rob Baxter said: "Exeter Chiefs owes a huge debt of gratitude to the part Gareth has played in the success of the club."

Club chairman Tony Rowe OBE added: "Gareth is a truly humble man with an amazing talent and a big heart. Gareth is a firm fan favourite for good reason.





*Gareth Steenson and the premiership trophy with PKF Francis Clark's Tamsin Tully and Andy Squires (photograph by Phil Mingo of Pinnacle Photography UK)*



His golden boot is legendary and his loyalty to the club deeply appreciated."

As part of the testimonial year, a promotion-winning Exeter Chiefs squad will take on a Classic Lions XV on August 12.

Among the former Chiefs players who have agreed to turn out on the day are Richie Baxter, Brett Sturgess, Tommy Hayes and Chris 'Budgie' Budgen.

Meanwhile, England and Gloucester legend Mike Tindall has been confirmed in the Lions squad.

Gareth said he couldn't wait to be reunited with his former team-mates.

"It is going to be a very special, and emotional day," he said.

"These guys helped to get the Chiefs to where they are today and it will be an honour for me, and the club, to welcome them back.

"I'm also flattered that the Classic Lions have agreed to be our opposition. We floated the idea at our first testimonial committee meeting just a few weeks ago and now it is a reality. I can't wait!"

Tickets are available now via the Exeter Chiefs website <https://ticketing2.exeterchiefs.co.uk/match-tickets.aspx>

Tickets for other testimonial events that will run throughout the year, including an evening with Steeno and friends, Celtic night and Woodbury Golf Classic, are available at <http://steeno10.co.uk/>

# Farms for City Children



One of the more recent additions to the PKF Francis Clark portfolio of clients is the wonderful charity Farms for City Children.

Founded by children's author Michael Morpurgo and his wife Clare at Nethercott House in Devon in 1976, Farms for City Children offers urban children from all over the country a unique opportunity to live and work together for a week at a time on a real farm in the heart of the countryside.

It is an intense, 'learning through doing' experience of a different life - for children who may not know where their food comes from and have limited opportunities to explore the outside world.

Having celebrated its 40<sup>th</sup> anniversary, the Charity now has three working farms where they welcome around 3,200 children and 400 teachers a year from approximately 90 schools. It is operated by some 65 employees including the Chief Executive's team based in Exeter, administration staff who are responsible for marketing, book keeping, compliance, strategy and human resources, and fundraisers who look to raise over £1.2 million each year. In addition there are the farm based staff.

The three farms comprise Nethercott House, a traditional mixed dairy, beef and sheep farm at Iddlesleigh in the heart of Devon; Wick Court, a Tudor manor house and livestock farm on the River Severn with a speciality of bee-keeping; and Lower Treginnis, a 700 year old Welsh sheep farm on the Pembrokeshire coast.

Each farm aims to welcome up to 39 children supervised by four of their own teachers and the farm staff for a full week of activities. Typically, they are divided into three groups and given highly structured hands-on tasks to perform ranging from looking after and feeding the animals to packing eggs, and cooking their own food, some for the very first time.

The experience stretches them physically, emotionally and intellectually in ways not possible in the classroom, building their confidence and nurturing a real sense of achievement. No 'screens' are allowed and the children find themselves talking to each other and discovering new social skills.

Farms are staffed by a combination of a farm school manager with a background in teaching and a Farm Manager with responsibility for the farm work and outdoor environment. There are also cooks, housekeepers and domestic staff who provide a welcoming and caring atmosphere at each centre and farm workers employed to work directly with the children outside.



Income is derived through a combination of Trust and Foundation grants and fees from the participating schools but finding new income streams is a major objective.

Fundraising and Marketing Manager, Margi Jervoise, said: "A long-term aim would be to acquire a fourth farm but right now the priority is consolidating and growing what we currently operate. We are always looking for new ways to raise funds and we support the main income streams with events, legacies and corporate days out as well as specific campaigns such as 'Sponsor a Child' and a Tractor Appeal as well as our online shop.

