

YOUR FC

ISSUE 07

**FAMILY
BUSINESS**
NEW RESEARCH

1919-2019
CELEBRATING
OUR CENTENARY

BREXIT
YOU ARE
NOT ALONE

THE CIRCULAR ECONOMY CREATING NEW BRANDS FROM WASTE



CELEBRATING 100 YEARS

PKF FRANCISCLARK
SHARED AMBITION

SHARED**AMBITION**

Why do we talk about Shared Ambition?

It's simple.

YOU'RE A BUSINESS THAT MAKES
EVERY PENNY COUNT. **SO ARE WE.**

YOU INVEST IN MAKING YOUR PEOPLE EVEN
BETTER THAN THEY ALREADY ARE. **SO DO WE.**

WHEN YOU GET A CHANCE YOU LIKE TO LOOK
UP FROM THE NEXT 12 MONTHS AND IMAGINE
THE NEXT DECADE. **SO DO WE.**

We understand our clients' ambitions because we share them.
But we know that without the right advice and help, an ambition remains
just that. A pipe dream. And as far as we're aware no-one ever handed
down a pipe dream to their children, or retired on one.

As the largest firm of chartered accountants and business advisers
in the region, we help turn pipe dreams into reality every single day.

We have a shared ambition for each and every business we work with.
We help transform a start-up into a thriving company. An unexpected
inheritance into a fresh start. A third-generation family firm into an
international player. We're able to keep growing our business
because we help you to grow yours.

*Talk to us if you want a trusted partner
that shares your ambition.*

PKF FRANCISCLARK

WELCOME TO OUR NEW LOOK YOUR FC MAGAZINE

Next year marks our Centenary year and planning for our celebrations has given us a chance to reflect on the past, present and future of PKF Francis Clark and what has led to the success of the firm over the years. You can read more about our history on pages 16 & 17.

Key to that success has always been the strength of our relationships with our clients. We have a shared ambition for each and every business that we work with and we understand that without the right advice and help our clients' ambitions will remain just that. We also know that we are only able to keep growing our business because we help our clients to successfully grow.

Our cover story is a great example of that ambition, an entrepreneurial, start-up client whose business model is based on the circular economy. The ground breaking company uses nylon

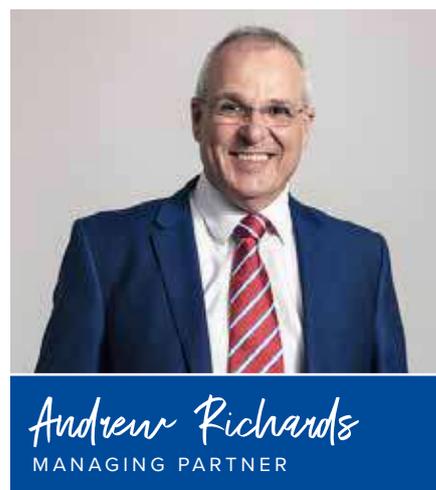
for its designer swimwear which is 100% regenerated from waste such as fishing nets, carpet off cuts and plastic scraps. You can read more on pages 18 & 19.

Looking to the future, we recently undertook some in-depth research of the family business sector in partnership with Families in Business, the specialist family business division of The GLAS Group. The results of this research have uncovered the biggest challenges that family businesses face and the impact of these challenges on individuals and the family. You can read more on pages 8 & 9.

Our Brexit feature on pages 6 & 7 aims to help ensure that you have the right advice in these times of uncertainty and we also keep you up to date with the latest advice, key dates and news on HMRC's 'Making Tax Digital' (MTD) roll-out on pages 14 & 15.

If you would like further information on a topic in Your FC or would like to contribute to a future issue, please do contact us:

communications@pkf-francisclark.co.uk



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OFFICIAL COLLABORATION WITH THE RUGBY PLAYERS' ASSOCIATION

PKF Francis Clark has formed an official collaboration with The Rugby Players' Association (RPA). The RPA is the representative body and collective voice of professional rugby players in England. It was established in 1998 to look after the interests of all professional players, from Academy players to the superstars of the international game.

Tamsin Tully, Director of Professional Sports Services at PKF Francis Clark said: "We are delighted to have formed this collaboration with the RPA. We have been working with clients in the sports sector for a number of years now, our team are not just technical experts they have first-hand working knowledge of the professional sports world and a genuine interest and understanding of the financial issues that confront players."

RPA Group CEO, Damian Hopley said: "This is an important partnership for the RPA and one that will benefit our players both during and after their professional rugby careers.

PKF Francis Clark are a globally renowned firm, and it is very exciting to welcome them on board as our official taxation and accountancy partner. We look forward to working together to provide outstanding advice and support the financial wellbeing of our members."



NEWS

STRONG YEAR OF GROWTH FOR PKF UK & IRELAND

In 2016 Francis Clark joined PKF, the International network of independently owned accountancy practices which has a global presence in 150 countries.

PKF UK and Ireland comprises PKF Francis Clark, PKF BBA, PKF Cooper Parry, PKF FPM, Johnston Carmichael, PKF KLSA and PKF Littlejohn. This year PKF's operations in the UK and Ireland reported fee income growth of 9% to £171.8m to May 2018.

Within the UK, PKF was once again ranked 11th in Accountancy Age's annual '50+50' rankings of leading accountancy practices. The network also consolidated its ninth place in

PKF FRANCIS CLARK JOINS FORCES WITH TAYLOR MOWBRAY

Specialist advisers to the legal sector, PKF Francis Clark and Taylor Mowbray LLP have announced a joint venture, offering their respective clients a wider range of services and bringing together their combined skills and reputations.

Taylor Mowbray LLP is a leading supplier of consultancy and training services to law firms offering profit improvement consultancy, lock up management, pricing, fee negotiation training, SAR training and compliance support. The venture sees Janet Taylor joining the Poole office of PKF Francis Clark as a Director.

The joint venture marks a significant addition to the range of services that PKF Francis Clark currently offers the legal sector nationally and will add a further dimension to the support and resources that Taylor Mowbray LLP can deliver to its own clients.

Partner, Andrew Allen, said:

"The joint venture with Taylor Mowbray brings a new dimension to the resources we can now offer our clients in the legal sector.

"We are delighted to be working with them and believe that our combined skills and resources make for an enviable team in our sector."



LES BURNETT APPOINTED CHAIR OF PKF UK & IRELAND

Les joined the Torquay office of Francis Clark in 1981, becoming a partner in 1983. He became the firm's managing partner in 1999 and oversaw the firm's growth to become one of the leading firms of chartered accountants and business advisers in the region, before it joined the PKF International network in 2016. Les retired from the firm in 2016, remaining active in business in various advisory roles.

Les said: "Given my long history with PKF Francis Clark, I'm delighted to be taking on the role of Chair of PKF in the UK and Ireland.

BRIEF

both the audit and tax league tables, which were published earlier this week.

PKF Francis Clark Managing Partner, Andrew Richards said:

“The overall results are very pleasing, the network and indeed our firm has grown exponentially over the last few years, with annual revenue of £45 million, and a team of more than 700 people and 55 partners.

“Being part of the PKF Family has enabled us to build on that growth, providing better support to clients both here in the UK and around the world especially those with international and cross border interests.”

“I am looking forward to working with partners to further build on those key strengths and continue to collaborate and improve the excellent client services and advice we offer.”



NEW PARTNER APPOINTED

Karen Bowen has been appointed Partner. Working from the firm’s Exeter office, Karen will be leading the Private Client team providing compliance and advisory services.

Karen joined PKF Francis Clark in 2012 having previously worked in a ‘Big 4’ firm for almost 25 years. She is a member of the Institute of Tax Technicians and has extensive experience advising high net worth individuals regarding their tax planning needs including inheritance tax planning and advising on the taxation of UK trusts. She specialises in the international aspects of clients’ tax affairs and also has extensive experience providing domicile reviews and tax advice for non-UK domiciliaries.

PKF Francis Clark Managing Partner, Andrew Richards, commented: “I would like to congratulate Karen, on her well-deserved promotion. Her expertise in advising on offshore issues means we can deliver global advice in collaboration with our PKF partners in different countries, ensuring our clients’ needs can be met by a local firm with the benefit of worldwide reach.”



SOUTHAMPTON BOAT SHOW

As part of our ongoing support for the marine sector, we were pleased to sponsor the British Marine Members’ and Exhibitors’ Lounge at the Southampton Boat Show.

The show, which is known for being ‘Britain’s biggest festival of boating’ was this year celebrating its 50th Anniversary and proved to be a bigger and better show than ever before. The ten day event saw an array of beautifully designed boats and products, representing more than 600 global marine brands and was visited by over 100,000 guests.

Our marine and corporate finance teams, joined many other companies, businesses and sponsors and enjoyed a busy ten days at the popular event that provides a major boost for the local and wider marine economy.

Martin Aldridge, Head of Marine said:

“Southampton Boat Show is a great opportunity to meet with our clients and to make new connections.

“Our team of specialists were on hand to advise whether it was Brexit or tax related challenges, marine fuel duty claims, VAT or Research and Development. Thank you to everyone who joined us and bring on 2019!”





BREXIT YOU ARE NOT ALONE

If there is one thing that businesses don't like it is uncertainty. Not being sure about the environment your business will operate in hampers planning, delays investment and inhibits growth. Since the vote to leave the European Union was taken in June 2016, we have been left with nothing but uncertainty. We know change is on the way but no-one knows what that change looks like.

There are still big issues to resolve and, until they are done and dusted we must prepare for a variety of outcomes and do what we can do mitigate any adverse consequences of change. We don't know what impact there will be on the tax regime, on exports, on agriculture, fishing, food and drink, tourism, health, medicine, immigration or citizens' rights.

So what do we know?

The process of leaving the EU was triggered on March 29 2017 with the UK scheduled to leave on March 29 2019. This period can be extended if all the EU member states agree but we have already seen a great deal of opposition to this from UK politicians.

