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a quarterly newsletter from CBSL Accountants | Autumn 2018



Welcome to the Autumn 2018 edition of our Newsletter. I hope you all had excellent Summer holidays and they aren't too much of a dim and distant memory!

Prior to the holidays we were out and about at the Oswestry Show, The Pure Telecom Cricket Match at Wrekin College, and sponsoring the Perry RDA children's tennis tournament. In this edition we profile another of our clients. We give our thoughts on what potentially lies ahead with the economy, as well as some dates for the diary.

Adrian Barker Managing Director



Are you prepared to ride the wave of economic uncertainty ?

With Brexit on the horizon, Donald Trump's tense relationship with China and the risk of trade wars, Managing Director Adrian Barker says that smart businesses should plan ahead for uncertain times.

In the last month or so, the credible financial press have featured a number of articles that make grim reading about our economy. Coverage has included extensive commentary on Brexit uncertainty, while Trump being argumentative with China and the risk of trade wars have also been hitting the headlines.

Aside of these topics under the spotlight, there are, in my view, a few other things that are quite concerning and while a recession isn't necessarily on the way, they are indicative of a need to prepare. So, how can businesses shape up to minimise risks in times of economic uncertainty?

Well, if you are planning on trading through any recession, then make sure that you have everything ready in your business to weather the storm. This could be ensuring that sales contracts are in place, debtors are controlled with as little risk as possible of bad debts, costs are in-check and you have sufficient finances to see you through any tough times.

If things are going well and you're contemplating an exit, now may be a good time, both in terms of it being before a potential downturn, but also while multiples are very high and businesses achieving high values when sold.

Some of the indicators are;

Brexit and trade wars

I shall say no more other than there is uncertainty.

Trump & Iranian sanctions et al

Not a good time to sell your German steel in Chicago and, on the flipside, nor buy a Harley in France!

US yield curve

According to some, there is a disturbing US bonds yield curve.

The full version of this article by Adrian is at www.cbslgroup.com/blog

We'd love to hear what you think of our newsletter and anything you'd like us to feature in future editions, please contact enquiries@cbslgroup.com

MEET ONE OF OUR CLIENTS

Carol Critchley & her family

Carol Critchley's long relationship with her accountancy team has encompassed the sale of two businesses, family succession planning, personal taxation and family accounting. Alongside technical accountancy services, has been unerring support and loyalty from the team at CBSL Accountants that has helped Carol and her family through both their changing business world and unpredictable personal circumstances.

Carol and her husband, Ian, began farming back in 1971 and between them established a very successful strawberry growing business in Gnosall, Staffordshire.

Ian's sharp eye for business and an ability to look ahead to innovation and farming diversification saw the couple being one of the first fruit growing businesses to introduce table-top strawberry production. This negates pickers having to bend down to harvest fruit which increases productivity and quality. In 2008, Ian and Carol became early pioneers of Bio-energy when they built an anaerobic digester on their farmland which was fed by food waste to create energy to power local homes and businesses.

Early entry into the commercial anaerobic digestion sector gave the Company a competitive advantage by enabling them to secure long-term food waste contracts with local authorities, retail and food manufacturers.

In 2008, Carol and Ian took the pragmatic decision to look ahead and plan the succession of their businesses. Working with CBSL and a third-party consultant, they put in place a carefully-planned and phased sale of their fruit empire to a high-performing and trusted employee.

A tragic turns of events in 2013, when Ian passed away very suddenly, meant that support from Carol's team at CBSL Accountants became even more important. This included reappraisal of the family's succession planning and later, the sale of the Anaerobic Digestion Business.

What services do CBSL Accountants provide for Carol Critchley & her family?

- Personal and business taxation
- Family succession planning
- Business sales
- Family accounting



What the client says about our services

Adrian Barker's support has been incredible and I have relied upon him for advice, support and back-up. I can't praise him enough. When I lost my husband, I placed a great deal of trust in Adrian and the team at CBSL, including Steve Hall, who I have worked with for 25 years, Louise Osselton and Sandra Lowers and I always have every confidence in them.

I would not have been able to achieve the sale of my businesses without Adrian's support, knowledge and expertise. The practice offers so much more than accountancy advice.

Perry RDA

Sponsorship donation boosts riding for the disabled tennis tournament. Earlier this summer, we donated £500 to Shropshire's Perry Riding for the Disabled Group, currently based near Baschurch, to boost funds for a new indoor arena.

