

# WORKING WITH THE FOOD & DRINK SECTOR

Across the entire supply chain - from producers and processors, manufacturers and distributors, to retail and hospitality businesses



The food and drink industry is incredibly important for both the South West and the UK as a whole. It is the single largest manufacturing sector in the UK, with a turnover of £97.3 billion and employing 400,000 people directly. Within the South West, there are over 2,200 businesses and over 60,000 employees working within this sector.

### **WE ARE LOCALLY BASED WITH A NATIONAL REACH**

Based in the South West, it may come as no surprise that we have real expertise in the food and drink sector. With the largest team of specialists across multiple sectors and disciplines in the region, we now act for an increasingly large number of clients within this sector.

Our clients cover the entire supply chain - from producers and growers, processors and manufacturers, distributors and wholesalers to those in the retail and hospitality industries. They range from artisan businesses serving a local market to businesses whose reputations extend across the region, all the way to businesses operating on a national scale with a brand to match.

## **HOW WE CAN HELP YOUR BUSINESS**

We strongly believe that we have the expertise and drive to help you grow your business successfully.

We are the largest firm of chartered accountants in the South West. We are larger than the regional offices of the 'Top 6' and considerably larger than any other independent firm operating in the region. We are also part of the PKF network, ranked number 10 in the UK, according to Accountancy Age Top 50 Accountancy firms 2019; this gives us a national presence and an international reach.

Our vision is 'Shared Ambition' - whatever a business's goals, we will work with our clients to achieve these. Importantly, we don't impose what we think success is onto our clients; we start by listening to find out what our clients would like to achieve and how we can do that together. We understand the challenges the sector faces and use this knowledge alongside getting to know you and your business, matching your needs to our wide-ranging expertise.

## **INNOVATION IS KEY**

Consumers' desires are constantly changing, making it imperative that businesses respond and react to new market trends. More focus is being put on where food comes from as well as reducing waste and making our food more sustainable.

The key to responding to these trends as well as growing your business is innovation. It plays an enormous role within the sector - in fact, the top 15 UK food and drink businesses disclosed that they spent £900 million on research and development last year alone (Food Manufacture's 2019 R&D market report).

R&D tax relief can be extremely generous and allows a company to accelerate its R&D programme and invest a greater proportion of its profits into such things as hiring new staff and investing in new machinery and technology. What's more, the scope of what can be covered may be broader than you may think, something we're regularly finding when talking to our clients.

R&D claims can be made up to two years after the end of the accounting period in which the qualifying expenditure was incurred. Importantly, for every £100 of qualifying expenditure a client may be eligible for a tax credit of up to £33 so it's worth looking at whether your business would be eligible.



**IN WHAT IS A CHALLENGING TIME ECONOMICALLY, WITH SOME HIGH PROFILE BUSINESS FAILURES IN THE SECTOR RECENTLY, IT IS A COMPETITIVE TIME TO RUN A BUSINESS. WHATEVER YOUR PLANS FOR THE FUTURE OF YOUR BUSINESS, OUR TEAM ARE HERE TO HELP.**

**LOOKING TO CONTROL COSTS?**

To help your business grow, operating margins need to be controlled to ensure profitability. We provide constructive advice on management accounts, stock control measures, staff costs and purchasing efficiencies.

**LOOKING TO FUND EXPANSION?**

We have supported a wide range of food and drink clients in raising funds to drive growth; advising on the appropriate financial reporting and balance sheet presentation when approaching funders, as well as looking at elements such as R&D tax relief. We also have a corporate finance team who work to provide funding strategies at various stages of a business's lifecycle.

**LOOKING AT STAFFING AND THEIR SKILLS?**

Our employment tax specialists have real experience in the sector and advise on the usual employer compliance issues (including payroll processing and national minimum wage) alongside those related to the hospitality sector including the TRONC scheme. Our advisers also regularly support clients in developing employee benefits packages and management incentives to help the business look after and retain the right members of staff.

**LOOKING AT YOUR PROPERTY OPTIONS?**

Property costs can represent a significant proportion of costs to many food and drink businesses. This means that businesses need to carefully consider matters such as accounting for lease incentives, the review of onerous leases, capital allowances and stamp duty land tax.

**LOOKING TO EXPORT PRODUCTS?**

It's so important to understand the complexities of international trade, to know the best way to export for your business. We have worked with many businesses to understand the rules and requirements and have helped many streamline their processes, ensure compliance and achieve a real saving by duty planning.

**PLANNING FOR THE FUTURE?**

We also work with a number of businesses to help both with exit and succession planning. Our corporate finance team can help clients to secure a better future for their business by identifying merger and acquisition opportunities both locally and internationally. We can also help in deal structuring and leading negotiations.

**PROTECTING YOUR BUSINESS AGAINST AN INVESTIGATION**

The number of both tax and VAT investigations conducted by HMRC is increasing, meaning that the chances of being involved in one is becoming more likely. It's not just the stress involved but also the time that it takes to challenge the investigation as well as the additional costs as they are not covered by usual accountancy fees. We have a team of specialists, many are ex-HMRC officers and therefore have an excellent working knowledge of HMRC practices as well as what an inspector can and can't do.

"It is a good fit and it works really well. We feel valued essentially. I feel that they understand us and importantly, speak our language. It's great to be able to call on a firm with all the different specialist areas, but have one main contact that you can work closely with."

**MYLES HOOPER**  
MINDFUL CHEF

"We always know that we can call on them and for odd things... very odd sometimes! We are not dealing with faceless bureaucrats, we are dealing with someone who really understands our business and that really helps."

**GARY WORDSWORTH**  
OTHNIEL OYSTERS



“Because they understand our business, they really work closely with us. They give us tax advice and advice on investment opportunities whilst we are expanding the business. We are always looking for more opportunities here at the vineyard and we look forward to continuing to work with PKF Francis Clark on these.”

**ANDREW PHAROAH**  
ENGLISH OAK VINEYARD

“I hadn’t realised how valuable a good accountant/ business adviser could be until I met with PKF Francis Clark. Like us, they speak in plain English and tells it like it is. They have recently helped us understand the business, where it is now and where it can go in the future. Their advice when we were approached by a potential investor/purchaser was invaluable. They work with you, not for you and are like part of the team.”

**LISA HACKETT**  
LET THEM EAT

## TALK TO US

IF YOU WOULD LIKE TO TALK TO ONE OF OUR EXPERTS PLEASE GET IN TOUCH AND WE’LL BE MORE THAN HAPPY TO HELP



**NICK FARRANT**  
PARTNER AND HEAD OF FOOD & DRINK  
nick.farrant@pkf-francisclark.co.uk



**STEVE ASHWORTH**  
TAX DIRECTOR  
steve.ashworth@pkf-francisclark.co.uk



**KATIE FARLEY**  
TAX SENIOR MANAGER  
katie.farley@pkf-francisclark.co.uk



**MARK BISHOP**  
VAT MANAGER  
mark.bishop@pkf-francisclark.co.uk



**DAVID ARMSTRONG**  
CORPORATE FINANCE DIRECTOR  
david.armstrong@pkf-francisclark.co.uk

BRISTOL      EXETER      PLYMOUTH      POOLE      SALISBURY      TAUNTON      TORQUAY      TRURO  
0117 403 9800    01392 667000    01752 301010    01202 663600    01722 337661    01823 275925    01803 320100    01872 276477

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