Following Cabinet approval, late on Wednesday 14 November the UK Government published a proposed withdrawal deal for the UK from the EU. They released a proposed legal withdrawal agreement, an outline 'political declaration' covering the future relationship (including free trade) between the UK and EU, and some accompanying explanatory material.

If this agreement is approved by all parties, at 11pm on Brexit Day (29 March 2019) the UK will leave the EU. The UK will enter a transition period running until 31 December 2020. During this time UK businesses will face little or no change in day-to-day business.

At a national level, the UK will still be party to existing EU trade deals with other countries, although it will be able to negotiate and sign its own trade deals with other countries to come into effect post-transition. Northern Ireland will effectively remain in parts of the single market and customs union. The UK will effectively remain part of the Common Fisheries Policy, without a direct say in its rules, but with a guaranteed share of fishing catch. The European Court of Justice will have jurisdiction over matters relating to EU law and EU citizens. EU citizens arriving in Britain will retain the same rights as those who arrive before Brexit Day.

The UK Government intends to use this period to negotiate a new trade relationship between the UK and EU, which it hopes can include technological and regulatory measures enabling trade and movement of people to continue flowing freely across the border between the Republic of Ireland and Northern Ireland. This will need to be a practical border proposal which satisfies the EU's requirements for the island of Ireland border to remain 'soft' and open under any future free trade arrangements. The withdrawal agreement states that both the EU and the UK "shall use their best endeavours... to take the necessary steps to negotiate expeditiously the agreements governing their future

relationship ... with a view to ensuring that those agreements apply, to the extent possible, as from the end of the transition period" (Article 184).

A Joint Committee, to be co-chaired by a Member of the European Commission and a UK Government minister, will then judge whether the UK should:

- a) continue with an extended transition period
- b) move to a backstop situation of UK-wide customs alignment with the EU (in order to prevent a 'hard border' on the island of Ireland)
- c) proceed to a free trade deal with the EU.

The days following the publication of the draft withdrawal agreement and future relationship document have been the most turbulent in British politics in recent years, seeing resignations, a mammoth three-hour statement to Parliament by the PM and a number of her MPs submitting letters of no confidence to trigger a party leadership challenge.

The position remains incredibly unstable and there are likely to be plenty of developments in the course of the following weeks, but for the time being the stated position of the UK Government is that the withdrawal agreement in its present form sets out the terms of the UK's departure from the EU and will not be changed.

In the event that the agreement does manage to get through the UK political process and the EU summit pencilled in for the 25 November, it would provide some reassurance for businesses as the transition period to 31 December 2020 will then go ahead, meaning nothing significant will change for two years. However, if there is no agreement, the transition period will not go ahead and the UK will leave the EU immediately without a deal on Brexit day.

Even with this agreement, the longer term future remains difficult to predict, as the document regarding the future relationship is long on aspiration and short on detail. The range of possible outcomes goes from a lengthy extension to the transition period, to a customs arrangement or free trade area which reduces, but doesn't eliminate, border friction and leaves the UK adopting EU rules in many areas. In short, uncertainty about the future will continue even if the agreement survives, so businesses shouldn't stop preparing for a cliff-edge.

UK businesses should be considering the potential impact of Brexit on long term agreements and contracts as well as any cross border structures. Changing tax treaties could also have an impact on your profitability and cash flow. How post-Brexit changes impact on future contract

negotiations need to be analysed and understood. Would the creation of an overseas company to handle your exports to EU countries be a possibility?

If you intend to employ EU citizens, you may need to upgrade your IT systems to be able to track the nationality status of employees. Planning for Brexit might also require supply chain mapping to establish where your inputs come from and how secure are they. Could you benefit from authorised economic operator (AEO) status, the international scheme allowing trusted entities simplified customs procedures? Any change in reporting EU related transactions may require updating accounting systems and procedures.

There are plenty more issues that need to be considered and adopting a 'wait and see' strategy is increasingly dangerous as Brexit day approaches. In particular, we

recommend that existing group structures and long term sale/service agreements are carefully reviewed to ensure the UK business is protected from a 'harsh' Brexit.

PKF Francis Clark is investing heavily in our customs and duty capability as well as international tax expertise to help clients with whatever challenges they may face. Change is the only certainty we all have to work with and change could bring about increased costs and complexity. Change may also bring new opportunities as well as challenges.

Pre- and Post-Brexit, we are here to help.

This article was correct at the time of going to press but the political position is developing quickly, so we are providing frequent Brexit updates through a newsfeed on our website www.pkf-francisclark.co.uk/sectors/brexit/

PRE-BREXIT AND POST-BREXIT

we are here to help



This article was correct at the time of going to press. For more information on the progress of political negotiations, take a look at our latest Brexit updates newsfeed on our website www.pkf-francisclark.co.uk/sectors/brexit/

FAMILY BUSINESS

As specialist family business advisers, with a long history of supporting families and their businesses, we understand that the two can be very different and conflicting systems at work. Within the family business, long term planning around the family dynamics becomes

important to ensure that succession planning and business growth is promoted. We recently undertook some in-depth research of the family business sector in partnership with Families in Business, the specialist family business division of The GLAS Group. The results of this research

have uncovered the biggest challenges that family businesses face and the impact of these challenges on individuals and the family.

Balancing life and running a successful business is not easy as some of the key statistics from our recent research suggests:



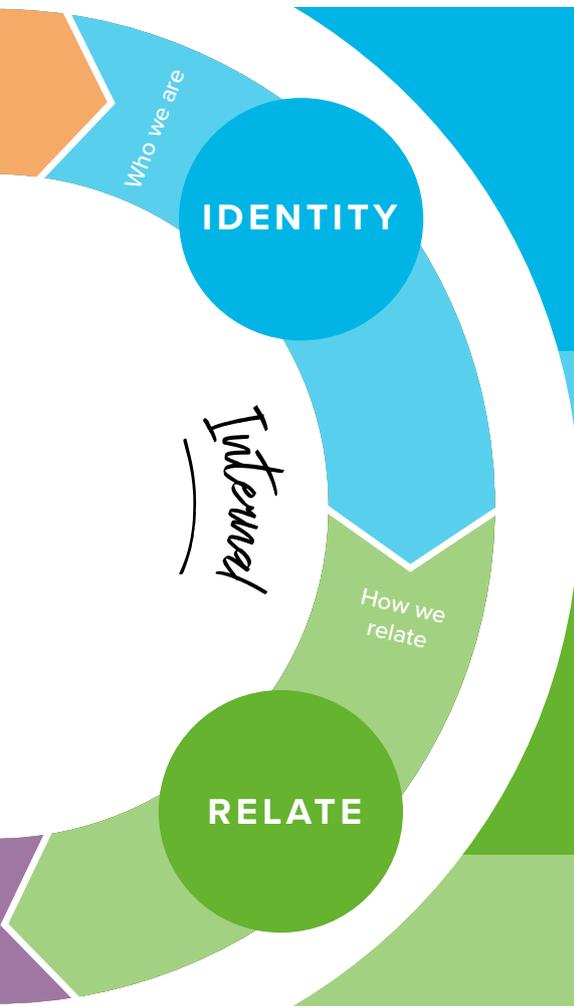
Wanting to go even further in advising our clients and helping them make the most of their businesses and assets, we are now in the final stages of developing a new family business advisory platform which will be launched early next year.

Delivered in conjunction with one of our experienced family business advisers, the dedicated family business platform will encourage clients to step back from the day-to-day grind and take a holistic view of their business, looking in depth into areas that may not have previously been considered.

Utilising a structured approach, we will work alongside you as part of your team to help you add real value to your family business, develop your staff and family members, plan ahead for the future now, both for the business and personally, and ensure that subsequent wealth is being managed most effectively.



PAUL BUTLER
 HEAD OF FAMILY BUSINESS
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BIGGEST PERSONAL CHALLENGES

1. Time and energy
2. Being willing / able to let go / delegate
3. Lack of understanding / support
4. Enjoyment of their role
5. Being good enough / being noticed or accepted

97%

struggle to achieve a desired balance in life

5%

feel there's not enough time or energy to achieve everything

79%

fear not being good enough

62%

rely excessively on something to cope

86%

feel a lack of purpose and focus

BIGGEST FAMILY CHALLENGES

1. Succession
2. Communication
3. Clear direction
4. Conflict and disagreements
5. Agreeing the purpose

47%

believe there is no empathy shown for others

63%

believe people care less about each other than ever before

19%

are unable to agree on one vision

23%

feel personal agendas get in the way

66%

have communication issues

WATCH THIS SPACE...

We will be launching our new family business advisory initiative early next year and we will be providing all our family business clients with more details about this closer to the time.

If you would like to ensure you are kept up-to-date with the development of this new platform, please email lucy.cook@pkf-francisclark.co.uk expressing that you would like to sign-up to receive our family business updates.

Families in Business is part of The GLAS Group: www.fibcommunity.com

A DAIRY FARM, AND SO MUCH MORE!

SOUTH BATTISBOROUGH FARM

"it is crucial that we educate children to improve their understanding of the countryside and their food"

Located on the beautiful South Hams coast in Devon, long standing PKF Francis Clark client, South Battsborough Farm, is an example of an innovative and ambitious business which the firm has advised and watched grow. The dairy farm has evolved and been through recent diversification, adding a tasty addition to their business, which has already proven both successful and profitable.

Lawrence Glanville and his business partner Alastair Graham took on the farm business tenancy (FBT) for South Battsborough Farm, located on the Flete Estate near Mothecombe nine years ago. In addition, they also lease land at the local Point to Point course, where they run a flock of sheep.