"We have an impressive list of VIP supporters including our Patron, HRH The Princess Royal, but we need more people to know about the work we do and the positive impact it has on the lives of children. As a result we are aiming to increase our database and extend the drive to attract more volunteers."

Chief Executive Dr. Tessa Stone said: "Running a charity of this sort is very complex both in terms of operational imperatives such as maintaining listed properties, looking after animals and ensuring we provide an excellent experience for our visiting children, and in the growing responsibility for charities to demonstrate transparency, good governance and best practice.

"We decided that we needed more practical support from our professional advisers over and above regulatory compliance issues, so we interviewed several firms of chartered accountants and business advisers. PKF Francis Clark were without question the stand-out candidates.

"They were both professional and personal and provided a sense that their firm was of a size and level of organisation to give you confidence in their knowledge and expertise with people you can trust.

"They demonstrated a clear understanding of what the issues are and provided the focused response that we were looking for. They also impressed by identifying some of the areas that will become increasingly significant for charities going forward."

Tessa Stone went on to say these challenges included complex VAT issues, restricted items and matching the accounting process with end of year accounts ensuring the correct allocations, as well as dealing with multi-year grants, income from schools and guidance for charitable accounting under SORP (Statement of Recommended Practice).

She added: "Stephanie Henshaw and her team at PKF Francis Clark have provided nothing but well focused advice clearly based on experience and expertise. They provide us with real confidence."

Stephanie Henshaw said: "This is a superb Charity which is transforming young lives. Some of these children had never seen a night sky and had never seen a farm animal up close, if at all. We are delighted to become part of the team and to do our bit in taking Farms for City Children into an increasingly successful future."

If you would like to know more about Farms for City Children or would like to make a donation or find out about volunteering, visit: [www.farmsforcitychildren.org](http://www.farmsforcitychildren.org)

In terms of professional sport in the UK, PKF Francis Clark client Bristol Sport Limited has a unique business model

Established in 2012, it has been trading since 2014 overseeing the financial and business management of Bristol City Football Club and Bristol Rugby including property, commercial activities and all shared services while the sporting side of the operations can focus on pitch related activities such as recruitment and performance.

There is, however, a vision for sporting success in Bristol that goes beyond promoting the city's two highest profile clubs. Bristol Sport's multi-sport model also encompasses basketball (Bristol Flyers) and badminton (Bristol Jets), has partnerships in place with Bristol City Women's Football Club and Bristol Ladies Rugby and supports Bristol Sport Racing and several city based motor racing drivers.

This vision of maximising Bristol's sporting potential from the elite to grass roots using Bristol Sport Limited as a city-wide pooled resource, was given massive momentum with the rebuilding of Ashton Gate Stadium into a 27,000, all-seater, multi-sport and events venue at a cost of £45m.

The original idea came from Stephen Lansdown, co-founder of financial services company Hargreaves Lansdown, who became the majority

shareholder of Bristol City FC over a decade ago and more recently helped Bristol Rugby through some difficult times also becoming the ultimate shareholder. He had recalled being impressed by the multi-sport environment in Barcelona on a trip to the Camp Nou with his son John (now a director of Bristol Sport) some 25 years ago and thought it could be applied to his own city.

Bristol Sport CEO, Andrew Billingham, said: "We have a unique business model that sees the city supporting sport and sport supporting the city. If we can get both of those working in tandem then we'll achieve the ultimate objective of getting our league teams to the top of their field on the one hand while the Bristol community at large benefits from sports participation in terms of social inclusion, health and education.

"Our vision is to approach sport in a very different way - getting the whole of the community to feel part of our journey. It's summed up in our hashtag - #MakingBristolProud. We're working with the business community, with schools, clubs, wealthy areas and deprived areas bringing the whole city together to deliver sporting success.

"We are just at the start of our journey where we've put down the foundations but it's a long term project that over the next decade will see us establish a real, solid legacy and a sustainable business model. But we have come a long way in a short period of time.

"Bristol Sport was at the heart of the project to rebuild Ashton Gate stadium both in terms of operation and design. The architecture of the stadium was not built around the pitch, it was built around 365 days of the year reflecting the commercial imperatives of sustaining sport through the conference and events market.

