

- chartered accountants
- corporate finance
- technologies
- wealth management
- family business

# PLUS+

KEEPING YOU  
UP-TO-DATE  
WITH ALL THAT'S  
NEW AT PM+M

ISSUE 6

In this issue:

**Don't fall into the GAAP!**

Page 1

**Lifetime financial planning from PM+M**

Page 6

**Is it time to invest for Manufacturers?**

Page 8

**We've got a new website! ...and we've gone mobile too!**

Page 11

**ACCA AWARD Retained status**

Page 12



**NWSCA**

Accountancy and Business Awards 2013

**WINNER 2013**

**WINNERS OF ACCOUNTANCY FIRM OF THE YEAR. FIND OUT MORE ON PAGE 10**

**DON'T FALL INTO THE GAAP!**

## BUSINESS NEWS



### Businesses need to be aware of the biggest change in accounting standards for over 20 years.

From 1<sup>st</sup> January 2015 UK Generally Accepted Accounting Principles (GAAP) will be changed to adopt three new Financial Reporting Standards, of which FRS 102 will be the most important.

The changes are mandatory for accounting periods beginning on or after 1 January 2015 and will impact all medium-sized and large companies.

Whilst 2015 remains a distance away, the changes mean that companies will need to reinstate their balance sheets as early as January 1<sup>st</sup> 2014, so early consideration of the changes is vital.

The impact of the required changes could be:

- Certain accounting treatments will alter, such as goodwill and deferred tax, leading to reductions in distributable reserves affecting companies' ability to declare dividends.

- Valuations of goodwill could dramatically diminish as potential reductions in useful estimates are probable. Changes such as these could lead to a decline in reported profits.
- Alterations to certain accounting treatments could lead to a drop in operating profits and potentially net assets, adversely impacting covenant calculations.
- Re-valued assets which currently do not incur any deferred taxation, will be treated differently and additional liabilities recognised.

Pension schemes, subsidiary companies and charities could also be affected.

We recommend that you consult an accountant now to determine how these changes will affect you; the earlier you start preparing for these changes the better equipped you will be.

PM+M can guide you through this transition step-by-step to ensure your business is fully prepared for the impending challenges.

For more information call Chris Johnson on 01254 604371 or email [chris.johnson@pmm.co.uk](mailto:chris.johnson@pmm.co.uk)

## TIME TO INVEST? ACCORDING TO THE GOVERNOR OF THE BANK OF ENGLAND, MARK CARNEY:

**"A renewed recovery is now underway in the United Kingdom, and it appears to be broadening."**

This is good news after years of stagnation, but there is still significant capacity in the economy as shown by the high unemployment figure, and there will need to be a prolonged period of solid growth before that capacity is removed.

However, is it time to make that investment in your business so you can take advantage of growth as the economy recovers?

Many of our clients are now starting to think in these terms and we are helping them with fund raising for expansion and acquisition, so we thought it would be a good idea to have a brief canter through some of the funds available to growing businesses in our area.

Regenerate Pennine Lancashire is behind a number of grant funds. Accelerating Business Growth can provide grants between £20,000 and £150,000 to Lancashire businesses committed to growth and job creation. It works on a 1:4 ratio, so businesses have to be able to fund 80% of the project costs from other sources. Fuse Fund is a similar grant scheme providing between £5,000 and £50,000 but works on a more favourable 1:3 ratio. In addition, Accelerating Business Growth Plus should shortly come on stream targeting mid-sized businesses with grants of between £150,000 and £1 million.

FW Capital manages the North West Fund for Loans Plus and can lend between £50,000 and £750,000

in a single round and can also invest in follow on rounds. Repayment profiles typically range from 3.5 to 5 years.

Enterprise Ventures manages the Rosebud Fund which can provide loans from £15,000 to £150,000 to both new and existing businesses, typically over a 5 year period. Lancashire County Council also has the Rosebud Micro fund providing loans as part of finance packages up to £50,000.

Recent developments in the area give weight to the belief that now is the perfect time to invest in East Lancashire businesses.

The Burnley Bondholders scheme led to the town recently being named the most enterprising area in the UK by the government. Thus far the scheme has generated £10m of new investment and has been praised for reinvigorating the town's economic prospects and inspiring a pioneering culture among Burnley businesses.

Not to be left behind, Blackburn firms recently voted in favour of a Blackburn Improvement District, the scheme will create £1.5m worth of funds which will be invested into the regeneration of the town centre.

There is plenty of money available, assuming your business case is strong.