Before taking over the 730 acres in 2009, the land had been used to farm sheep and beef. In order for Lawrence to establish his long term dream of a dairy farm, a series of infrastructure changes had to be undertaken to ensure that it would be suitable, not least of which was the installation of a milking parlour. In their first season, the pair purchased 200 heifers, the herd numbers have now doubled with capacity to bring in 100 more.

Central to the vision of the farm is the less intense New Zealand style system of dairy farming. The cows, in this case crossbred Jersey and British or New Zealand Friesians, are small, hardy cows which produce low yields - around half that of a cow from an intensive system, but inputs are also low.

In the mild climate of South Devon grass grows almost year round, in fact, as Lawrence pointed out "We actually grow more grass here in December than we do in August." This means that the cows can stay outside, with only a short stay indoors during calving. The cows are calved in a strict 8 week block starting in February. Anything that falls outside of this block is sold on. In a low input system (this also means low labour input) it is imperative that everything is efficient as possible.

WHAT ISSUES ARE TOP OF OUR AGENDA?

OUR AGRICULTURE EXPERTS FROM ACROSS THE FIRM GIVE THEIR ASSESSMENT OF THE TOPICS THEY WILL BE DISCUSSING WITH THEIR CLIENTS IN 2019.

BRIAN HARVEY, PARTNER

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"Undoubtedly Brexit and the recently released Agriculture Bill are important issues for us to negotiate over the coming year. Whilst the Bill covers lots of ground, it remains vague. It outlines how the Basic Payment Scheme (BPS) will be phased out and essentially will be replaced by a new Environmental Land Management Scheme (ELMS) where land managers are paid for 'public goods'. However, many have concerns about the lack of reference to a safe and secure food supply and it is important to note that the Government has only guaranteed overall funding for the sector at current levels until 2022. This leads to potential future uncertainty as to what happens after that date, which is not helpful when decisions have to be made in terms of planting crops and breeding livestock, the results of which will come to fruition when we are outside the EU!"



ADDING VALUE TO THE BUSINESS

Lawrence and his wife Lee have recently set up a new, exciting brand of ice-cream which they named 'Surfing Cow'. Their delicious range of ice-cream flavours are all produced from their herd of cows onsite at South Battisborough Farm in a purpose built unit housed in a barn just a stone's throw away from the farm's milking parlour.

Lawrence added "The diversification was an idea that was born when milk prices were at a low a few years back. PKF Francis Clark has been an integral part of our businesses growth, in both an accounting and tax planning role and they helped us get our idea off the ground.

"It's only been a matter of months since launching the brand and it already has so far proven to be a successful addition to our business. It has been fantastic to see how popular our ice-cream has been at the events we have sold it at and indeed at the farm gate itself.

"Launching Surfing Cow has been a steep learning curve for the brand but Lee and I are very proud of what we and our dedicated team of staff have achieved here at the farm".

In yet another string to the bow of this farm – business partner Alastair

Graham owns and runs independent Hall Grove School in Surrey which run regular residential field trips to nearby Battisborough House, hosting up to 60 children at a time. Time on the farm is an important part of the children's stay and the team enjoy showing the children where the milk comes from and now how it gets made into ice-cream. Unsurprisingly this is a popular element of the field study trip!

Lawrence went on to say "We believe it is crucial that we educate children to improve their understanding of the countryside and their food. We would like to grow this area of the business and get the message out to more schools in the area and beyond and we look forward to developing this with the help of PKF Francis Clark".

Andrew Squires, Partner at PKF Francis Clark said "We have been advising Lawrence and Lee for a number of years and they really have come a long way since taking on the farm. The business demonstrates forward thinking and innovation and we are so pleased to have helped bring their plans for the farm to reality and look forward to working with them for many exciting years to come."

NICK GOOCH, PARTNER

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"Top of our agenda when meeting clients is to encourage and assist them in producing 7-10 year projections. Whilst things are uncertain at the moment it is never too early to start planning. With the abolition of the Basic Payment Scheme it is vital that farmers assess what this loss will mean to their business - albeit in a phased fashion. How will the shortfall be met? What, if any, costs can be reduced? Which areas of the farm may be suitable for ELMS once more details are known? If there is a reduction in the farmed area a review of machinery and labour requirements is important. Is it time to consider joint ventures or machinery sharing with neighbours? These questions, and more, need to be assessed so that the farm is in the strongest position possible as we enter a new agricultural landscape."

ANDREW SQUIRES, PARTNER

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"With the current uncertainty, many farmers are thinking long and hard about opportunities for diversification as an option to manage risk. As part of careful research into any new venture the tax implications need to be considered. There is serious risk that without proper tax advice, what seems like a good idea with potential profitability and even tax advantages, could seriously jeopardise other reliefs in the medium to longer term and cost you money - we are here to help!"

SONIA FISHER, DIRECTOR

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"As you are hopefully now aware, with effect from 1 April 2019, the MTD legislation comes into force. This deadline is fast approaching so a final push is needed to ensure you are compliant and we can help with this. Initially this may seem onerous if it means you

need to move from your current accounting system to a cloud based system, but clients that have already made this move have found there to be many advantages to this and it is therefore important that we can help every client unlock these advantages for their business."

JUSTIN GLIDDON, DIRECTOR

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"Don't forget grants! The next round of Countryside Productivity Small Grants Scheme will be available from early 2019. These have proven popular and are unusually pretty simple to apply for. Grants can cover up to 40% of the eligible costs in your application and this is increased to 50% for farmers in Cornwall or the Isles of Scilly, the remainder of the funds having to be funded privately. The equipment listed costs £12,000 - £30,000. Further details will be given early in 2019 - we will, of course, keep you informed."

YOUNG MACDONALD HAD A FARM

We work with more than 400 farms across the region to help them make sure each has a thriving business to hand on to the next generation. Talk to us about planning for the future of your business.

033 013 44870
www.pkf-francisclark.co.uk



TOURISM NEWS

For years whilst growing up I used to hear people saying that the weather wasn't as good as 1976. At last, we have had a summer which was officially hotter, and we can all engage in stories of what we did in the summer of 2018! What was interesting for the South West however was that 2018 came on the back of what was already an incredibly strong trading year in 2017, and we were interested to see if the occupancies achieved in 2017 could actually be sustained in 2018.

Following a poor start to the year, again primarily put down to the weather, the summer has been very strong, with much of the ground lost in the first four months being caught up by the end of June. To the end of September hotel occupancies across the region were within 1% of those achieved in 2017.

However, we were reminded that these results aren't uniform across the region. The Head of Tourism in Cornwall found himself on national news reminding people that there were hundreds of beaches in the Westcountry. The Instagram phenomenon is drawing huge numbers to specific photographed locations which can create pressure on particular communities and local economies. The weekend press is highlighting how boutique hotels are now dressing rooms particularly to entice Instagram users to post their hotel!

As well as Instagram and other market disrupters having an impact on where people stay and how they might book, technology within the industry is becoming ever more powerful. Hoteliers are now able to monitor their competition through sophisticated technology monitoring postings, on online booking sites and their websites themselves. The internet is clearly the central aspect of this, and is the reason why accommodation providers in the independent sector are continually looking to innovate to attract business.

Certainly the latest Budget is looking to aid this innovation. The increase of the Annual Investment Allowance to £1m for the two calendar years commencing 1 January 2019 and ending on 31 December 2020, should enable advancement of tax relief on significant spends which will flow through automatically if capital expenditure on plant and machinery increases during that time.

A more significant change was the introduction of a new Structures and Buildings Allowance (SBA). This will only apply to the construction of new commercial buildings and structures and so is an incentive for those looking to undertake building projects. The SBA relief is only 2% pa so it will take 50 years to get full tax relief for the expenditure incurred on the building. This does mean, however, that any hospitality sitting on land has an increased incentive to develop. The tax relief is very slow, but over the 50 years means tax is saved on the overall expenditure.

Whilst on the fringes of tax legislation, these reliefs will aid the continued innovation and inventiveness within the regions' tourism industry and we can look forward to 2019 with the confidence that the last two years have resulted in record occupancies for the region overall.



"For years whilst growing up I used to hear people saying that the weather wasn't as good as 1976"

TOM ROACH

PARTNER, HEAD OF HOTELS, LEISURE & TOURISM

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MAKING TAX DIGITAL

A FUNDAMENTAL CHANGE TO TAX ADMINISTRATION

Today, digital content is readily available on your smartphone, tablet, desktop or laptop. We expect this data to be relevant and current, and we are accustomed to paying for these services via monthly subscriptions in our personal life.

So why not apply that accessibility, visibility and flexibility to the way you manage your business finances? A number already are.

To quote HM Revenue and Customs: "Businesses are increasingly seeing the benefits of digitisation. Millions of businesses are already banking, paying bills and interacting with their customers or suppliers online, and many are already using accounting software." Are you?

HMRC's ambition with 'Making Tax Digital' (MTD) is to become one of the most digitally advanced tax administrations in

the world. In the short term this means businesses will be required to make, preserve and then submit their existing tax records digitally.

Over time though it is anticipated that MTD will eliminate many of the existing paper-based processes. Thus allowing business owners to devote more time and attention to maximising business opportunities.

MAKING TAX DIGITAL FOR VAT (MTDfV)

MTDfV applies to all VAT registered businesses with a taxable turnover exceeding £85,000. With effect from the first VAT return commencing on or after 1 April 2019, affected businesses

must maintain their VAT records digitally within software and file the VAT return to HMRC via an application programming interface (API) not the existing Government Gateway.

This is likely to spell the end of manual cashbooks and, what we call, shoebox

records. As, by the earlier of the submission of the VAT return or its due date, the VAT relevant information must be stored digitally. This is the transaction detail and not summaries.

It also places a question mark over spreadsheets. Sure, the records are maintained digitally, but does your spreadsheet have an API connection to HMRC? Various parties are now developing bridging software to bridge that gap; allowing you to upload your VAT spreadsheet to the cloud and file to HMRC. But we see this approach as a sticking plaster that misses the opportunity of digitalisation and goes against the general direction of travel for business and tax administration.