"We have also completely centralised all property, business and finance operations and started to get people to understand what the Bristol Sport vision is and that we can really change the playing field of sport in the city. People are now really beginning to associate the Bristol Sport brand with what it's intended to achieve."

There are also some more immediate goals. The business need to fill their new 27,000 capacity stadium, and establish a growing and sustainable supporter base. The new sporting franchises and partnerships with women's sport are creating



new contacts and marketing opportunities while community outreach programmes are delivering socially beneficial outcomes while encouraging new sources of support. The dedicated conference and events team at Ashton Gate are also busy converting some of the £10m worth of enquiries they received during the build phase of the stadium which will help cope with today's high cost of sporting success.

"Recruitment," said Andrew Billingham, "is important for long-term success but it's not just about going to the market and buying the best available talent. It is about developing talent from within our own operation and the city, both in sporting and business terms.

"Bristol Sport is built on five pillars that are embedded in our strategy for growth and these are sustainability, recruitment, facilities, community and collaboration. It's absolutely vital that everyone buys into these five pillars.

"The company's vision is to change the way sports organisations operate by thinking differently. All our products and services should challenge the norm and be pioneering, value-added and easy to understand. Bristol Sport's ultimate goal is to be recognised as a brand leader that is inspiring sport in Bristol from elite to participation."

PKF Francis Clark Partner, Nick Farrant, leads the team that advises Bristol Sport. He said: "We were appointed as auditors for the group for the May 2015 financial year end. In addition to our statutory audit, accounts and tax compliance work we have performed significant advisory work in respect of VAT, PAYE/NIC, and supporting with their financial modelling.

"Tamsin Tully, PKF Francis Clark director of sports services also provides specialist accountancy and taxation advice to players at Bristol City Football Club.

"In addition, we have also advised on the operating structure of the companies and their interrelationships which have changed considerably over the last year or so. Pula Sport Limited is owned by Stephen Lansdown and that is the Holding Company and major shareholder of the various entities that operate from Ashton Gate - Bristol Sport Limited, Ashton Gate Limited (which runs the conference, events and catering) Bristol City Football Club and Bristol Rugby and they are the core businesses. The newer sports - basketball and badminton are owned by Bristol Sport while the football and rugby clubs have their own shareholder structure.

"Between them, they are sizeable employers in the city. Bristol Sport has around 120 (non-sporting) staff which can rise to around 1,000 on match days when you factor in stewards and catering. The clubs themselves employ considerable numbers from the elite teams down to the academies and with coaches and other backroom staff this probably numbers up to 250.

"My team has now completed the May 2016 audit and earlier in the year provided Football League Financial Fair Play compliance services as well as financial reporting advice in respect of the transition to FRS 102.

"Bristol Sport is an amazing concept and, over and above being their auditors, we were delighted to join the Lansdown Club, Bristol Sport's business membership which offers a package of privileges and business networking opportunities."

Andrew Billingham added: "PKF Francis Clark have joined us on our exciting journey. Because we are challenging the way sports organisations operate and adapting a brand new business model, this clearly creates challenges. PKF Francis Clark have been instrumental in creating our new structures, our financial reporting and how we

conduct our statutory reporting as separate legal entities but focused on the overall group vision.

"Nick and his team understand what we are trying to achieve. They understand that we're trying to raise the bar for sport in Bristol and trying to create a cross-platform model that engages, excites and entertains as well as ensuring that there is a long term legacy.

"We see PKF Francis Clark very much as a partner in this. They provide us with stability and reliability and this is crucial for achieving our long term goals. They really are part of our collaborative approach to Making Bristol Proud."

CASE  
STUDY





# Gourmet Classic

## A classic business success story...

From one person - founder Angus l'Anson - trading from a rented two bedroom house to a £6 million turnover company, producing cooking wines and associated products from a state-of-the-art manufacturing plant - and all within the space of 19 years.



Founder, Angus l'Anson with PKF Francis Clark Partner, James Robinson

Add in the fact that Angus revolutionised the catering industry by getting cooking wine classified as a food, instead of a beverage, and that his business, Gourmet Classic, is now the market leader supplying 90% of all cooking wine used professionally in the UK and you have quite a story.