Thinking about investing to develop your business? Give us a call to chat through opportunities and how we might be able to help. Call Jim Akrell on 01254 604353 or email [jim.akrell@pmm.co.uk](mailto:jim.akrell@pmm.co.uk)

## BUSINESS NEWS

# NEW TAX RELIEF ARRANGEMENT OF SMALL CASH DONATIONS TO A CHARITY

**In previous years, charities were unable to claim a tax refund on small cash donations. New rules will see this change.**

The HMRC have announced that charities can now reclaim the basic rate tax of 20% deducted from a cash donation of no more than £20. This type of donation, usually from street collections etc, will now be considered a gift.

This will be subject to a relatively modest overall limit to the charity of £5,000 per year.

This new relief means that, within the £5,000 limit, a cash donation is as valuable as any contribution through Gift Aid, a cheque, a direct debit or bank transfer.

If you normally pay tax at more than the basic rate, there is no higher tax rate relief on a cash donation. If you require this kind of relief, a donation through Gift Aid would suffice.

# CLOUD ACCOUNTING SOLUTIONS

Our Run My Business service is now offering a cloud accounting solution. This secure online package will enable clients to access and record sales and expenses online from work, home or on the go and will provide valuable real-time information. With enhanced security and unlimited data storage, cloud makes life simple.

Run My Business is a stress free, all inclusive, fixed price alternative to traditional accountants. Let Run My Business take on the daily hassle of bookkeeping, accounts, payroll, VAT and tax returns so you can focus on growing your business.

If you would like more information about this service, or would like to speak to someone about our Run My Business service, visit our website at [www.pmm.co.uk](http://www.pmm.co.uk) or call 01254 679131

# GROWTH ACCELERATOR

**We are delighted to announce that we have been working with the Growth Accelerator initiative. Growth Accelerator is a private sector and government partnership aimed at achieving rapid and sustainable growth for small to mid-sized businesses.**



Expert coaches work alongside businesses to develop a bespoke growth plan tailored to the individual needs of each company. These coaches are matched to individual businesses on a case-by-case basis bringing relevant experience, know-how and motivation.

This program is specifically targeting smaller business. To be eligible, businesses must be registered in England, have no more than 250 staff and an annual turnover of less than 40 million. First year figures have been extremely positive and with a 97 percent approval rating of the advice provided it is evident that businesses consider this a worthwhile venture.

For many businesses the problem is the prioritising of day-to-day survival over long-term planning and strategy. This invariably leads to stagnation. Growth Accelerator aims to provide the perspective and foresight to prevent businesses reaching a plateau. Rapid growth is tangible for any business willing to commit to the program and the results are potentially very rewarding.

If you would like further information please speak to Jim Akrill on 01254 604353 or email [jim.akrill@pmm.co.uk](mailto:jim.akrill@pmm.co.uk) or visit [www.growthaccelerator.co.uk](http://www.growthaccelerator.co.uk)

## BUSINESS NEWS

# THE PARTNERSHIP TAXATION LANDSCAPE IS CHANGING FROM 06/04/14 - DON'T BE CAUGHT OUT

**In the 2013 Budget, the Government announced that HMRC would consult on changes to two aspects of the taxation of partnerships in order to address what it considered to be tax avoidance involving:**

- 1 The disguising of employment relationships through LLPs; and
- 2 The manipulation of profit and loss allocations between members of partnerships which were designed to achieve a tax advantage.

**The consultation is not intent on impacting traditional partnership structures which are operating the way legislation intended. The wording of the consultation document however suggests there could be a significant impact on many professional partnerships and LLPs. Key point: employment status of salaried partners.**

There is a current automatic presumption that LLP members are self-employed. The same does not apply for partnerships, where the normal employment vs. self-employment tests apply.

Proposals are in place to remove the presumption of self-employment which will require LLPs to consider whether members should in fact be treated as employees and therefore subject to income tax and employees' National Insurance Contributions under PAYE.

If members are employees rather than self-employed, the LLP will also be liable for employer's National Insurance Contributions including benefits in kind provided to the member. The net result will be an

increased cost to the individual partner and the LLP as well as implications for the firm's cash flows, especially if it relies on tax reserves for working capital requirements.

HMRC say that the proposed measures are not intended to impact on the status of persons taken on as members at an appropriate point in their career in recognition of their professional knowledge and personal skills, even though as junior partners they may be rewarded substantially by a fixed profit share. However, members looking to retain their self-employed status may need to take a significant economic risk in the event that the LLP makes a loss or is wound up and should have other rights, such as a variable profit share and an entitlement to a share of any surplus assets on winding up.