Larger businesses with on premise ERP solutions, or those with complex group or partial exemption calculations may also require the use of bridging software where their own systems don't have the capability. We will also be able to offer this service to businesses who require it.

FIRST DIGITAL FILING DATES

RETURN PERIOD	START	END	FILING DATE*
Month	1 April 2019	30 April 2019	7 June 2019
Quarter	1 April 2019	30 June 2019	7 August 2019
Quarter	1 May 2019	31 July 2019	7 September 2019
Quarter	1 June 2019	31 August 2019	7 October 2019

* Except large payers whose filing date is the end of the month after the return period.

Key dates for the implementation of these changes

April 2019:

All VAT registered businesses with a taxable turnover above the VAT threshold are required to keep their VAT records digitally and send their VAT returns using functional compatible software. Note, there is a six month deferral for certain entities, including VAT groups and Trusts.

April 2020:

Businesses and Landlords will need to keep their business tax records digitally and send quarterly summaries of their income and expenses to HMRC using functional compatible software.

MAKING TAX DIGITAL FOR INCOME TAX – PILOT PHASE

The Making Tax Digital for Income Tax pilot is already available on a voluntary basis. If a business or landlord signs up to MTD, and has no other reportable income, they will no longer be required to complete a self-assessment return.

We can therefore see the direction of travel for tax administration, and just how close we are to some fundamental changes. There are currently no proposals to change the dates by which taxes have to be paid or how they are accounted for, but this has previously been discussed by HMRC with accountants and businesses. Could it be that within the next ten years businesses will be paying one monthly, or quarterly, sum to HMRC for all their business tax liabilities?

HOW CAN WE HELP?

Where right for the business we recommend a move to cloud accounting.

MTDfV and cloud accounting are a real opportunity to truly digitalise the way you work. There are a variety of products on the market that provide benefits beyond the basic bookkeeping functionality that can really aid a business; from the removal of the manual entry of invoices and bank transactions, to electronic payment solutions, automated debt collection, and industry specifics such as property administration, manufacturing and wholesale stock management tools, webshops and till systems, etc.

Cloud accounting with PKF Francis Clark is about more than just software, it is a way of working together to achieve your business goals. With a remote log-in we will be able to guide your business and spot potential issues or tax planning opportunities early on. The availability of real-time, business critical information allows you to spot patterns and trends and take advantage of them quickly.

**GET IN TOUCH
WITH THE
*specialists***

If you have any concerns over your existing VAT processes our specialist MTD and VAT teams can assist. From reviewing your existing system and outlining the changes required to become MTD compliant, to running checks over your previously submitted VAT returns highlighting the same issues HMRC may identify and correcting them, we can assist you in ensuring that you are VAT compliant.

For further information and FAQs on how Making Tax Digital may impact your business, visit our website or call us to discuss how we can be of assistance.

CELEBRATING 100 YEARS



Francis S Clark with two salmon caught on the River Dart

CELEBRATIONS START WITH THE FAMILY

A chance remark at the dentist led two brothers Andrew and Mark Rutherford to trace the roots of their grandfather's firm, almost 100 years after it was founded. During an everyday conversation, a chance comment about a family member working for a firm of West Country accountants, led them to realise that not only was their grandfather's firm still in existence, but continued to carry his name, Francis Clark.

As a prelude to the exciting Centenary celebrations that are planned next year, Frank's grandsons Mark and Andrew Rutherford were invited to our new Exeter office to meet Managing Partner Andrew Richards, Senior Partner Steve Collins and retired partners Peter Cliff, Tony Pitkin and Les Burnett.

Andrew Richards said: "It was fantastic to meet Mark and Andrew, and to learn from them first hand much more about their grandfather and our founder. Although the firm is very different to the one launched nearly 100 years ago, a lot of the original ethos of the firm has been retained.

"Now as then, our history and roots are in the South West, the commitment to the communities where we work and our ambition to provide the best client focused service have helped make us the firm we are today.

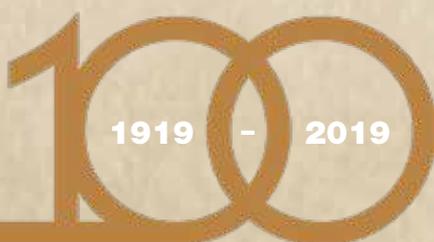
"We are greatly looking forward to our Centenary year and the many events we have planned. It brings us the opportunity to not only reflect on the past but to draw on that experience and devise an even more bold and exciting future."

Andrew Rutherford said: "I wonder what our grandfather would have made of the present firm. He could never have foreseen how, from its small beginning, it would grow and develop. He would, I think, have been very impressed, as indeed we are, at the care that has been taken over the past years to ensure that the original ethos has remained.

"We could not have had a better day and we are very much looking forward to the Centenary celebrations next year. What a chance remark at the dentist can lead to!"



Andrew and Mark Rutherford
Grandsons of Francis S Clark



CELEBRATING 100 YEARS

OF HISTORY



Francis S. Clark

PKF Francis Clark is named after its founder Francis S Clark. After practicing as a certified accountant in Salisbury, Rhodesia - now Harare, Zimbabwe - he returned to England and opened an office in Newton Abbot in November 1919.

Francis Sidney Clark was one of seven children born to Sampson Clark, a butcher of South Petherton Somerset and his wife Elizabeth. Frank as he was known was born on 11 March 1886 at 6.30am at the family home, he had a twin sister Elsie.

After leaving school Frank started his working life as an office boy in the firm of a local solicitor, Mr Poole (Hugh R Poole and Son). Many years later Tom Poole from the same family was articled in Bath to Frank's son-in-law, Robert M Rutherford.

Frank subsequently changed professions to accountancy and became a certified accountant. On a visit to South Africa around 1912 to see his sister Rhoda he met Alice Lilian Wellington. They were married in Johannesburg, entering into an Ante Nuptial Contract dated 19 May 1913.

Frank practised as an Accountant and Agent at Law, living at Umtali, Bulawayo and Selukwie, Rhodesia. He obtained a Certificate of Law achievement and also acted as an insurance broker. He held the office of Deputy Sheriff and served with the Mounted Police from 1914 to 1917.

His elder daughter Hilary was born in Selukwie and was the first white child registered there. Frank suffered greatly from Malaria and or Blackwater fever (for which he always wore a flannel tummy belt) and because of this he returned to England in 1917 where his second daughter, Alison was born at 7 Victoria Place, Truro, Cornwall. Later he moved to Saltash in Cornwall and then to Devon.

In Devon he purchased Keyberry Mount, 2 Keyberry Park, Newton Abbot. He practised as an Accountant in Newton

Abbot, founding the firm of Francis S Clark and Co, one of the first accountancy practises in Newton Abbot.

Frank was a keen salmon fisherman and later purchased a $\frac{3}{4}$ mile stretch of the River Dart between Buckfastleigh and Totnes called Wortley Copse.

He held the posts of Chairman of the South Devon River Advisory Committee, Chairman of the Angling Co-operative Association and Chairman of the Joint Fishery Association.

A keen gardener, he grew a nearly black carnation and from selected pollens an apple tree which he called 'Alice's Pippen' after his wife.

He died on 23 August 1962 leaving a widow, two daughters and five grandchildren.



Peter Cliff, Tony Pitkin, Andrew and Mark Rutherford, Steve Collins, Les Burnett and Andrew Richards

THE CIRCULAR ECONOMY DESIGNER SWIMWEAR FROM WASTE

Launched in May 2017, Davy J is an active women's swimwear brand with a difference - all the suits are made from waste. The ground breaking start-up company uses nylon for its suits which is 100% regenerated from waste such as fishing nets, carpet off cuts and plastic scraps.

The resulting beautifully designed active swimwear suits are built to last, but when they eventually do reach the end of their life, customers are able to return them - the company has a target to achieve 60% closed loop recycling by 2020.

The process involved is called 'reverse polymerisation', which means the nylon components are taken back to their original polymer and then remade back into nylon again. The new regenerated material has exactly the same qualities as the original product, but instead of being made from oil, they are made from waste.

Helen Newcombe is Founder and Director of Davy J, she originally trained as an economist and was working as a development consultant for a big four accountancy firm when her interest in the economics of natural resources took over. She decided to quit her job to follow the dream and build a circular economy brand.

Helen explains: "I worked in development economics and I spent a lot of time with entrepreneurs in developing countries who were often forced to look at sustainable ways of bringing a product to market. I became extremely interested in the circular economy and the economics of natural resources, how we value the products that we buy and the resources

themselves, I was really passionate about creating a brand that has value.

"I grew up on the south coast of Devon and I love being in and around the water. I always thought that there was a gap in the swimwear market, so when I came across the regenerated nylon fibre Econyl, it opened up this concept for me that I could use the regenerated nylon to create a swimwear brand. It also had this beautiful poetry to the fact that you are creating swimwear largely out of ocean waste.

