

the number

a quarterly newsletter from CBSL Accountants | Summer 2018



Welcome to the Summer 2018 edition of our Newsletter.

Of late, I have managed to fit in a training plan for the Shrewsbury half marathon. All being well the training will pay off, but with the pain of shin splints, I do not expect I will be progressing to full marathons!

In this edition, we share a profile of one of our clients, Read Construction, a family owned company who we have looked after for a number of years, with both compliance and advisory services. We really appreciate the comments that their Managing Director, Richard Heaton, has made. Whatever your plans for the Summer we do hope you have time for a lovely holiday and look forward to seeing you soon.

A handwritten signature in black ink, appearing to read 'Adrian Barker'.

Adrian Barker Managing Director

Working in harmony with your family

At CBSL Accountants we frequently work closely with our clients' family owned businesses to deal with the challenges that arise from working with their nearest and dearest. According to the Institute for Family Business, two thirds of UK businesses are family owned – that's 4.8 million in total – employing around 12.2 million people in the UK, and generating over a quarter of UK GDP. So, what are our 5 top tips to working in harmony with your family in business:

- 1 **Communication** – regular planned meetings to discuss business matters gives family members opportunity to make decisions together & to prevent work discussions infringing on family time together.
- 2 **Set roles** – identifying your family members strengths and weaknesses is key to allocating suitable roles and also highlighting where external support and advice is required.
- 3 **Get it in writing** – as with any business it is important to set boundaries and terms whilst everyone is in agreement so that should disputes arise further down the line there is a clear way to resolve matters.
- 4 **Strong values** – the longest lasting family businesses have a clear set of strong values that the family take pride in upholding and passing on to future generations.
- 5 **Work with the younger generations** – whilst the business values bind the generations together, the most successful businesses also embrace changes in their business environment, often propelled by the passions and ideas of the younger generations to move the business forward.

If you want to discuss challenges facing your family business, are considering starting a new business venture or want to look at how best to hand down the business to next generations, please do give us a call or email and we will be happy to offer advice.

We'd love to hear from you what you think of our newsletter and anything you'd like us to feature in future editions.

If you'd like more information on any of our services please return the enclosed postage paid card and add any comments or suggestions.

We are also starting to host more seminars. In this edition we give details of our latest series of seminars on helping you know what your business is worth.

Richard Heaton, Managing Director of Read Construction based near Wrexham, introduces his business and outlines how we support him and his team.



Tell us about your business

Read Construction is a best practice construction company covering Mid to North Wales and North West England. We support a diverse range of public and private sector clients with projects across a variety of markets including commercial, educational, healthcare, heritage, industrial, residential, leisure and hotels, and zoological.

Sustainable development is at the heart of everything we do, from investment in people through to the selection and use of recycled materials, embracing the three pillars of sustainability – people, planet, and prosperity. Implementing modern methods of construction and proactivity in the early adoption of new and innovative practices have also contributed to our success.

We developed North Wales' first zero carbon office development and our passion for innovation and commitment to sharing best practice throughout the industry, resulted in us receiving the coveted CEW Awards on two occasions by Constructing Excellence Wales. As a business, we strive for 100% client satisfaction, delivered through exceptional customer service.

What are the services CBSL Accountants provide for your business?

- Audit and preparation of financial statements
- Group accounts
- Personal tax compliance and planning
- Corporate tax planning
- Succession and strategic planning
- Group restructuring



What do you think about how CBSL Accountants support you and your business?

The team at CBSL Accountants offers a breadth of ability way beyond what most people would expect from their accountancy practice.

