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accountants

# the number

## Welcome to the Spring 2024 edition of our Newsletter.



At the time of writing in early March 2024 I find myself in an annoying gap: each time there is a budget it falls neatly between too early for me to write about what is said and too late for us to write copy about what it said by the time it is published. I did do a brief commentary on what it said, which is on our blog. I even resorted to writing a pre-budget piece on the morning it was announced – that made life easier. You can read it below...

“A budget statement should be a delicate thing. A light pressure on the tiller. A delicate movement of the steering wheel. It should be relatively neutral.

As I say every time, it is in essence a political statement as much as an economic intervention: there is a limit to how much can be done and afforded. Hence an amount of ‘beige’ should be expected.

The risk though of me commenting on a political statement is that my comments are perceived as being political too, and so I risk offending half of the readers of this article. With that in mind I would like to apologise in advance to both of you and hope one of you enjoys this read.

As always, the Devil is always in the detail as they say, and so the little Devils in this case are the tax accountants who with fine toothcombs in hand can advise on the operative aspects behind the gloss of the announcement earlier in the day.

This can leave me with a dearth of what to say. I am sure you would not thank me for giving you a rehash of what the CoE (Chancellor of the Exchequer rather than Church of England) said, and the opinions of all and sundry on TV, Online and Wireless 4.

Some firms like to give a budget seminar, but that always seems for the benefit of the firm rather than those seeking knowledge about the budget. Our preference is therefore to present a brief view soon after, a tax card of course, and one to one advice for anyone who would like. ☺

So, welcome to the latest version of our newsletter, in which we include a variety of articles. If ever there is something that you would like us to include, please do let us know, but perhaps don't see that as a personal challenge to set us an unenviable task to write about something obscure! As always, we have added some dates to remember, some details of what is happening with CBSL Accountants, and in the wider business world.

**Adrian Barker** Managing Director

### Inside this edition

1. What is in a name?
2. Succession planning
3. Recruitment
4. Updates and Reminders

Read Adrian's  
post budget  
comments here



# What is in a name?

**The weekend before writing this, Saturday 3rd February, there was an article in The Times, about comments made by the Chief Executive of Jaguar Landrover Automotive: another chap called Adrian – and this time a Mr Mardell.**

It was a difficult weekend for the good name of Adrian being tarnished... The Mr Mardell, who I will come back to shortly, as well as far-from-sober, heavily blooded 'gentleman' in Taunton A&E, who was explaining to his sister / wife / acquaintance for that evening why he had needed to start the fight.

As an aside, why do children have to wait to get ill until the wee small hours of Sunday mornings? Adrian is a name I have never loved: too often assumed to be an Andrew, or mis-spelt as A Drain (or perhaps they are telling me that I am one?). Or the connotations that came with the 13¾ year old Mr Mole and his pubescent woes. Still, I was apparently nearly a Julian, so every cloud and all that...

Back to Adrian Mardell, who was speaking about how he wished the government would wake up to the extent of and 'distress caused' by criminals stealing high-value vehicles. He went on to criticise recent reports, quoting research by LeaseLoco, a comparison website, that the Range Rover had become Britain's most-stolen brand per 100,000 vehicles on the road and that as a result the cars were becoming uninsurable, prompting second-hand sale values to plummet.

Mardell called that 'misreporting'. He said he had seen national police computer figures that did not put Range Rover in the top ten of most-stolen vehicles: In so doing neatly ignoring the key words 'per 100,000 vehicles on the road'.

Personally, I think it is a shame, as I really would love a Range Rover. But if you add in Velars, Evoques and Sports, the just under 4,500 that were stolen last year is a lot. All that before you consider reliability and they eye-watering costs of repair. One client suggested that Range Rovers are a lovely place to sit in... only by the side of the road whilst you look at you banking app and consider how to pay.

Difficulties in getting your Range Rover back home to park on the drive, and problems with them not still being on the drive the next morning, are all increasing the costs of insurance, and this all means that our Automotive Adrian's company is getting a bit of a bad name. How did he address the insurance point? He said, 'There is no reason, zero reason, that insurance companies should not insure these vehicles'.

A spokesman for the Insurance Industry said "Hmmm". (Allegedly)

I feel that I am rather stuck with Adrian as my name, and there is nothing I can do about the behaviour of colleagues within my nomenclature. As an aside I went by the name of Berni through university (as a result of an ill-advised pub restaurant visit in the first term). It was actually a Toby, so I feel a dodged another bullet there!

**So, what to do with a name?** I think the lesson has to be look after it. Mr Mardell might have been better announcing some new deterrent – perhaps a mechanical key – rather than blaming the data or criticising the insurers. At no time did he accept the blame. Nor did 'A&E Ade', although he will have some rather impressive scars to remind him of the evening, and a chance to reflect. But each to their own.