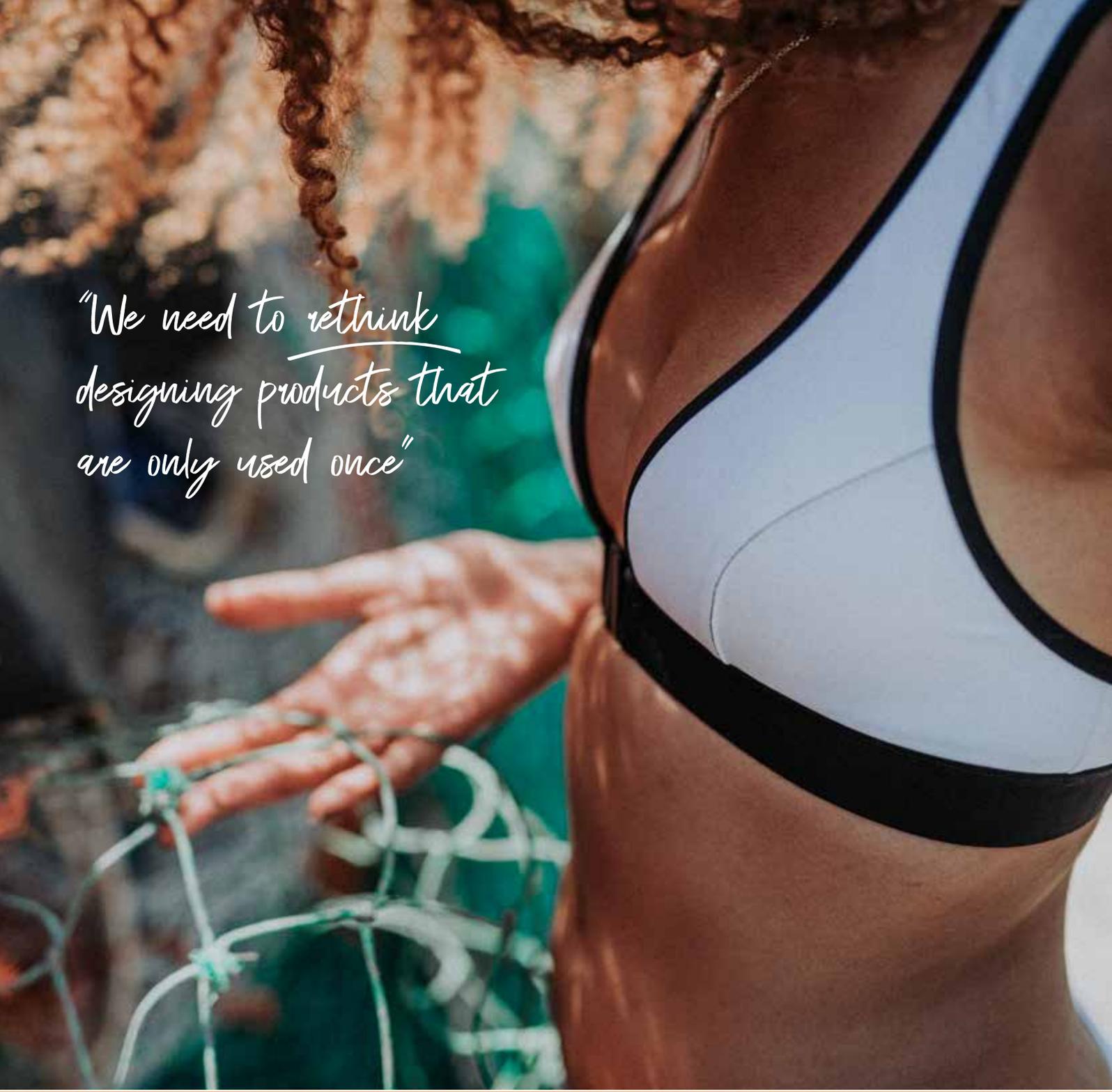
Davy J's collection uses 100% regenerated nylon yarn from waste including spent and ghost fishing nets. An average of 640,000 tonnes of fishing nets are left in the oceans every year (1/10 of all marine litter). For every ton of waste nets, there is enough nylon regenerated to create more than 10,000 swimsuits.

Helen went on to say; "The aim with Davy J is that all of the swimsuits can be returned to us at the end of their life. The beauty of nylon is that it is such a hard wearing substance that it can be regenerated all over again and the quality isn't lost. The world is producing substances that last forever like nylon, but the problem is the way that we are using them - we need to rethink designing products that are only used once.

"A linear economy is take, make and dispose, the circular economy is by contrast regenerative, so you look at the resources both as an input and as an output at the other end of production.



HELEN NEWCOMBE
FOUNDER DAVY J

A close-up photograph of a woman with curly hair, wearing a white bikini top with black trim. She is holding a piece of green netting in her hands. The background is blurred, showing green foliage.

*"We need to rethink
designing products that
are only used once"*

WATCH THE VIDEO HERE: www.pkf-francisclark.co.uk/case-studies/davy-j/

WWW.DAVYJ.ORG

The aim is to close the loop between the two - you know what is going into production and you know what is coming out at the other end."

When it comes to quality, the company has been accredited by Positive Luxury, who connect consumers with luxury brands that are leading in responsible business and sustainable innovation. Davy J has also been awarded the Butterfly Mark, which is awarded to purpose-driven companies that demonstrate their positive social and environmental impact, helping consumers

shop with confidence. The brand is also making waves of its own with its spring/summer collection exhibiting at London Fashion Week.

Helen says "Davy J is a for profit business that is committed to the circular economy and sustainable principles. I've had great support from PKF Francis Clark from the inception of the company. They are well known for supporting start-ups in the South West and they have been very supportive from the early days to the growing company that we are now.

"Because they have been with us from the very beginning, it's fantastic, I know there is someone there supporting me and if I have any issues, I can pick up the phone and speak to the partner. They have supported us through starting the company up and structuring it properly to begin with and through our first financial year. They are supporting us going forward making sure we are building the right foundations. We've grown very strongly in the last year and we are looking at the next three to four year plan and taking on investment."

IF THERE'S GOLD AT THE END OF IT, WE'LL HELP YOU CONSIDER THE TAX IMPLICATIONS

As the largest firm of accountants and business advisers in the region, we can spot a business opportunity in the most unlikely setting. If you'd like help finding the end of a rainbow, we'd love to talk.

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INTERNATIONAL TAX

One of our priorities for 2018 has been to develop our international tax offering and build relationships across the PKF network. PKF is a network of independent firms operating in 150 countries around the world. Our membership gives us access to some of the best tax specialists in key markets where our clients operate.

The core of the international tax offering is our International Corporate Expansion team. Their role is to help our clients put in place the right structure when expanding into a new country - whether it is UK companies expanding overseas for the first time, or foreign-held groups wishing to establish operations in the UK. Ensuring that the business structure is right for growth while allowing the new operations to obtain funding, pay profits back up to head office, and of course access valuable tax reliefs in their new country of operation, is essential for success.

We have experts in diverse areas such as cross-border financing and intellectual property structuring, with significant experience of structuring US, German, French and Australian groups in particular - and our PKF colleagues are always available where extra input is needed for a particular overseas jurisdiction. Several members of the team hold the prestigious Advanced Diploma

in International Taxation, seen as a global benchmark of international tax expertise.

Alongside the International Corporate Expansion team we have experts in global mobility who help to make sure that businesses can get the right people in the right places. The residence status of an individual is key to their exposure to UK and overseas taxes when working on international assignment. We can provide expert guidance on this legislation and help to minimise the risk of being taxed more than once on the same money.

Finally, we have a growing sales taxes and duties specialism with the largest team of advisers with customs expertise in the region. In an increasingly global economy, the flow of goods and services across borders creates new tax exposures and reporting obligations, and a well-designed group structure can help minimise tax costs and increase access to valuable reliefs.

At the moment, no discussion of international tax can avoid mentioning Brexit. However, other issues such as increasingly protectionist policies being pursued by the US and other countries and the ongoing trade dispute between the US and China could also have a big impact on the shape of businesses' international activities in the coming years.

Whatever the outcome of the Brexit negotiations, many businesses will need to keep their international operating structures under review in order to remain competitive in the global marketplace.



DANIEL SLADEN
PARTNER

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PASSING ON YOUR HOLIDAY HOME

MANY FAMILIES HAVE A LONG STANDING HOLIDAY HOME WITH WHICH THEY HAVE A VERY CLOSE ATTACHMENT. THIS EMOTIONAL ATTACHMENT MEANS THAT THERE IS A DESIRE TO RETAIN THE PROPERTY AND TO PASS IT ON TO THE CHILDREN AND THEN GRANDCHILDREN. THIS RAISES BOTH TAX ISSUES AND PRACTICAL ISSUES AS THERE CAN BE MULTIPLE OWNERS AND USERS OF A PROPERTY.

It is unattractive to hold residential properties in companies because of Benefit in Kind legislation and whilst there are still some old companies with family holiday homes set up in the 1960s or before, most of these have now been closed down for this reason.

Personal ownership is a possibility and avoids these problems but gets increasingly difficult if there is more than just sibling ownership. Even in those cases one of the siblings needs to take responsibility for the upkeep of the property, so there tends to be a dedicated bank account maintained by one sibling, with payments being made into it by the other siblings for the upkeep of the property. This can lead to concerns over whether the contributions towards the upkeep of the property are taxable as rent, so there can be income tax problems as well as practical issues.

If a property is passed on to individuals, then Capital Gains Tax (CGT) will be an issue, although there are a number of ideas that can be implemented to try and reduce or eliminate the CGT charge. These can include commercial letting of the property and gifting over several years.

A good practical solution where there is a desire to keep a property in the family very long term is to have a trust arrangement, but since 2006 it has been more difficult to put such properties into trust. This is because there is an Inheritance Tax payable at 20% on the excess of the value above £325,000 put into trust by an individual. A husband and wife can therefore put a property worth £650,000 into trust, but anything more than that will incur a tax charge. No CGT needs to be paid when the property is put into trust because of hold-over relief.

A trust does form a suitable holding vehicle and users of the property typically pay amounts to the trust for usage of the property to fund the upkeep of it. There can be tax charges every 10 years on trusts but subject to the property values and having some cash resources then these can be manageable.

Non UK properties raise further tax issues as is the case where there are borrowings on the property. Altogether there can be plenty to think about on what is usually a high value property with plenty of emotional attachment.



JOHN ENDACOTT
PARTNER, HEAD OF TAX
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MAKING THE CLAIM

RESEARCH & DEVELOPMENT TAX RELIEF

"The PKF Francis Clark team were fantastic at understanding it all and guiding us through the process, reviewing and analysing what we had done and making the successful case to HMRC."

