

# the number

a quarterly newsletter from CBSL Accountants | **Spring 2020**

## Welcome to the Spring 2020 edition of our Newsletter.



We could never have imagined the events of the last two weeks which has brought our economy to a standstill and with no timescale of how long we will be in this position. We have all had to adapt our working lives to cope with the additional demands of home-working with home-schooling, the sudden need to furlough staff just to keep our businesses afloat in the uncertainty, and avidly watching and interpreting the daily press briefings from No.10. If you have any concerns regarding your business and the support available, please do get in touch with us.

This is a special digital edition – we introduce Jenny Beaumont, who joined our team at the start of the year. Jenny specialises in the advisory side of our firm and has contributed an article this month on financial modelling. We also profile one of our professional contacts, Nigel Rozzell of NatWest, who many of you will already know, and has kindly agreed to be put ‘in the spotlight’ for this edition.

Take care and we look forward to catching up with you soon,

**Adrian Barker & Louise Osselton**

## Introducing Jenny Beaumont



I studied Accounting and Finance at the UEA in Norfolk, not necessarily with a view to be an accountant but to break out into the corporate world safe in the knowledge that I was fluent in the financial aspects of business. After my degree I threw myself into gaining a depth and breadth of corporate wide experience working with Citigroup, Enterprise rent-a-car and Xerox in Manchester, London and Essex.

I’m not sure I was ever a natural salesperson, sales to me was finding the right solution to fit the customers’ environment. My clients trusted me and that was important to me. It was the transformational element of the business I excelled in e.g. taking a high cost, multi machine environment and designing a future solution bringing in technology, software, and workflows to reduce costs and streamline operations.

After the birth of my children it felt like the right time to get back to accountancy. I completed my studying and qualified as an accountant with ACCA, taking roles in Industry and practice to further build my SME to mid enterprise experience.

My final move to Shrewsbury is one that I had considered for a while and feels like coming home. I wasn’t born in the county but after spending every year visiting family it’s more my home than any other location I’ve known.

Shrewsbury gives myself and my family the work life balance we were looking for. Taking my son and Dad to Stoke football club on a Saturday, enjoying local shops and markets, and taking the dog for a walk – not forgetting to stop for a coffee at all the dog friendly cafes in the town.

Working for the right practice is important to me; Within my corporate finance role at CBSL I get to encapsulate my past-experience with forward-thinking accountancy. The accountancy industry has seen rapid changes and the skills I gained in sales, future scape modelling and software feels timely and relevant to the profession.

# Meet the Bank Manager

## Nigel Rozzell



**Nigel Rozzell**  
Senior Premier Banking  
Manager – Nat West

**In the first of a series of interviews, we decided to put our professional contacts, who we work with on a regular basis, under the spotlight. In this issue, we introduce Nigel Rozzell of Nat West Bank.**

**How long have you worked for the bank?** 38 years. After I left Adams Grammar School in Newport, my Dad asked me what I wanted to do. I wasn't keen on the idea of going to university but I didn't know what else I wanted to do. My Dad was well known in the local area as he worked for Telford & Wrekin Council and he knew the Manager at the Nat West Telford branch and he got me an application form to join the bank. I applied and was subsequently offered a job at the branch in Market Drayton. At the time I was offered the job at Nat West, I won a maths competition staged by Lloyds Bank and they also offered me a job at their branch in Wellington. I chose Nat West as the job was closer to home at the time. My Dad passed away ten years ago but he really enjoyed the fact that I was so established in the local area after working for the bank for so many years that he was often referred to as 'Nigel's Dad'!

**What does your current role involve?** I look after the bank's high net worth personal clients in Shropshire. In many cases, I'm a bit like a non-executive of a family's board of directors. I also work closely with Nat West's commercial team who also support my clients and also clients' accountants and solicitors.

**Which area do you cover?** My clients are mostly Shropshire based but the area I cover extends from Machynlleth to Newtown and Llanidloes and to Wolverhampton. I am based out of our branch in Oswestry. I live in St Martin's.

**Career history?** For the early part of my career, I worked in our branches in Market Drayton where I was involved with many agricultural clients, Stafford; in Shrewsbury for a long time and Oswestry where I was Assistant Manager. I have been in my current role for the last 27 years.

**Typical day in your working life?** Seeing clients to discuss their goals and priorities and helping them to achieve their dreams and aspirations. I am always out on-the-road travelling to see clients. I tend to keep to core working hours and, generally speaking, it's much better to see clients in the day when they're in working mode.

**What are the current challenges that you think business owners/high net worth people are facing?** I think the key challenges for people at the moment are how clear their futures and priorities are, low interest rates and pensions. Ensuring that clients are protected from financial ups and downs is important now too. My job is very much about keeping aggravation away from clients.

**Three reasons why clients should come and work with you?** I'm dedicated to all my clients. I am tenacious and I have a can-do attitude.

**What do you like most about your job?** Definitely the people – my clients. Because I have long-standing relationships with many clients, I really enjoy working with the different generations of families and supporting them.

**What have been your career highlights?** Two things. In 2009, I was put forward to compete in the prestigious UK's Customer Service Awards, a national competition staged for the financial services industry. The final was held in London and I was required to make a formal presentation about working with my clients. I was delighted to be awarded third place. Secondly, being able to help families reach what they want to achieve. I'd say my highlights are on-going as my customer base is ever evolving and there are always new challenges.

**Who do you admire most in the business world?** Richard Branson.

**Best advice you've ever been given?** Be honest and loyal, and always act with integrity.

**Tell us something surprising about you?** I hold a Master Mariner's Certificate, issued to me after participating in a sailing holiday in Greece in the 80s. I'm apparently qualified to take an oil tanker out into the Med!