**Key point:**  
**Partnerships or LLP's with corporate members.**  
 The other key aspect of the proposed changes relates to partnerships or LLP's with both individual and corporate members. Measures are proposed which will seek to charge income tax and NIC on profits allocated to corporate members in which the individual members have an interest or can benefit from.

The HMRC consultation concluded on the 9th of August with final measures expected in the Autumn Statement.

We'll be sending out an e-shot summarising the Autumn Statement to all our clients if you would to receive one please email [blackburn@pmm.co.uk](mailto:blackburn@pmm.co.uk).

## WEALTH MANAGEMENT



# LIFETIME FINANCIAL PLANNING FROM PM+M WEALTH MANAGEMENT

**One of the most frequent questions asked by our clients is 'When Can I Retire?' And while it may seem like a simple question, working out a definitive answer can often feel like trying to solve an impossible jigsaw puzzle. Our interactive process can help you find the answers.**

A first step in the planning process is to understand your current financial position. When taking into account your financial goals and aspirations we look at your income from all sources and how much your desired lifestyle will cost.

But once you have all this information, how do you translate it into a meaningful and accurate view of your retirement? Using a market-leading, financial planning software application, our expert financial planning team take a holistic approach to your lifetime planning by forecasting your income and expenses, as well as any assets and liabilities

throughout your lifetime. From all this information we are then able to produce easy-to-interpret reports and plans to visualise your current and future financial position, as well as give an accurate date for your retirement.

Once a plan is created, we can then create a range of scenarios within the software on a "what if" basis. That way if you have a number of options available to you (sale of a business, inheritance or investment to cash in) you can change the plan to visualise how different decisions will affect your retirement plans. We also advise you how to make the most of your money by effective investment and how to minimise your tax bill. It's all aimed at giving you peace of mind.

For more information on our lifetime financial planning services, call our wealth management team on 01254 679138.

## WHAT OUR CLIENTS SAY

**96%**  
OF PERSONAL  
TAX CLIENTS  
ARE HAPPY TO  
RECOMMEND  
OUR SERVICES  
TO A FRIEND!

**We recently commissioned a short satisfaction survey of our personal tax clients. We had a huge response from the survey and now that the results are in, we are delighted that our clients think we are on the right track!**

**96%** would rate our service as great or good and **87%** of clients felt we provide value for money.

Tax partner Jane Parry said, "The survey results are extremely encouraging and show that the majority of our clients feel our team are providing an excellent service. However we realise that it takes constant effort to achieve and maintain this standard and we aim to take onboard all of the very constructive comments received to provide an even better service in the future."

We asked clients how they might sum up our service in one short sentence – here is a selection of the replies:



- Approachable - especially for people like myself who have no idea about tax. Things explained in a manner that I can understand.
- Efficient approachable and a delight to work with.
- Always able to get in touch with the person you need to speak to. Very helpful.
- I have great confidence in the service you offer. I have peace of mind and have recommended PM+M to friends.
- Helpful, friendly and professional.
- Very professional and approachable.
- Like the personal touch.
- Individual, invaluable and specialist advice for even the smallest of businesses.

We also commissioned a wealth management survey and the results were as similarly effusive as tax.

**100% of clients agree that our Wealth Management team are accessible, approachable and friendly.**

**94%** felt they were valued clients whilst **97%** agreed that we completed our work promptly and provided clear explanations for guidance given. Not only this, **91%** believe PM+M's wealth management service provides value for money.

For more information on our tax services call Julie Walsh on 01254 604312 or email [julie.walsh@pmm.co.uk](mailto:julie.walsh@pmm.co.uk)

## SECTOR SPOTLIGHT

# IS IT TIME TO INVEST FOR MANUFACTURERS?

**Our experience of talking to the region's successful manufacturers leads us to the same conclusion whatever the business. Don't rest on your laurels. Keep looking to the future. Innovate or stagnate.**

In a recent survey published by *The Manufacturer*, investment in machinery and new product development are key priorities for UK manufacturers over the next 12 months, with 46% reporting that they are "quite optimistic" about economic prospects.

UK manufacturers are focused on research and development in order to create new products. 36% plan to increase spending in this area and 62% will spend over £100,000 on machinery and tools this year. Whilst the demand in major European markets remains subdued, manufacturers are reporting the strongest output and order books in over 12 months.

The Government's stated objective is to have the most competitive business tax system of any major economy in the world. It is probably too early to conclude that this is so, but there are a number of highly attractive tax incentives to encourage investment.