In 2000 the Government introduced a scheme to encourage scientific and technological innovation within the United Kingdom.

Research and Development (R&D) is a Corporation Tax (CT) tax relief that may reduce a company's tax bill if a company is liable for CT or, in some circumstances, it may receive a payable tax credit.

For tax purposes, R&D takes place when a project seeks to achieve an advance in overall knowledge or capability in a field of science or technology.

PKF Francis Clark client Aptenex Limited was established in 2011 by Richard Vaughton and Chris Atkinson and trades under the name Rentivo. It is an online technology company providing Software as a Service solutions that build online marketing and management platforms for the vacation rental industry with clients in Europe, Asia and the US.

Rentivo helps holiday home owners and vacation rental managers to be more profitable by providing more and better online tools which enable them to compete with the giant, predominately US based Online Travel Agencies (OTAs) such as Airbnb, Expedia and TripAdvisor. The company's software lets vacation rental managers with multi-property portfolios easily expand their reach and generate direct bookings from guests, while improving operating efficiencies of portfolios as well as individual properties.

Richard Vaughton explained: "Small accommodation managers, individual property owners and other small enterprises invariably have to use these big sites to get a percentage of their bookings. Larger vacation rental managers are getting bigger

by acquiring smaller businesses. The remaining smaller managers are under real pressure competing with them.

"We sit in the middle providing the technology and software to allow operators and owners to take both direct bookings and to use the OTAs. To achieve this, you need a means of exchanging data between different systems and that's what we have been developing.

"In the UK we have continued to focus on developing our technology stack to provide software that deals with effective data exchange between booking management systems, online travel agents and direct booking websites. We also offer website solutions and marketing platforms to groups of managers who want to pull together. Rental owners can create their own website, receive marketing and exposure across our entire network, process payments, manage their enquiries and take full control over their business. Our aim is to help owners and portfolios to manage their businesses more effectively, more productively and with less cost."

PKF Francis Clark Partner, Sharon Austen, and Tax Consultant Katie Farley helped Richard and his team through the complex process of making a R&D claim from HMRC.

Sharon said: "We advised and assisted Richard with making an R&D claim and this resulted in an initial £45k repayment from HMRC with a further repayment due shortly.

"When working on R&D claims with a client it's vital we get a thorough understanding of all the business activity, so Katie met with Richard and the technical staff to talk them through the sort of expenditure and the type of activity that would qualify, as one of the biggest challenges is

understanding what may or may not be eligible.

"Richard and his team then wrote a summary of the work they have done and identified the costs with Katie reviewing, challenging and asking questions to identify any missed qualifying expenditure. This provided the right information for our client service team to submit the successful claim."

Richard Vaughton added: "The complexity of the documentation meant that we had to drill down very deeply into what we've been doing financially and put that together to answer all HMRC's question in an accurate and comprehensive way.

"The PKF Francis Clark team were fantastic at understanding it all and guiding us through the process, reviewing and analysing what we had done and making the successful case to HMRC."

Sharon Austen added: "We were delighted to have been able to help Richard and his team, although the process takes time, the eventual outcome was worth the effort. As tax experts we are used to making these claims so we can lighten the load for our clients and help achieve a successful outcome."



RICHARD VAUGHTON with SHARON AUSTEN

IT'S ALWAYS GOOD TO HAVE AN EXIT PLAN

Meet Joe. We helped him sell his family's business and give him the retirement he'd worked for. Now he spends his free time enjoying much less stressful pastimes, like freefalling from 15,000ft.

Why not talk to us about how our corporate finance team can help you plan for your business's future as well as your own? You bring the dreams, we'll bring the parachute.

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CORPORATE FINANCE

Despite all the political and economic uncertainty, entrepreneurs across the UK have been making the most of the abundant funding that is still available to complete acquisitions over recent months. For those that have been looking to sell their businesses, pricing/valuations for quality assets have held up well and are still close to their all-time peak.

Reported deal volumes in the South West in the first half of the year have fallen to their 2013 level - however, this is actually the average over the last ten years, and significantly above the volumes achieved during 2009 - 2012.

This doesn't mean that all is rosy in the transaction market-place - we have come across a number of business owners that have been lured by potential trade acquirers (often from overseas) that have fallen through at the last minute through attempts at significant price-chipping or a material change in terms. However, we have seen these as an opportunity for the management teams and created the opportunity for a management buy-out that has enabled both the team and the Vendors to achieve their aspirations. Local examples that we have advised on include the sale of Torquay Leisure Hotels to its management team in July.

Well-run sales processes that bring in foreign buyers as part of a range of potential purchasers can maintain competitive pressure, and we have advised clients on selling to a variety of overseas purchasers in recent months including a number of European ones with Swedish and French acquirers being active and completing acquisitions of local businesses recently.

Clients in the region have also been busy making acquisitions with Gregory Distribution - one of the largest privately-owned transport businesses in the UK, buying £50m turnover ARR Craib Transport, headquartered in Aberdeen -

an excellent example of a strategic and geographic acquisition that was debt funded, demonstrating the appetite to support businesses expanding their operations.

Our specialist Energy & Infrastructure team has advised on a variety of transactions over recent months - including the sale of a windfarm owned by Italian ERG Power Generation for £163m. We have also advised clients such as Bridgwater-based STOR Power with the sale of a number of gas-peaking sites. These will provide flexible generation (Short Term Operating Reserve) to the National Grid to cover the increasingly intermittent nature of other power generation supplies and help to 'keep the lights on'.

For those not looking to undertake a transaction but seeking working capital funding facilities, the range of funding available continues to grow to the largest range that it's ever been. However, in a modern world, traditional elements will still bear fruit and adequate preparation will not only help to obtain the finance that entrepreneurs are seeking, but it will also help to reduce the interest rate and costs of that financing.

Currently, in view of the uncertain future economic outlook, we are seeing a number of clients wishing to de-risk from their significant asset base being tied up in one place - their company, but they would still like to benefit if things don't turn out as bad as they could be. We have therefore developed transaction structures where they may be able to take cash out now at a 10% tax rate, but still benefit from some future upside if the company performance is good in the years ahead.

Whatever your business thoughts and plans, please do not hesitate to contact us to see how we may be able to help you achieve your objectives.

Recent Deals

BURGH ISLAND



Advised on the sale of Burgh Island Ltd to Perrys Acre Ltd.

CHURCHTOWN FUTURES

Churchtown Futures

Advised Churchtown Futures on the acquisition of the entire issued share capital of Hawley Place School Ltd.

COUNTY CONFECTIONERY



Advised on the sale of County Confectionery Ltd. to Orkla's subsidiary NIC Enterprises Ltd.

ERG POWER GENERATION SPA



Advised on the £163m sale of ERG Power Generation SpA to Greencoat UK Wind PLC, a fund managed by Greencoat Capital.

HERRING SHOES



Advised on the sale of Herring Shoes Ltd to Pavers Ltd.

MISSION MARKETING GROUP



Advised on the £14.5m acquisition of Krow Communications Ltd. by Mission Marketing Group PLC.

MUNTERS AB



Due diligence on the acquisition of Humi-tech Services Ltd. by Swedish listed Munters AB.

STOR POWER



Advised on the disposal of certain power projects to undisclosed acquirer.

TORQUAY LEISURE HOTELS



Advised on the sale of Torquay Leisure Hotels Ltd. to the management team.

ANDREW KILLICK
PARTNER, HEAD OF CORPORATE FINANCE
andrew.killick@pkf-francisclark.co.uk



GREENDALE CONSTRUCTION



SANDBANKS COURT POOLE

It started in the midst of a recession and has grown to become one of the biggest - and most respected - building companies in the South.

Add in a list of successful projects - from castles to car showrooms and piers to a priory - and you can see why Greendale Construction has built such an impressive reputation.

For Director Chris Kane, who started the company with fellow Director Rob Hooker in a spare room 28 years ago, the values instilled in the business from day one still hold true today.

"From the smallest project to the biggest, we use the best people and the best materials delivering a quality job at a fair price," said Chris.

He added: "This is a very tough sector, and we've seen a lot of competitors fall by the wayside over the years.

"The fact that we're not just still here but profitable and expanding shows that we must be doing things right.

"Greendale Construction may be built on firm foundations but we're never complacent and we never relax. We're always looking to the future."

Based in Poole, Greendale Construction directly employs a 50-strong multi-trade labour force.

It is also able to rely on the skills of sub-contractors and suppliers who have worked for the company for many years and are familiar with Greendale's exacting standards.

From its humble beginnings in 1990 - when Rob and Chris even operated a short-lived jet wash service to boost company coffers - Greendale now delivers building services across a range of sectors.

They include commercial, education, health, private, small works, interiors and electrical.

Current projects include Highcliffe Castle in Dorset where Greendale has started work on the seventh phase of an 18-month building project.

It will see the Grade I listed building's Penleaze Wing fully restored, the castle's historic kitchen reinstalled as well as the creation of new exhibition and activity spaces.

Further up the coast, Greendale has successfully completed work at the Grade II listed Swanage Pier Marine Villas as part of the Swanage Pier Trust's restoration project.

The project saw the 190-year-old building restored and turned into a new visitor centre and cafe.

A short distance from Swanage Pier is Durlston Castle which was built between 1891 and 1897. Greendale won the commercial category of the Master Builder of the Year 2012 award for its work on the Grade II listed building.

The 74 week part Heritage Lottery Funded project involved the complete restoration of the castle, a new shop and gallery extension, and the construction of a time line path from main car park to castle entrance.

“Such projects really are a labour of love and we’re incredibly proud to be entrusted with contracts involving such historic sites,” said Chris.

Other prestige work has ranged from the £1.3 million design and build of Parkstone Golf Club, in Dorset, which was carried out over five phases, to the £4.4 million renovation, extension and alteration of the Hotel De Vin building in Poole.