"It's been a rollercoaster but the secret is never to stand still. Constantly evolve, constantly develop new products and never be satisfied with the status quo," said Angus, a client of PKF Francis Clark since 2005.

Today's Gourmet Classic is a far cry from 1998 when Angus, the firm's Managing Director, started selling bottles of Spanish olive oil to takeaways and restaurants in the Verwood area of Dorset.

It wasn't long before customers asked if he could supply other products. Wine used for cooking was top of the list.

At the time the problem was that table wine - subject to heavy excise duty and taxed as an alcoholic beverage - was being used for cooking. And that's when Angus hit upon what was to be the key ingredient in his future business success.

"By adding a small amount of salt and reducing the alcohol content to less than 5%, the wine could be reclassified as a food, removing the huge cost of excise duty. It was an instant success," said Angus.

So began the Gourmet Classic success story. Fast forward nearly two decades and the company produces 150,000 litres of cooking wine and other products each week from its manufacturing plant at Ringwood, Hampshire.

While Italian, Spanish and French cooking wines remain as core products, Gourmet Classic also supplies Fortified Cooking Wine (Port, Madeira, Marsala and Sherry), Cooking

Brandy and other Cooking Spirits, Balsamic Vinegar and Glazes, Patisserie Glazes and Lemon Juice and Lime Juice; all are produced and packed at Ringwood.

"We now have about 50 product lines and are continually looking at new product development. Research and development is at the core of our success, said Angus.

"Our products are used in just about every hotel and restaurant in this country - from the very top establishment to your local bistro. We also export but are looking to increase this significantly with Dubai and Thailand identified as potential growth areas."

Gourmet Classic's manufacturing plant represented a £2 million investment by the company which employs 27 people. Currently it operates 45 hours a week but Angus is looking to expand production to at least 60 hours a week.

PKF Francis Clark Partner James Robinson, who has advised Gourmet Classic for several years, said Angus was "an entrepreneur to his fingertips."

He added: "PKF Francis Clark is incredibly proud to be working with Angus and his team at Gourmet Classic. It's a great example of a forward-thinking company which has invested heavily in its manufacturing facilities and puts research and development at the heart of its operations."

As for Angus, he credits PKF Francis Clark for providing "invaluable" help and assistance, particularly during the company's move to its new site in 2015.

"It's very reassuring to know PKF Francis Clark is always at our side, from handling our audits through to advice on research and development. To have access to someone of James' calibre is just priceless," he said.



# FC in the Community

## Three Peaks Challenge

Seven people from the Exeter office took part in the Three Peaks Challenge for our office charity, Hospiscare. Well done to Lisa Cruise, Laura-Jayne Kane (LJ), Sonia Fisher, Will Roose, Jess Bennett (JJB), Charlotte Elliott and Jess Luffman.

After arriving at Ben Nevis two hours behind schedule, due to a delayed flight (and Will having the map upside-down when trying to find the car park), the team set off with Jess, Sonia and Charlotte leading. The 6 miles of climbing were quickly dispatched and the team moved through the clouds to reach the top just as the sun was setting. It suddenly got very cold at the peak - ice forming in LJ's hair as Lisa grabbed some photographic proof that the team had made it. Trying to descend by torch light was tricky but the team eventually made it back to the minibus safely where Gary, the team's driver, handed out the finest doughnuts the team had ever tasted before driving through the night to Scafell Pike.

Despite a lack of sleep the team started the ascent of Scafell Pike in good spirits but soon were off-course, missing the point at which they should have crossed the river and were walking up the wrong valley towards a water fall. The solution was to go up and over an almost vertical grass bank to get back to the path we should have been on. Once that challenge was out of the way LJ, Will and JJB decided that a game of 'name that theme tune' would take their minds off the climb ahead. 'Rocky' could not have had a better position in the playlist, coming just as the team reached a steep section of steps towards the top. Once they had photographic evidence that the peak had been reached they were on their way back down again, reassuring each other that they were now over half way through the challenge.