Research and development tax credits allow SMEs to claim an additional tax relief of £1.25 for every £1 the business spends in developing new products or introducing improved processes. However, there seems to be a disparity between R&D carried out and relief claimed in the manufacturing sector. 72% of all R&D is conducted by the manufacturing sector, yet only 40% of claims come from manufacturing companies. Businesses seem to be missing a trick here.

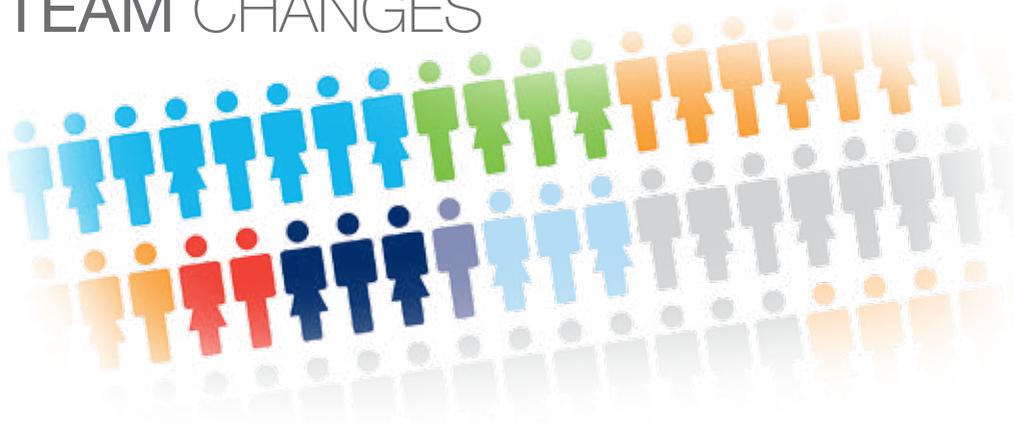
Another key incentive is the increase in the Annual Investment Allowance from £25,000 to £250,000 from 1 January 2013 to 31 December 2014. Qualifying capital expenditure will receive a 100% deduction against taxable profits up to a maximum of £250,000. This has to be good for investment.

Manufacturers need to be ready for the upturn and take on the investment risk if they are serious about growth. The tax incentives are substantial. If you think you are missing out or have questions about investment, speak to us.

For more information call Jim Akrill on 01254 604353 or email [jim.akrill@pmm.co.uk](mailto:jim.akrill@pmm.co.uk)

## PM+M NEWS

# TEAM CHANGES



**Earlier this year took the decision to restructure our business services department into two newly-formed specialist teams, encompassing Corporate Services and their successful Run My Business service with an aim to create two clearly defined teams that can provide highly specialised advice to clients.**

The newly-created Corporate Services team offer services such as corporate finance, business recovery and audit.

David Gorton, Partner at PM+M and head of the new Corporate Services team said, "Due to a combination of new client gains and increasing demand from existing clients for detailed and often complex work, we have created a specialist team to strengthen our expertise and range of services to continue to provide a high level of service to our corporate clients".

Our innovative Run My Business service was launched in 2011 to provide support and advice to SME clients. Since then it has gone from strength to strength and to support the growing number of clients taking up the ground-breaking support solution, a separate, specialised team has been created.

Jackie Fisher, Partner and head of Run My Business service team said, "Since its launch, our Run My Business offering has exceeded all expectations and we are currently growing rapidly and experiencing high client demand."

"Creating a dedicated team fits in with our growth strategy and allows us to continue providing great service to all our clients."

"Clients love Run My Business because it helps them to spend less time on the day-to-day administration of their business and focus their time and efforts on growing the business. It gives them the key management information they need to run the business. We work really hard to help our clients succeed and achieve their goals. Run My Business is a fantastic way for us to do that."

For more information on the services available to corporate clients, contact David Gorton on 01254 604359

For more information on run my business visit [www.runmybusiness.co.uk](http://www.runmybusiness.co.uk) or contact Jackie Fisher on 01254 604308

# NEW ROLE AT BLACKBURN YOUTH ZONE FOR DAVID GORTON

**PM+M Partner David Gorton has taken on the role of treasurer on the board at Blackburn Youth Zone.**

Blackburn Youth Zone is a town centre youth project designed to provide an affordable, safe environment for the thousands of young people in Blackburn. PM+M became patrons of the Youth Zone in 2011 and we are passionate about raising money for this worthy cause.

Of the appointment, David said "The Youth Zone makes a huge difference to the local community, it's a project that we really believe in here at PM+M and I'm delighted to be able to contribute to their further endeavours."