Every business makes mistakes and at CBSL Accountants I know we sometimes do too. I guess what matters is how you deal with them. When we hear that something is not quite right, Louise and I always take a personal interest, and do what we can to resolve. We might not get everything right, but we always care - even if you are called Toby, Julian... or Adrian – well perhaps there is a limit after all!

# Succession planning

**Succession planning is something that we have featured in The Number, a number of times, and that is because it is or will be (or even has been) pertinent to a lot of our clients. It is something that we have established a lot of expertise in. As we mentioned in the recruitment article, we act for very few small businesses: we are atypical of the average professional firm, and so the experience comes from the larger more complicated businesses that we look after.**

The success stories from companies that have succession plans are lovely. There are a few examples amongst our testimonials page on our website [www.cbslgroup.com](http://www.cbslgroup.com). We have some awful instances though of where succession planning has not been put in place, and circumstances and events, such as poor health or death, have been such that succession could not take place and so a business-lifetime's value is lost.

**Statistics:** I first wrote about succession planning in the third edition of this newsletter, which was 7 years ago. The statistics about succession planning then made grim reading then and were as follows: -

**Over 60%** have no ownership succession plan;

**Over 75%** have no management succession plan;

**Over 70%** have not identified the next leader;

**Over 50%** have no long-term strategic business plan; and,

**Only 30%** successfully transition from first generation to the second owner

**And 15%** to the third owner

one publication suggested that a company's value can be **20% to 25% higher** when a proper succession plan is in place.

They don't seem to be any better now. We have not commissioned a study since **2017**, but it is easy to Google to get a perspective. The consensus tells me that **65%** do not have a succession plan, which stands up well to the data I presented **7** years ago. One firm proposed **90%**, but I suspect that might have been based on their client base having a large number of smaller businesses... or perhaps on a desire to shock clients into action.

**Does not having a plan matter?** Well, one publication suggested that company values would be **20% to 25%** higher if there had been a proper succession plan. But more widely the difference is that a plan allows you to extract value from your company, and a lack of means no value: it really can be that binary.

**As a business owner, you might be wondering whether succession planning matters to you?**

Unfortunately, it does. Without putting too morbid a focus on this, we will all die. We cannot take the business with us, and once gone there is a necessary restriction on how active we can be in day-to-day operations. There is also the title of the richest man in the graveyard - not one to be aspired of. Perhaps I am now equally guilty of shocking you into action!

The first two bullet points relate to different things but are highly inter-related. I have lost times how many times that potential parties have decided that they will not proceed with taking over a company because everything revolves around the current owners. It is a problem that takes time to deal with. In one recent example the problem has delayed retirement by around two and a half years and counting.

**So, what do you do...?**

So what next, well in the space we have available at the end of this article we are not going to have enough to give a substantive answer. And more importantly, the circumstances from company to company and business owner to business owner will be very varied. So in conclusion if succession is something that you think you would like to consider, then perhaps the best thing to do is that we arrange a time to speak?

# Recruitment

**I don't know about you, but we are starting to see a few more CVs and of the CVs we are seeing there are a larger number of very impressive candidates. Last month one of those CV's was from someone who starts with us in April. She joins having worked in practice as an accountant locally for 8 years during which time she has been working her way through professional qualifications. Whilst qualifications are important, the most important thing is that the people who join us have similar values to us: they care about clients and colleagues, and as hard as it may be to do, that is one of the many things that we try to look for, at interview.**

Our main problem with recruitment now seems to be one of space, to accommodate additional employees. We do though have vacancies in personal tax and corporate finance.

Personal tax at CBSL Accountants is very different to that at different firms. We do not have cardboard boxes, waiting to be opened in the winter months, stuffed with receipts and handwritten accounting records. I imagine the number of sole trade and partnership businesses total less than a dozen. Most personal tax work therefore is spread throughout the year and relates predominantly to the directors and shareholders of our limited company clients.

In corporate finance, we need to further bolster our team having recruited Helen Riley last year. Our reputation for advising successful Shropshire businesses continues: one which we create quietly by advising well and receiving client referral, rather than saying who and what we did. At the time of writing, we have recently completed a £19m transaction. We have a number of others at various stages, which cover acquisition disposal and MBO. If a step away from compliance accounting would be of interest, then we would love to hear from suitable candidates. Typically, they would currently be in practice, and part qualified either ACA or ACCA.

If you are recruiting, sometimes it is helpful to get a second opinion, and if in the financial area, then we would be happy to support you with that external perspective.

## Updates and Reminders

### P11d

Form P11d for benefits and expenses provided to employees needs to be submitted for 6th July 2024 and payments need to reach HMRC by 22nd July 2024 – if you need any assistance with completion of the forms please contact Sandra Lowers.

### Personal Tax

You should receive a notice if you are required to file a tax return for 2023/24 shortly after 5th April 2024;

Second payment on account for the 2023/24 tax year is due by 31st July 2024.

View our website by scanning this QR code with the camera on your smartphone.



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