The drive from Scafell Pike took the team on a road that had not been designed with a minibus in mind. One hilly section looked like it was going to force them

to turn around and find another route but Gary eventually managed to wrestle the bus over the crest and the team were able to continue the journey to Snowdon.

The team had heard that Snowdon was the easiest of the three peaks to climb, but reported that it certainly didn't feel like it - perhaps because it was being tackled last and they were tired. Will tried to raise spirits with some more tunes but the sleep deprivation had robbed him of any sense of shame. The speaker in his backpack was playing Joe McElderry's 'The Climb'. Despite this, the team stuck together and reached the third peak within 24 hours.

The official challenge, however, is to get up **and down** the three mountains within 24 hours but they had not managed to make up for the delay caused by having to descend Ben Nevis in the dark and were not going to complete Snowdon within the time. The essential photographic evidence of the peak was taken and the team sat down to reflect on what they had achieved before making their final descent.

Finally, they were back on the minibus - the sun setting over Snowdon in the background. As Joe McElderry said - "it ain't about how fast you get there, it ain't about what's waiting on the other side, it's the climb" ...mission complete, the team had nailed 3 of the best!

Thank you to everybody who kindly donated and helped raise over £2,000 for a great cause.







# CHARITY FUNDRAISING

## EXETER

Hospiscare was chosen as the 2017 Exeter office charity. Staff have been active in raising money for this worthy cause, such as the Three Peaks Challenge, mufti days, cake sales, etc.

During May and June, along with 24 other local companies, PKF Francis Clark once again took part in the Exeter Business Games 2017 in aid of the Exeter Foundation. 23 members of staff took part in eight events, from dodgeball to table tennis. We finished 15<sup>th</sup> out of 25 teams. We are looking forward to the 2018 games!



## NEW FOREST

This year we are raising money for Oakhaven Hospice Trust who provide specialist care to patients, carers and families who are facing complex physical, emotional and practical difficulties arising from advanced progressive life limiting illness.

## PLYMOUTH

This year the Plymouth office are fundraising for St Luke's Hospice. Mufti days, bake sales, tuck shop and raffles have raised £1,500 so far!

## POOLE

Our chosen charity this year is Dorset and Somerset Air Ambulance - a registered charity, established to provide relief from sickness and injury for the people of Dorset and Somerset, by the provision of an air ambulance. They receive no direct funding from the Government or the National Lottery and rely entirely on the generosity of the public for support.

Amongst our many fundraising activities, was a game of walking football (pictured right).



## SALISBURY

The Salisbury office has chosen Wiltshire Air Ambulance as our charity of the year 2017. Fundraising events to date this year have included dress down Fridays and ever-popular food-related events.

## TAUNTON

Our Taunton office have been raising money for Stand Against Violence. The charity works with young people up to the age of 25 years and their associates. They deliver violence prevention workshops and talks focussed on personal safety, anger and aggression, basic life support and awareness of choices and consequences.

## TORQUAY

Our Torquay office voted to continue to support MDUK – I Fight for James - [www.musculardystrophyuk.org/get-involved/family-funds/funds/i-fight-for-james/](http://www.musculardystrophyuk.org/get-involved/family-funds/funds/i-fight-for-james/)

A charity golf day took place in May which raised just over £2,900 for MDUK - I Fight for James - a 20% increase on last year!

We will be holding this event again on 10 May 2018. Please contact Devon Hawes if you would like to enter a team:  
[devon.hawes@pkf-francisclark.co.uk](mailto:devon.hawes@pkf-francisclark.co.uk)



## TRURO

Truro office staff voted Penhaligon's Friends as their Charity of the Year for 2017. The charity supports bereaved children, young people, parents and carers. So far staff have raised over £730.

In addition, amongst the 527 runners, 38 of our staff participated in this year's ROC 5K run (pictured right). This year's course was designed by our own Anthony Meehan!

Partner, Julie Towers ran in the London Marathon, Classic Quarter and Imerys Marathon in aid of Macmillan. Becky Wood was part of the My RYLS2016 team who raised £2,500 between July 2016 - June 2017.