Details of the Blackburn Youth Zone and how you can get involved can be found at [www.blackburnyz.org](http://www.blackburnyz.org)

# ACCOUNTANCY FIRM OF THE YEAR

**PM+M are immensely proud to have won the "Accountancy Firm of the Year" title in the 2013 North West Society of Chartered Accountants (NWSA) awards.**

A few of the team joined top accountancy practices from across the region at a glittering award ceremony at The Hilton Hotel, Blackpool on Thursday 28th November.

The judges praised our unique style of presenting and were particularly impressed with our enthusiastic team and the series of innovations we have introduced to assist clients and their businesses. Also highly praised was our approach to training, development and succession.

Managing Partner, Stephen Anderson said "This award would not have been possible without the hard work and dedication of our team. It's their high levels of commitment and motivation that ensure we continue to build long standing relationships and to deliver excellent client service.



## TECHNOLOGIES

# WE'VE GOT A NEW WEBSITE!

**Our new website is now live. After two years we thought it was time our website had a refresh.**

The new site is cleaner and fresher but still has all the information you need including contact details, information on our services, and our latest news and events. We have also added some exciting new features such as a blog and some video content to the site please have a look and tell us what you think.

Our new website has been built using the latest responsive technology. This means that however you choose to view the site – smartphone, tablet or pc - the site will automatically adapt to give you



an optimal viewing experience - easy reading and navigation with minimal resizing and scrolling.

It means you can view and access the whole of the website however you visit the site. To view our website, simply browse

[www.pmm.co.uk](http://www.pmm.co.uk)

## MICROSOFT XP END OF AN ERA

**In a sense, April 8, 2014 will mark the end of an era - this is the date when Microsoft will cease providing support for its perennially popular Windows XP operating system.**



Since its launch way back in 2001, XP has proven surprisingly durable, managing to retain a large portion of the market share even after subsequent operating systems (e.g., Vista) arrived on the scene. But Microsoft is finally bringing down the curtain on XP; after April 2014, the company will stop providing security patches, updates, and related support services.

What will this mean for the substantial number of businesses that still rely on XP? Unfortunately, it will be necessary for them to make the leap to a newer operating system. Though XP will continue to operate after its end-of-life date, the termination of support services makes the system vulnerable to new viruses and other cyber threats that may arise. If you would like more information contact the PM+M Technologies team on 01254 682248.

## PERSONNEL

# TEAM TALK



Anjela Green



Sarah Clancey



Elaine Vickers



Sarah Alpe



Mark Richmond



Laura Bolton



Melanie Stones

**In recent months we have boosted the number staff in our specialist teams.**

Anjela Green has joined as Bookkeeper, Sarah Clancey has taken the role of Trainee Accounting Technician, Elaine Vickers joins our payroll team and Sarah Alpe has taken up the position of Business Services Senior.

Mark Richmond has joined as a Trainee Tax Advisor whilst Laura Bolton arrives as a Trainee Administrator/ Financial Advisor. Both recent graduates of the University of Central Lancashire, Mark gained a BA (Hons) in Accounting & Financial Studies and Laura achieved a degree in Accounting and Finance.

Melanie Stones has joined our Audit & Accounts team, enhancing the Corporate Services team.



**Congratulations go to Colin Emmett**

Colin has been successful in the Financial Performance examination towards his AAT qualification.

**AAT Worldskills – Sarah Clancey**

Sarah Clancey took home the silver medal at the national finals of the AAT Worldskills Competition in Accounting. Sarah was team leader of a group of three initially chosen to represent Training 2000 that saw off competition from over 60 teams, specialising in accountancy, from across the UK to reach the finals at the NEC in Birmingham. Congratulations go to Sarah and her teammates on a fantastic achievement.

## AWARDS

We are pleased to announce that following a recent review, the ACCA (Association of Chartered Certified Accountants) have confirmed we continue to meet all the requirements to retain our status as a Platinum Level Training Office and a Platinum Level CPD Employer - Platinum is the highest level of employer approval awarded by the ACCA.



- chartered accountants
- corporate finance
- technologies
- wealth management
- family business



**Blackburn office**

Greenbank Technology Park,  
Challenge Way, Blackburn  
BB1 5QB

Telephone: 01254 679131  
Facsimile: 01254 681759  
Email: [blackburn@pmm.co.uk](mailto:blackburn@pmm.co.uk)

[www.pmm.co.uk](http://www.pmm.co.uk)  @pmm\_acc

**Burnley office**

Lodge House, Lodge Square, Cow Lane,  
Burnley BB11 1NN

Telephone: 01282 438035  
Facsimile: 01254 681759  
Email: [burnley@pmm.co.uk](mailto:burnley@pmm.co.uk)