The donation went towards sponsorship of the K12 Children's Summer Tennis Tournament staged by the Group at The Shrewsbury Club in July. Over 100 children participated in the event who, through individual sponsorship, added to the funds already raised by Shropshire's children, as part of the 'Kids with 12 months to complete their Challenge' programme.

In 2014, Perry Riding for the Disabled challenged local children and those further afield to raise £100,000 in a year. Although it took them slightly longer, they raised almost £110,000 which kick-started the fundraising and provided a major contribution to the completion of the first phase of the centre's build programme.

This year's tournament, the fourth to be staged, has helped to fund the second phase of the centre to secure the internal fit-out and add an external carriage driving track.

The Perry RDA Group supports many riders with disabilities ranging from those attending for pure fun through to those competing at international level in dressage.

As the Group could only offer outdoor training facilities, inclement weather meant that it had to cancel over 50% of its sessions each year. As Trustee Jane Barker explained, the only long-term solution was to build an indoor centre:

"Back in 2013, we literally thought enough is enough and launched our campaign to build an indoor centre with support from RDA National. We have been overwhelmed by the support we have received from local people and the tennis tournaments have raised substantial funds.

'We would like to say a massive thank you to CBSL Accountants and our other local supporters, and The Shrewsbury Club for their sponsorship of this year's tennis tournament.'

Director Louise Osselton handed over the practice's £500 sponsorship donation at The Shrewsbury Club to Jane Barker and Selina Graham, Trustees of the Perry RDA.

If you would like more information on the project or would like to donate, please visit www.cavaliercentre.org



Louise Osselton (second left) is pictured handing over the practice's sponsorship cheque to Jane Barker and Selina Graham of Perry RDA. Also pictured is Simon Bird of The Shrewsbury Club.

Profit improvement

If our thoughts on the direction of the economy are right (see first page) – or even if not – and you want to become more profitable, here are some things to think about.

Typically, accountants advise on cutting costs and have a strong focus on tax. But if all you had to do was cut costs you would have done it already: So, valid activities, but if you are serious about profit improvement and want to make real transformation in your profitability then you need to do more. The true focus for profit improvement need to be on **strategy** and **operations**.

- **Strategy** is about where the company is headed, how it is going to get there, its culture and its structure both in terms of management and ownership.
- **Operations** is about all of the functional areas of the business including sales, marketing, people, systems, finance and the products and services that you sell.

The most important thing is to follow a structured approach, develop a plan and then follow up the plan every month. There will be times when you do not have the time to implement actions in one month, but if you have a plan and it is diarised your chances of failing to implement are much lower.

One approach to profit improvement is firstly to audit your current strategic & operational position. You should define the profit improvement plan, by understanding where you are now, understanding what your profit requirements are and then substantiating and assessing how those requirements can be delivered. It can be hard to do this and so whilst you will be able to make improvements in profit yourself, to make truly transformative gains in profit we think external support is vital. Independent, critical analysis can help you challenge your goals and your operations. We can, for example, help you understand the skills of your current team to deliver, and propose how to cost effectively supplement skills in key areas if required.

Secondly, develop the strategic and operational plans. Design steps to be taken to get you from where you are now to where you need to be across all the key areas. and over a three-year horizon. Then when you are happy with three-year profit improvement plan, break that down to give a really detailed plan for the first year.

Implementation: This is where 'we' put the rubber on the road to deliver profit improvement. Why 'we'? That is because some clients choose to go it alone (the plans that we help you to develop are extremely robust). Others prefer our ongoing profit improvement support with either monthly or quarterly intervention.

If you would like to talk about improving your profits, please call us for a completely free initial meeting.

Updates and Reminders

Corporation Tax

1st October – deadline for payment if you have a December year end

Personal Tax

31st October – deadline for filing paper self-assessment returns

31st January – deadline for filing online self-assessment returns and payment for tax owed for 2017/18 plus first payment on account for 2018/19

Some dates for your diary

Valuing Your Business Seminars

18th October, 4pm to 5:30pm

15th November, 9am to 11am

Buying a Business – The Bigger Picture Seminar in Conjunction with Barclays Bank – Dates and time TBC

Our (Early) Pre-Christmas Drinks will be on 29th November – look out for your invitations in the post

What would you like to see from us?

We are here to help you in any way that we can, which includes giving you the information that you want to read. Please do not hesitate to contact us.

We also have a range of factsheets and the current tax card to download on our website www.cbslgroup.com

Alternatively, please call us on **01743 249 992**, or email us at enquiries@cbslgroup.com