# FC in the Community



Line Andresen, a talented Swedish event rider, is half way through her second season since PKF Francis Clark started their support. Line has been competing in the UK since 2014 and has benefitted from great mentoring along the way. Her first position after moving to England was with Olympic eventing medallist William Fox-Pitt.

During her time with William, Line had the ride on Blazie Boy (a 17hh 2005 gelding) who she competed up to Concours Complet International (CCI). The year at William's yard taught Line a lot about being a professional and providing a great service to owners whilst ensuring the horses' welfare was top priority.

From 2015 to date Line has been based at Symphony Farm, Dorset with Australian event rider Sam Griffiths (Bronze medallist at the Rio Olympics). During her time there she has experienced riding horses who are just starting out in their careers along with those that are at their peak. In the 2017 season alone, Line has had 14 results in the top ten including two winning finishes. Current rides include Dartans Green Light (recently qualified for the five year old Championships), Caillins Black Rue, Skymaster GB, Chance of Glory, Luminarie and Hofstar.

Over the years Line has become a well-respected jockey and as a result has owners approaching her directly to ride their horses. Although Line still rides for Sam in the mornings she has taken up the opportunity to take on a number of stables at Eccliffe Equestrian Centre near Gillingham. She is well on the way to having her own event yard after only a few years in the country, this is a great achievement and shows how ambitious, dedicated and talented she is. These are traits we could see a few years ago which made it such an easy decision to support Line by contributing to her entry fees and other costs of competing in events across the South and South West of England.

Line said the backing of the chartered accountants and business advisers was "absolutely great."

She added: "It's a huge weight off my mind to have entry fees covered by PKF Francis Clark. I'm very grateful to them."

Line is a great ambassador for our brand and she has a good presence on social media. If you would like to keep up to date on her progress please follow her 'Line eventing' Facebook page. Throughout the year we arrange several trips for professional contacts to go eventing for the day which includes a very thorough course walk of the cross country phase which always seems to go down well. It gives the team at PKF Francis Clark the opportunity to develop professional relationships in a casual environment whilst learning about the wonderful sport of eventing.









# Events





# Farm Professionals Farm Walk



Over 50 farm and rural professionals from across Cornwall gathered on Thursday (13 July) evening at Ennis Barton, Fraddon, by kind permission of the Brewer Family. This was the second Farm Professionals' Farm Walk organised by chartered accountants and business advisers PKF Francis Clark.

The event opened with Brian Harvey, Head of Agriculture at PKF Francis Clark, welcoming guests and discussing the importance of farm professionals across Cornwall working together to ensure that the farming community continues to be well served.

Brian also gave a brief synopsis of the continuing challenges that the industry faces and highlighted some of the work he has been undertaking over the last year.

He particularly noted that many of the current issues remain the same as the previous year, and stressed the continued importance of cash management and cost control. Warning of the risk that with improved commodity prices, best practices adopted could slip and that creditors might take a tougher stance on the understanding that farmers were doing better, when in practice, many had only just started to refill what has been an empty 'cash well'.

Brian also mentioned some of the issues

arising out of Brexit and used the HMRC announcement earlier in the day to inform the audience of the latest updates regarding Making Tax Digital.

Andrew and Claire Brewer, named Cornwall's Farmer of the Year and Commercial Farmer of the Year at the Cornwall Farm Business Awards 2017, hosted the event saying, "As the family has worked with PKF Francis Clark for many years, we were only too happy to host their farm professionals' farm walk". Claire commented further to say, "We see farm professionals, whether our solicitor, accountant, farm consultant or vet, to be a very important part of our team and critical to the success of our business."

During the farm walk, the attendees got a close look at the yard and parlour, winter housing sheds, 500kW turbine, as well as their herd. Both Andrew and Claire showed a huge amount of passion for the industry, giving detailed and thought provoking insights into their methods, decision making and thoughts on past decisions.

They explained the challenges that they faced, particularly in the early days, and that they had travelled extensively (in particular citing experiences in New Zealand and Ireland) to look at best practice and how this might be successfully adapted back at Ennis Barton.