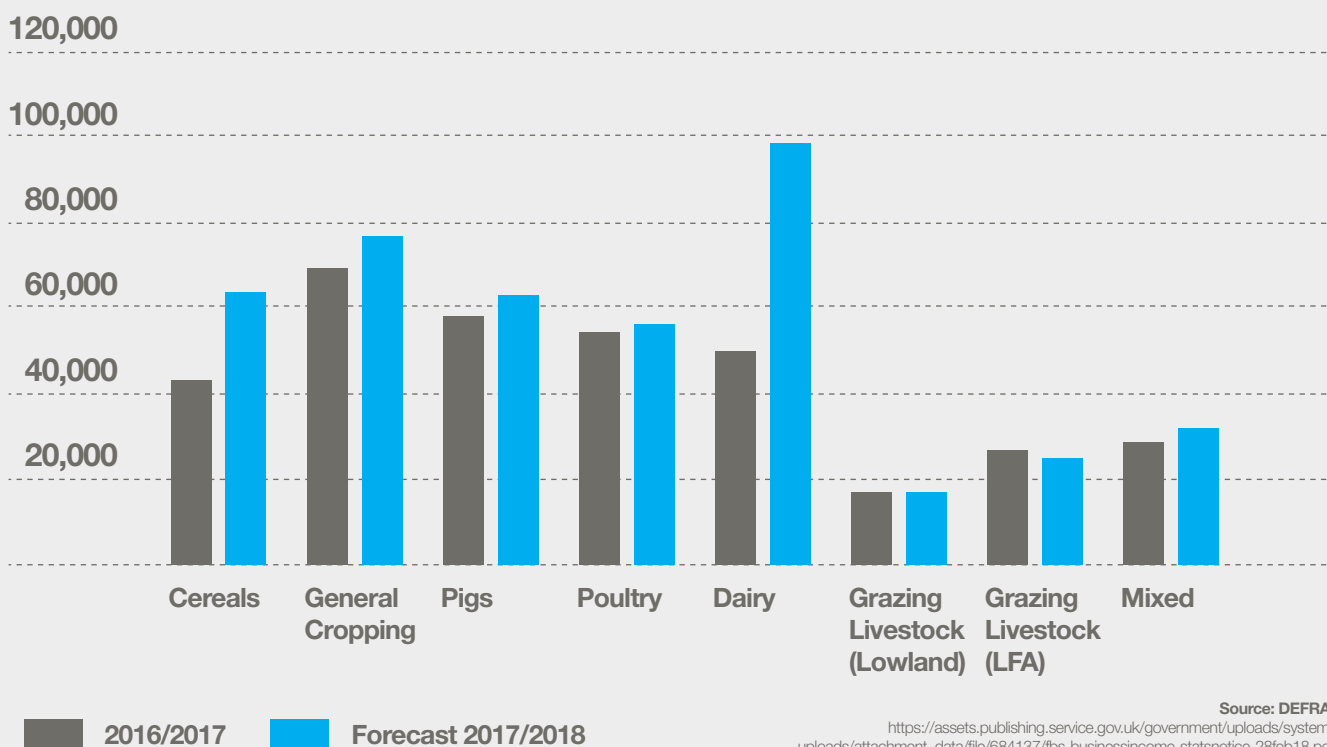
Over the last four years, Managing Director Adrian Barker has acted outside his accountancy role to provide our business with real corporate expertise, including strategic and operational planning. It has been so valuable to have someone who is an independent pair of eyes looking at what we do, who has really got to know our business and is prepared to ask challenging questions too – then look for an answer with us. Challenging questions come from really understanding how a business ticks.

Because of the many clients they have experience of working with, they have accrued an in-depth knowledge of supporting businesses and overcoming challenges and this experience is invaluable.

The people I work with at CBSL Accountants – Adrian, Steve Hall and Louise Osselton are excellent and personable. The badge above their door says 'accountants', but they offer a business far more than number-crunching.

What lies ahead for farmers

The most recent estimates of farm business income from forecast increases in farming profits across most sectors, with dairy topping the league for 2017/18. The improvement in dairy is through higher milk process and output resulting in a near doubling of profits.



The worst performing farms are again expected to be grazing livestock; less favoured areas (LFA's) performing better than lowland, as a result of higher Basic Payments and Agri-Environment payments. Both types of grazing consistently lose money without direct payments.

Average Basic Payments are expected to be around 6% higher across all farm types as a result of weaker Sterling exchange rates when the payments were determined.

General cropping incomes are expected to increase by 11%, with increased output from cereals, oilseed rape and sugar beet partially offset by lower potato prices. Input costs are also expected to increase, particularly crop variable costs. Similar cost increases are expected in poultry farming, as well as reductions in the price of eggs. However, this sector is due to show a 5% increase as a result of higher poultry meat prices plus increased production of broilers, and egg production.

Brexit effects?