**If you could choose three dream dinner guests, who would they be?** Richard Branson, Peter Jones and Deborah Meadon

**Which three things did you want to buy when you first started working?** A house, a car – I bought a new Mini soon after I started work – and an organ, but it's taken me until recently to buy an electric piano. My ambition is to learn to play the piano properly.

**Best place ever visited?** New Zealand. Back in 1999, I was lucky enough to spend a month-long holiday there.

**What are your hobbies and interests?** Walking, gardening and travelling.

**Favourite football team?** Wolverhampton Wanderers. When I was very young, I used to go to Molyneux with a school friend and his Dad. We'd drop his Mum off at Beatties in the town centre to do some shopping while we went off to the match.

**'I'm dedicated to all my clients. I am tenacious and I have a can-do attitude.'**

## Minimum wage

The National Living Wage and National Minimum Wage rates for 2020/21 are as follows:

From	25 and over	21 to 24	18 to 20	Under 18	Apprentice
1st April 2020	<b>£8.72</b>	<b>£8.20</b>	<b>£6.45</b>	<b>£4.55</b>	<b>£4.15</b>
1st April 2019	<b>£8.21</b>	<b>£7.70</b>	<b>£6.15</b>	<b>£4.35</b>	<b>£3.90</b>

## Key points for 2020/21 tax year

- Personal allowance remains at £12,500 (the standard tax code for PAYE will be 1250L) and the lower limit for an individual to preserve their NIC credits will be £732 per month or £8,788 per annum.
- The higher rate tax threshold stays at £37,501 for tax at 40% and the upper rate of 45% over £150,000. Different rates and thresholds apply to Scottish taxpayers.
- The dividend allowance remains at £2,000 & dividends will continue to be taxed at 7.5%, 32.5% and 38.1% respectively beyond that.
- The savings starting rate allowance of £5,000 (ie taxed at 0% if within this) continues to apply if your total taxable non-savings income is less than £5,000. If you're in the basic rate band, you will receive a £1,000 personal savings allowance for interest and £500 if you are in the higher rate band.
- The capital gains tax exempt amount totals £12,300. Entrepreneurs relief has reduced to cover only the first £1m (previously £10m) of qualifying gains on disposals after 11 March 2020.
- Pension limit remains at £40,000 with the lifetime allowance increasing to £1,073,100.
- Employment allowance increases to £4,000 from April 2020 but is only available to employers with an employer's national insurance bill of less than £100k for the year ended 5 April 2020.
- VAT threshold continues to be £85,000.
- Corporation tax rates remain at 19%.
- Capital allowances – The annual investment allowance stays at £1m until 31 December 20 with a 100% deduction for qualifying expenditure AIA.
- The structures and building allowance (SBA) has increased to 3% per annum from April 20, which covers expenditure on physical construction works and applies to new non-residential structures and buildings.
- The writing down allowance remains unchanged at 18% on plant & machinery and 6% for integral features.

We will be sending out our tax rate cards that detail all the key rates and allowances for 2020/21 – if you need any additional copies, please let us know.

# Financial modelling

## What is it?

Very simply it is a tool, usually built in a spreadsheet such as Excel, that takes where the business is now, and looks forward into the future. It is based on historical performance and then using assumptions about what will happen in the future will include a profit and loss account, balance sheet and cash flow.

## What time period does it cover

Typically, they might look ahead for 3 or 5 years, but when appraising projects that might include a high level of capital expenditure, or the acquisition of a business or assets, might look over a 10 or even 20-year period.

## But why bother?

If you are confident of your decision, then you might choose not to. But to review different scenarios that might play out then it is important to understand the effects that they may have. If you are borrowing money, then the lender will usually insist on a model.

If there is risk involved, you would want to include sensitivity analysis so that you can assess the effect of risk – for example what happens if the sale price falls by 10%... what will that do to the payback period of my loan? If you are implementing a strategic plan, success will be much more likely if it is overlaid with a financial model so that you can see if you are on track.

## Any other points?

Yes – A good financial model will be built around the key business drivers and so will clearly include the key performance indicators (“KPIs”) on an at least three-monthly basis. That means that you can check that you are on track just by looking at the KPI’s and comparing to the model.

And make sure that the model can be easily updated with actual data from your management accounts: there is nothing worse than the model becoming a burden to update – the best model will be frequently updated so you can assess where you are compared to your goals at any point in time.

## Updates and Reminders

- **PAYE** – Employee payroll records and your software needs to be updated from 6 April, or earlier if your software provider asks you to;

*Employees should receive their P60 by 31 May;*

Coronavirus Employee retention scheme online claim system is expected to be available by the end of April for uploading details of wages for furloughed workers.

- **Personal tax** – You should receive a notice if you are required to file a tax return for 2019/20 shortly after 5 April 2020;

*2nd payment on account for the 2019/20 tax year, which is normally due by 31 July 2020, has been deferred until 31 January 2021.*

## Opening hours

In line with government advice our office is now closed – we will reopen as soon as we can – however if you need to contact us, please do email [Adrian.Barker@cbslgroup.com](mailto:Adrian.Barker@cbslgroup.com) or [Louise.Osselton@cbslgroup.com](mailto:Louise.Osselton@cbslgroup.com) or phone us on **01743 249 992**.

Look out for our latest **COVID-19 updates for business** on our regular emails and blog posts. If you haven't already signed up for updates please let us know and we'll make sure you get them.