Andrew stressed the importance of soil and grass management and having the right animals, whilst Claire was keen to express how important their staff have been in the business, being proud to state that a number have moved on to run dairy herds in their own right.

As progressive and innovative farmers, Andrew said that they were always looking at new ideas for ways in which the business can be taken forward.

Andrew Body from Lodge & Thomas said, "It was an excellent evening hosted by PKF Francis Clark. The Brewers clearly have put a lot of thought into implementing a system of dairy farming that works for them and their enthusiasm came through at every stage".

Georgina Monk from PKF Francis Clark who had been instrumental in organising the event said, "I am delighted with the turnout and how the evening went. Andrew and Claire have done us proud and the challenge is to try and top it in 2018!"



# Events



## Finance in...

February/March/May 2017

Over 340 delegates joined us during our latest round of 'Finance in' seminars kicking off with Finance in the South West in February, followed by Finance in Dorset in March and finishing with Finance in Cornwall in May. Each seminar included short sharp presentations from sources of grant, debt and equity funding as well as business support.

After initial presentations, delegates split into two groups depending on the development stage of their business, providing a session specifically designed for the needs of those businesses.

We look forward to hosting these events again in 2018 (see dates in the list opposite) after such positive feedback from our delegates, *"Really good, a successful regional event with an impressive line-up of keynote speakers to aid companies to grow"*.



## An evening with George Eustice

April 2017

On Thursday 6 April, the Minister of State for Agriculture, Fisheries and Food, George Eustice MP, spoke at Scorrier House, Redruth. The event was organised by accountancy PKF Francis Clark, law firm Stephens Scown LLP and property consultants Savills.

Our guests had the opportunity to hear from Mr Eustice and to ask those all important questions to the Minister who is tasked with writing British agricultural policy. More about the evening can be found on our website - <http://www.francisclark.co.uk/news-views/latest-news/minister-hails-brexite-as-once-in-a-generation-opportunity/>



## Finance Directors' update

June 2017

Our most recent round of Finance Directors' update began in Taunton on 14 June, with other events held in Exeter, Bournemouth, Bodmin and Plymouth during the month. These ever popular six-monthly updates had a packed programme.

Over 360 Finance Directors and Controllers attended from across the South West to hear from our accounting, financial planning, cyber security and corporate finance experts. For this round of seminars, 'the technology of change' was a theme running throughout the sessions. The pace of technological change is disruptive to established businesses and we highlighted the impact of technology on the FD's agenda.

We believe our FD seminars are essential to attend, but don't just take our word for it! *"These presentations succeed in getting better and better each session - fantastic programme!"*

A full programme and invitation for our November round of events will be released in mid September, but bookings are already being taken; please visit our website to book your place.



## Property sector annual update

September 2017

This year's update will once again take place at Exeter Racecourse. Topics to be covered include:

- Structuring property development SPVs
- Capital Allowances
- VAT update
- Financial reporting update
- Property portfolios – personal v corporate ownership
- Family investment companies

The seminar will be chaired by Head of Tax, John Endacott, and will be of particular interest to landowners, developers, commercial and residential investors and landlords.

Bookings are now being taken for this event, please visit our website to book your place.



## Academy schools - Business Manager updates

September 2017

This series of events is designed for Business Managers and Finance team staff from Academy Schools, with a view to providing an update on the various changes that have taken place over the previous twelve months, highlighting topical issues which arose from the last audit season. The timing of these has been aimed at coinciding with, in particular, the publication of the Academies Financial Handbook and the Academies Accounts Direction.