If you can bear mention of the 'B-Word', this is still a big question that no-one knows the answer to. Agricultural trade is though characterised by protectionism. Of all types of farming sheep is a net exporter and so failure to get an agreement will affect this area the most. We see the biggest effect as being on the availability of labour, and most notably in horticulture, where approximately 90% of the workforce are EU migrants. The hit is two-fold: (i) Exchange rates changed dramatically after the referendum, and so the desire to travel to the UK for a season has diminished; and, (ii) the introduction of stricter controls on inward migration will prevent some of those who do to, from coming. Migration impact on other areas such as arable, will be negligible.

What about the weather?

The DEFRA farm income data was published in February 2018, based on survey responses earlier in the year. They will therefore not predict the impact of the Beast from the East in late February / early March, nor the Mini-beast that followed, nor the unprecedented levels of rainfall that we have had... but then followed by a very dry spell in May... and then as I write this on the Sunday of the second May Bank Holiday weekend, with lightning overhead, who can tell!

Farm Business Income forecasts do though tend to be reliable, with Dairy the only sector in the equivalent 2017 forecast being out of tolerance, as a result of over estimation of input costs, particularly feed. Hopefully higher dairy prices will negate this.

Our 2018 seminars for business owners thinking of selling in the next few years

'How much is my business worth?' This can be a very complex question to answer, but will typically consider the value of assets and liabilities, as well as a multiple of profit. Ultimately though the true value of your business is what someone will pay you for it.

We are often asked what businesses are worth and so, we are hosting a series of seminars to explain how businesses are valued. We are offering each attendee a *FREE indicative company valuation* after the event. Numbers are strictly limited at each event so email to register now.

12th July 2018:	9:30am to 11:00am
20th September 2018:	9:30am to 11:00am
18th October 2018:	4:00pm to 5.30pm
15th November 2018:	9:30am to 11:00am

Attend our seminar and receive a FREE valuation of your business

Who should attend?: All business owners who are contemplating selling their company within the next three years. Three years may seem like a long time but there is a very strong correlation between the amount of time spent preparing a business for sale, and the value achieved on sale.

Format: We know that selling your business is not an easy decision to make, and if you do consider it, you will not want to advertise that fact. Numbers at each event are therefore limited to 12 people. Alternatively, if you prefer we can arrange a one to one meeting, in complete confidence, to discuss the value of your business as well as all aspects of selling your company.

Venue: CBSL Accountants Limited, Rowan House North, 1 The Professional Quarter, Shrewsbury Business Park, Shrewsbury SY2 6LG.

We are growing

In May we welcomed Arandeep Bhullar to the CBSL team, who has joined us as a trainee accountant from a local firm. After successfully qualifying as an AAT, Arandeep will continue with her qualifications later this year with us to train as a Chartered Accountant.

At the start of June, Caroline Monro joined us as a tax associate. Caroline is an experienced Chartered Tax Advisor and prides herself on approaching work, clients and colleagues with a sense of integrity, co-operation, good humour and diligence. We are delighted that she has joined us, and she will work closely with Steve Hall and Sandra Lowers to provide tax advice to our clients.

Continuing with our commitment to training, Rosie Brookfield will be joining us shortly to train as a Chartered Accountant. Rosie is a graduate of Liverpool University having studied Accountancy.

We look forward to introducing them to you in future newsletters.

Updates and Reminders

Personal tax

Your second payment on account for the 2017/18 tax year is due to be paid on or before 31 July 2018

P11d

Form P11d for benefits and expenses provided to employees needs to be submitted by 6 July 2018, with payment to reach HMRC by 22 July 2018 (or 19 July if by cheque)

Corporation tax

Payment due by 1 July 2018 if your company year end is 30 September

GDPR

We have updated our Privacy Notice as a result of the introduction of the new data protection law on May 25th 2018 available at www.cbslgroup.com/privacy-notice. We will continue to use your contact details to keep you updated about CBSL Accountants' activities or events of interest, which will include sending updates and newsletters by email and post.

We take your privacy seriously. We will not obtain personally identifying information about you when you visit our website, unless you choose to provide such information to us through the enquiry form. We do not share any information we receive with any outside parties except as might be required by law.

You always have the right to withdraw consent, where given, or otherwise be removed from our direct marketing. Should you wish to limit or object to any such use, or would like further information about our Privacy policy please contact us on enquiries@cbslgroup.com.

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 either by returning the postage paid card for more information. 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 249992, or email us at enquiries@cbslgroup.com