But Greendale, which has an annual turnover of more than £10 million, is not just about big projects. One-off small works can range in value from £1,000 upwards.

Chris said: “We’re very careful about who we work with and for. It’s served us well as has the policy of spreading our projects among different sectors, avoiding becoming over reliant on one.”

Maria Seabright, Finance & HR Director, who joined Greendale in 1997, said the firm passionately believed in building for the future by investing in its “fantastic team.”

“Many have been with us a long time and it’s a source of real pride that they include staff who joined as apprentices or A-level students and are now site managers and surveyors,” said Maria.

“We have a thriving apprenticeship scheme and also a Graduate Training Programme. We’re one of very few construction companies to actually fund three year degrees. It’s a big investment but we believe in helping our staff build for their own futures through their careers,” said Maria.



“Greendale became a PKF Francis Clark client in 2001 and since then, said Maria, the firm has never looked back.”



Greendale became a PKF Francis Clark client in 2001 and since then, said Maria, the firm has never looked back.

“Greendale receive an excellent service through our Partner, Martin Aldridge, Director, Michelle Love and their team. We have a very good day-to-day relationship and particularly value the ‘one stop shop’ element which means that whatever the issue, PKF Francis Clark have the experts and knowledge to deal with it,” said Maria.

Martin Aldridge went on to say: “Greendale Construction is a high quality company with exacting standards which are reflected in everything they do.

“The company has a strong Board and a very impressive, and well-deserved, reputation. We’re proud to count the firm as a client.”



SHARPHAM WINE & CHEESE

Sharpham Estate is located on an outstandingly beautiful stretch of the River Dart near Totnes in the South Hams, with the farm on the estate originally being acquired by Maurice and Ruth Ash in 1961 as a dairy operation. In 1981, the plunging price of milk prompted a business rethink and diversification began with the development of a cheese-making facility.

In the same year, two experimental acres of vines were planted and the south-facing and well-drained slopes of the estate proved to be the ideal location with Sharpham's first vintage being produced in 1985. The business continued to grow and prosper with visitor facilities and a shop opening in 1992.

The thousand year old farm consists of five hundred acres owned by the Sharpham Trust. The house, designed in 1770 by Sir Robert Taylor, overlooks the fields and wooded slopes above the river. Today its vineyards, winery and cheese dairy have been producing wines and a range of pasteurised and unpasteurised cheeses for over 35 years.

Sharpham now produces a fine range of white, red and rosé still wines and some

sparkling wines. The 10 acres of vineyards are planted with a variety of carefully selected cool climate grape varieties and they use both New World and traditional wine making techniques to produce a range of distinctive and carefully balanced wines. Their awards tally includes regional, national and international medals.

The award-winning range of handmade cheeses are produced from their own Red Tractor assured Jersey cow's milk and vegetarian rennet, these include soft and semi hard varieties made from cow's milk and goat's milk and a combination of the two. Sharpham Brie was named runner-up as the Best Soft Cheese and runner-up as the People's Choice award at the Great British Cheese Awards which recognise, promote and reward excellence in the artisan cheese industry. This summer has seen more accolades with success at the 2018 Taste of the West Awards with 5 Gold and 1 Silver award and no less than 4 gold medals at the Global Cheese Awards, one of the most prestigious events in the cheese calendar.

The business now also enjoys a thriving visitor trade offering a range of tours and tastings and the opportunity to eat at

The Cellar Door, an alfresco kitchen café producing delicious dishes from a variety of local and seasonal ingredients.

To rationalise the structure and ownership of the business, it incorporated in 1997. Managing Director, Mark Sharman said: "We started work with PKF Francis Clark in 1960's, because they were recommended for understanding farming and farming businesses, we've changed dramatically over that period of time and so have they. We are on our third partner at PKF Francis Clark, the other two having retired!

"When the business changed from pure farming to food production and indeed farm shop retailing and tourism, we established a cost centre accounts system which helped us identify costs, profits and losses within those cost centres. PKF Francis Clark were instrumental with helping us with that and that's been a key theme running through the business since.

"PKF Francis Clark helped us with the business incorporation process. They help us with our accounts submissions, Companies House work and have given us good tax advice, investment advice and they've done important grant applications

"Sharpham is all about quality wine and cheese and we need PKF Francis Clark and their quality approach to take us into the future"

and sourced funding for us which has helped us grow the business."

PKF Francis Clark Partner, Paul Butler, said: "Our firm has advised Sharpham from the outset before the business incorporated and built a strong relationship and understanding of the business over the years. We advise on tax planning and handle the annual accounts, but we are also consulted on major investment decisions and provide specialist support when required to assist with future strategies and the growth of the business."

Mark went on to say: "Our relationship with PKF Francis Clark is very important to us because we need them to understand the business. We have a great relationship, it's great to be able to just pick up the phone and have a quick conversation. Sharpham is all about quality wine and cheese and we need PKF Francis Clark and their quality approach to take us into the future."

THE FUTURE OF FOOD

In late September I travelled to Shrewsbury to attend a lecture by 'Dr Food', Professor David Hughes, Emeritus Professor of Food Marketing - Imperial College London, on 'The future of food'. The lecture was incredibly thought provoking and raised a number of interesting points that have ramifications for food and drink businesses in our region and beyond.

CHANGES IN HOW WE EAT AND SHOP

- An increase in the number of single households - in the UK, 28% of all households are single and 40% of all meals consumed are eaten alone. A single person has very different requirements to the 'traditional' family unit.
- Shopping habits - we shop little and often, between 2013-18 the number of trips to food shops has increased by 14.3%, leading to the growth of the convenience sector of 10% over the same period.
- Technological innovation - increasing consumer choice and changing the way in which people buy and consume food, including platforms such as Uber Eats, Deliveroo and Just Eat.

FOOD TRENDS

- Decrease in the consumption of red meat for perceived health and environmental reasons.
- Increase in veganism, vegetarianism and customised diets (gluten/dairy free). Tesco now gives more of their shelf space to 'Quorn' products than it does to lamb.
- Increase in the consumption of plant based protein.
- Increase in 'snackified' eating - all about time starvation and eating on the run.

ENVIRONMENTAL CONCERNS

- Plastics - due to the 'Blue Planet' effect, public pressure has led to widespread promises of an elimination of all plastic packaging and single use plastics by 2025. Will the public wait that long?

- The green bar is rising - and the public will not pay extra for it! We want our food free - free from antibiotics, hormones and additives. Consumers want traceability and transparency - where is the food from and what does it contain.
- Increase in environmental awareness - the use of palm oil and soy from Brazil is no longer acceptable. Other crops are likely to follow suit. Consumers are wanting to source and buy more locally produced food.

BUSINESS CONCERNS/ OPPORTUNITIES

- Tariffs - under a hard, no deal Brexit, food and drink supply chains could face an average tariff of 27% (WTO, HMRC retail economics analysis) which would be severely disruptive. Although there could be opportunities to reduce these tariffs quickly once outside the Customs Union, the uncertainty is unhelpful.
- Exports - whilst Brexit brings disruption, it could also bring innovation and opportunity. The Government needs to make a success of it, and will have to support efforts to continue and indeed increase exports outside of the EU.
- Self-sufficiency - in 2017 we imported 40% of our food. Whilst it is highly unlikely that we would be able to be fully self-sufficient, when you hear that we import 16% of all of the eggs that are consumed - there are definite opportunities close to home.
- Disruption of the supermarkets power - there are undoubtedly more routes to market for food brands, and everyone is looking for the next big thing in food. The start-up market has huge potential. The start-up market has huge potential.



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PROTECTING YOUR INFORMATION IS A BOARD-LEVEL RESPONSIBILITY

Cyberspace has revolutionised how many of us live and work. The internet, with its more than three billion users, is powering economic growth, increasing collaboration and innovation, and creating jobs.

Protecting key information assets is of critical importance to the sustainability and competitiveness of businesses today. Companies need to be on the front foot in terms of their cyber preparedness. Cyber security is all too often thought of as an IT issue, rather than the strategic risk management issue it actually is.

All Boards have an obligation to address the risk as part of their duties and as part of good governance. This was highlighted in a speech given by Ciaran Martin, CEO of the Government's National Cyber Security Centre, at the CBI Cyber Conference in September. His keynote speech included the following observations:

"My message today is aimed at board level and general corporate leadership, which is key to managing this crucial risk.

"When we look at some of the advice given around the world on how to manage corporate cyber security risk, it's basically about governance. Good governance is necessary."

Companies benefit from managing risks across their organisations - drawing effectively on senior management support, risk management policies and processes, a risk-aware culture and the assessment of risks against objectives. There are many benefits to adopting a risk management approach to cyber security.

RAISING YOUR CYBER DEFENCES

The internet can be a hostile environment. The threat of attack is ever present as new vulnerabilities are released and commodity tools are produced to exploit them. Doing nothing is no longer an option. Protect your organisation and your reputation by establishing some basic cyber defences to ensure that your name is not added to the growing list of victims.

Before investing in defences, many organisations often want concrete evidence that they are, or will be targeted, by specific threats. Unfortunately, in cyberspace it is often difficult to provide an accurate assessment of the threats that specific organisations face.

However, every organisation is a potential victim. All organisations have something of value that is worth something to others. If you openly demonstrate weaknesses in your approach to cyber security by failing to do the basics, you will experience some form of cyber-attack.

Fortunately, there are effective and affordable ways to reduce your organisation's exposure to the more common types of cyber-attack on systems that are exposed to the Internet.

Important key controls are contained within the Cyber Essentials Framework and implementing these controls should be seen as a minimum standard.

For those who need independent assurance as to the state of their cyber defences we can offer the audited standard of Cyber Essentials Plus as well as Vulnerability Assessments or Information Assurance audits.