Please see the dates and locations of these events in the upcoming events schedule below. To book a place, please email Devon Hawes [devon.hawes@pkf-francisclark.co.uk](mailto:devon.hawes@pkf-francisclark.co.uk)

## Upcoming events schedule

Date	Time	Event	Venue
Tue 5 September	9.30am - 1pm	Academy Schools - Business Manager update Eastern region	PKF Francis Clark office, Poole
Wed 13 September	9.30am - 1pm	Academy Schools - Business Manager update Central region	Exeter Science Park, Exeter
Thu 14 September	9.30am - 1pm	Academy Schools - Business Manager update Western region	Lanhydrock Hotel & Golf Club, Bodmin
Thu 28 September	9.30am - 1pm	Property sector annual update	Exeter Racecourse, Exeter
Tue 7 November	8.45am - 1pm	Plymouth Finance Directors' update	Plymouth Science Park, Plymouth
Wed 8 November	8.45am - 1pm	Exeter Finance Directors' update	Exeter Racecourse, Exeter
Tue 14 November	8.45am - 1pm	Taunton Finance Directors' update	Somerset Cricket Club, Taunton
Wed 15 November	8.45am - 1pm	Bournemouth Finance Directors' update	Vitality Stadium, Bournemouth
Wed 22 November	8.45am - 1pm	Bodmin Finance Directors' update	Lanhydrock Hotel & Golf Club, Bodmin
Wed 21 February	8am - 1pm	Finance in the South West	Exeter Racecourse, Exeter
Thu 1 March	8am - 1pm	Finance in Dorset	Vitality Stadium, Bournemouth

This is not an exhaustive list; for further information on forthcoming events, please visit our website: [www.pkf-francisclark.co.uk/events](http://www.pkf-francisclark.co.uk/events) or contact Devon Hawes, Events Co-ordinator: [devon.hawes@pkf-francisclark.co.uk](mailto:devon.hawes@pkf-francisclark.co.uk)



## EXETER

Vantage Point  
Woodwater Park, Pynes Hill  
Exeter  
EX2 5FD

T 01392 667000

## SALISBURY

Hitchcock House  
Hilltop Park, Devizes Road  
Salisbury  
SP3 4UF

T 01722 337661

## NEW FOREST

The George Business Centre  
Christchurch Road  
New Milton  
BH25 6QJ

T 01425 610166

## TAUNTON

Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
TA1 2PX

T 01823 275925

## PLYMOUTH

North Quay House  
Sutton Harbour  
Plymouth  
PL4 0RA

T 01752 301010

## TORQUAY

Sigma House  
Oak View Close, Edginswell Park  
Torquay  
TQ2 7FF

T 01803 320100

## POOLE

Towngate House  
2-8 Parkstone Road  
Poole  
BH15 2PW

T 01202 663600

## TRURO

Lowin House  
Tregolls Road  
Truro  
TR1 2NA

T 01872 276477

For your local office expert please visit our website

[PKF-FRANCISCLARK.CO.UK](http://PKF-FRANCISCLARK.CO.UK)

If you would like to be added to, or deleted from our mailing list, please contact Peter Finnie, [peter.finnie@pkf-francisclark.co.uk](mailto:peter.finnie@pkf-francisclark.co.uk) or sign up online at:

[www.pkf-francisclark.co.uk](http://www.pkf-francisclark.co.uk)

PKF Francis Clark is a trading name of Francis Clark LLP. Francis Clark LLP is a limited liability partnership, registered in England and Wales with registered number OC349116. The registered office is Sigma House, Oak View Close, Edginswell Park, Torquay TQ2 7FF where a list of members is available for inspection and at [www.francisclark.co.uk](http://www.francisclark.co.uk)

The term 'Partner' is used to refer to a member of Francis Clark LLP or to an employee or consultant with equivalent standing and qualification. Francis Clark LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

This publication is produced by Francis Clark LLP for general information only and is not intended to constitute professional advice. Specific professional advice should be obtained before acting on any of the information contained herein. Whilst Francis Clark LLP is confident of the accuracy of the information in this publication (as at the date of publication), no duty of care is assumed to any direct or indirect recipient of this publication and no liability is accepted for any omission or inaccuracy.

PKF Francis Clark Financial planning and wealth management is a trading name of Francis Clark Financial Planning Ltd which is authorised and regulated by the Financial Conduct Authority. Registered Office: Sigma House, Oak View Close, Edginswell Park, Torquay TQ2 7FF. Registered in England No. 05413603. Francis Clark Financial Planning Ltd is a member firm of the PKF International Limited network of legally independent firms and does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.