For further information please contact cyber@pkf-francisclark.co.uk

KEY QUESTIONS FOR CEOS, BUSINESS OWNERS AND BOARDS



- 1 How confident are we that our company's most important information is being properly managed and is safe from cyber threats?
- 2 Do we have a full and accurate picture of:
 - the impact on our company's reputation, share price or existence if sensitive internal or customer information held by the company were to be lost or stolen?
 - the impact on the business if our online services were disrupted for a short or sustained period?
 - the vast range of individuals who may take advantage of our systems. These include:
 - a. cyber criminals interested in making money through fraud or from the sale of valuable information
 - b. industrial competitors and foreign intelligence services interested in gaining an economic advantage for their companies or countries
 - c. hackers who find interfering with computer systems an enjoyable challenge
 - d. hacktivists who wish to attack companies for political or ideological motives
 - e. employees, or those who have legitimate access, either by accidental or deliberate misuse.

A FRESH LOOK AT PENSIONS



Pensions can be terrifically complex and somewhat of a mystery to many people. However, one thing for certain is that we need to put by some capital during our working lives in order to provide for when we are no longer at work. Because of their complexity, you may feel more comfortable with familiar assets such as cash savings accounts and property, but before you dismiss pensions, let's take a look at them in more detail.

Q *Are pensions tax efficient?*

A Most definitely yes. Contributions to a pension if made personally attract basic rate tax relief of 20% and if you are a higher or additional rate tax payer, extra relief can be obtained via your tax return. Because of this attractive tax relief, there is an Annual Allowance contribution limit of £40,000 per tax year. However, this can be further reduced for high earners so it's important to seek advice before committing to a contribution.

Once invested and having obtained the initial tax relief, your pension investment will be in a largely tax free growth environment where it will not be subject to UK taxes on income and capital gains.

When you draw your pension, you are able to access 25% of the accumulated fund as a tax free lump sum. The remaining 75% of the fund can be used to provide an income, this will be taxed at your marginal income tax rate at that time.

Q *Aren't pensions inflexible and difficult to access?*

A This was true in the past but since the introduction of Pension Freedoms in 2015 this has radically changed. There is a minimum age of 55 before you can access your funds, after all this is a vehicle for providing retirement income.

From this date on though, you can access your pension fund as quickly or slowly as you wish. You can draw all the tax free lump sum at once or gradually over time. You can take income at whatever level you wish bearing in mind the effect this will have on the overall fund, and the tax consequences of course.

Any unused funds left at your death can be passed to dependents, generally free of Inheritance Tax.

Q *Where is my pension invested?*

A It could be invested in a wide range of assets designed to produce capital growth. This includes shares of companies quoted on global stock markets, the debt of governments and companies, commercial property and alternative investments such as gold or other commodities. Infrastructure is another asset that can be accessed such as roads, ports, renewable energy systems etc.

The key is to understand the link between investment risk and expected returns. Taking professional advice can ensure you have adequate diversification in your pension portfolio as well as strict risk controls set to reflect your own personal circumstances.

If you have any other questions relating to pensions or if you are looking for a discussion relating to your personal circumstances, we would be delighted to have an initial no obligation, free consultation with you. Please contact either myself, or our financial planning team based in your local office.



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FINANCIAL PLANNING
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NOT ALL HEROES WEAR CAPES

Payroll is the unsung hero of any business. People only tend to notice it when something goes wrong, and by then it's usually too late. Our team has decades of experience and the inside track on how to make payroll really work for your company. From understanding the HMRC's approach to the gig economy, or simply correctly reporting expenses, we've got you covered with seamless support that will feel like we're part of your team. Talk to us about getting your very own payroll hero.

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CARING FOR OUR COMMUNITIES

CHARITY FUNDRAISING

Every year we enjoy getting involved in a wide range of activities to support the communities where we live and work. 2018 has been no exception and has been a busy year so far across all our offices. Here are some of the highlights.

Over the summer, pedal power took over with individual office teams cycling on their treadmill challenge over 8,000 miles in only four weeks. The winners by 130 miles were the Truro office and over £800 was raised for the local office charities.

TRURO

Truro's chosen charity for 2018 is the Invictus Trust invictustrust.co.uk a charity which aims to support and offer services to local teenagers who are suffering from poor mental health and associated issues.

So far the team have raised over £2,000 through dress down days, sweepstakes, an Easter hamper raffle and royal wedding cake sale, with many more events planned. A summer disco in August and boat party in June also raised £500 for Macmillan Cancer Support and £500 was donated to Penhaligon's Friends.



VAT Partner Julie Towers ran the Triple Challenge, the London Marathon, the Imerys Marathon and the Classic Quarter Cornwall race, raising well over £1,000.

PLYMOUTH

In 2018, Plymouth staff have voted to support Woodside Animal Welfare Trust woodsidesanctuary.org.uk an animal rehoming charity, based on the outskirts of Plymouth in Devon.



To date, the team have raised over £3,000 for Woodside through a tuck shop, raffles, bake sales, breakfast club staff quizzes and a Halloween bake-off. In October our team ran the Plymouth 10k run.

EXETER

Exeter's nominated charity for 2018 is the cancer charity FORCE (Friends of the Oncology and Radiotherapy Centre, Exeter) forcecancercharity.co.uk. So far this year, over £3,000 has been raised.

In June they joined cyclists from all over Devon and beyond to ride the Nello, the charity's biggest single fundraising event of the year, riding 55 or 100 miles with both routes starting and finishing at Topsham Rugby Club.



The team have also participated in a huge range of events: monthly pay day breakfasts, dress down days, bake sales, a sponsored tuck shop, cream teas for cancer, the Tour of Wessex Cycle ride, netball tournaments and sweepstakes including the Grand National and World Cup.

TORQUAY



The Torquay office has been supporting Muscular Dystrophy UK - I Fight for James.

The team has raised over £2,000 through a variety of events: a dress down day

on pay day, bi-monthly department breakfasts/lunches, quiz nights, a sponsored healthy fruit tin and sponsored tickets for local attractions. The team will also be hosting their annual 'Christmas Bonanza Week' with a host of Christmas themed activities. They have also held a Macmillan Coffee Morning, taken part in Jeans for Genes and completed The Total Obstacle Run for Bowel Cancer West.

TAUNTON

In 2018 the team have been raising money for Taunton Association for the Homeless recently rebranded as Arc, which supports homeless people and those at risk of homelessness.

With other donations made throughout the year to date, they've raised just under £2,000. Activities have included a big sleep out in June, dress down days and a champagne raffle.

POOLE

This year, Poole chose to raise funds for two local charities - Chestnut Nursery which provides meaningful work in a supportive and pressure-free environment, for adults with enduring mental illness and Dorset Mind a mental health charity that has been supporting local people with mental health difficulties since 1946.



The team recently sponsored and took part in short and medium distance races for the Andrew Simpson Sailing Foundation Bike 4 Bart event. The charity is named after Olympic Gold and Silver medallist Andrew 'Bart' Simpson MBE, a man who was passionate about encouraging and helping others fulfil their aims. The charity gives thousands of young people the chance to enjoy the life-changing challenges of sailing.

SALISBURY

In 2018 the Salisbury office has been raising funds for Wilton Riding for the Disabled Association who provide life-enhancing and life-changing opportunities through riding for people with a range of disabilities. So far the team have been raising money through dress down days, sponsored breakfasts and cake sales, as well as a Grand National sweepstake and a sponsored tuck shop.



RECRUITING OUR FUTURE BUSINESS LEADERS

In today's competitive trainee recruitment market it is key that you look beyond the obvious to find the talent that will help shape the future of your organisation. That is why we look to recruit trainees from both schools and universities and invite graduate applications from every degree subject - not just Maths!

It's a given that all firms look for strong academic achievement, but we also look for candidates who display certain competencies, including creative problem solving, teamwork, and collaborative skills. Successful applicants will be adaptable, team players with good communication skills and high personal drive. They will feel a passion for our business and have a strong client focus.

We have developed a selection process that is easy and informative for the trainee candidates; it's a four step process to get the candidate to an offer, no matter what role they are applying for.

**STEP 1
APPLICATION FORM**
tell us about you

**STEP 2
ONLINE TESTS**
show us your ability

**STEP 3
PHONE INTERVIEW**
describe your ability

**STEP 4
ASSESSMENT CENTRE**
demonstrate your ability

This process allows us to assess for potential not just competencies. It makes our recruitment more effective, efficient and engaging. It recognises that the candidate experience really counts, especially for Millennials and Digital Natives.

ENGAGEMENT IS KEY TO ATTRACTING THE RIGHT TALENT

Part of how we engage with potential candidates is to attend Graduate Recruitment Fairs and holding Open Evenings in our offices for schools. This gives the candidates the opportunity to talk to trainees that are currently working at PKF Francis Clark, and who have first-hand experience of training and working in the firm. They can also talk to our Early Careers Specialists about the various training and careers pathways open to them.

Attracting the right candidates needs a strong proposition and an impactful recruitment campaign. We want to communicate that PKF Francis Clark is 'The place for your career' not just because of the career and development opportunities, but because this region is a fabulous place to live and work. Offering candidates a unique working environment where our locations, across the region, are perfect for achieving a good work life balance. Amy Taylor, People Director, explained:

"Hiring great people is crucial for the success of our business and that's why we have invested in creating a formal hiring process when looking for new trainees. It means being creative about the way we locate the best and most qualified talent."



OUR LOCATIONS



EXETER

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

01392 667000

PLYMOUTH

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

01752 301010

POOLE

Towngate House
2-8 Parkstone Road
Poole
BH15 3PW

01202 663600

SALISBURY

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
SP3 4UF

01722 337661

TAUNTON

Blackbrook Gate 1
Blackbrook Business Park
Taunton
TA1 2PX

01823 275925

TORQUAY

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

01803 320100

TRURO

Lowin House
Tregolls Road
Truro
TR1 2NA

01872 276477



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PKF FRANCISCLARK

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