

+ more news

Welcome to our spring newsletter. We hope you find it interesting and helpful. For more information on any of the matters covered, please get in touch.

R&D takes StormMeister into the lead in flood defence

Malcolm Snape is the eponymous owner of William M Snape Manufacturing and the inventor of a number of revolutionary, patented flood defence products. We spoke to Malcolm to discover what inspired him to specialise in flood defence, the quest to perfect his product, and how RfM supports his business to grow and expand.

Over a long and varied career in manufacturing, Malcolm Snape had put his problem-solving skills to good use developing a number of viable business ideas – but he had never invented a product, as such. Malcolm's transition from entrepreneur to inventor was to begin in 2010, many miles from home, as he neared the end of a short-term contract in Nigeria, and considered what his next steps would be.

"I was carrying out a study into the feasibility of manufacturing UPVC products in a remote African province called Akwa Ibom," explains Malcolm. "Akwa Ibom neighbours Cameroon, and is in the rainforests so, of course, it rains – a lot. In the evenings, there was little to do, but lots of time to think.

"All the rain set me thinking about flood protection and, more specifically, the problem of how difficult flood defence doors are to operate.

"Conventional flood doors are very heavy and difficult to lock – so not suitable for your average home or business. My vision, if you like, was to be able to design a door that could keep out the water as effectively as these conventional



StormMeister flood defence doors are designed to be operated by elderly and disabled users

doors but be operated by anyone, even the elderly or disabled.

"The logical way of doing things seemed to be to use the pressure of flood water. Then came the problem of designing a suitable flood seal that would operate by pressure of flood water..."

A journey of discovery

Back in England, armed with some ideas of how it could work, Malcolm began a process of Research & Development with earnest. It was a journey of discovery that would take many years and ultimately lead Malcolm to find a completely original solution to the problem.

"I set the business up in 2010 and we had perfected our first product – the inward opening door – by 2014," Malcolm tells us.

"Progress was very slow at first. We didn't have our own testing tanks here in Preston so I was travelling over to Yorkshire to use another company's tanks. When you are developing a product that's never been made before, R&D is vital to the process and you obviously need to invest in the right equipment and expertise. We now have seven testing tanks on site at our premises in Preston; so I can come up with an idea for a modification to a product in the morning and be testing it by the afternoon."

R&D tax credits

But how can a business sustain the cost and time involved in researching and developing new products?

"RfM have been our accountants for a number of years now and they understand that R&D is a core part of our business. They were instrumental in helping us to secure R&D tax credits from the government. These are tremendously beneficial to a business like ours



Inventor of the patented StormMeister flood defence door, Malcolm Snape

as they allow us to offset the costs involved in the R&D process – including the materials and the labour – and also receive a bonus on top."

The business, which trades under the 'StormMeister' brand name has now successfully applied for and been awarded patents for the design of two of its flood defence doors, and is working on developing a range of other products.

Funding for the next phase

"We have established a strong reputation for engineering and design and clients now approach us directly to develop new products specifically for their needs. The business is rapidly growing, not just in the UK, but in Europe and the US. To meet demand and continue to innovate, the next phase is an expansion of our manufacturing site."

RfM Accountants has helped William M Snape Manufacturing to secure funding that will enable the business to double the size of its premises, invest in the necessary equipment and continue to innovate for years to come.

"We knew that the bank would not have loaned us the amount of funding that we really needed to achieve our plans for growth. RfM directed us to a marketplace lender and supported us through the application process, and it was all completed within three weeks. To secure this funding is absolutely wonderful for us; it gives us peace of mind to know we have enough money to be able to grow... and to continue to do what we do best."

If you carry out Research & Development activity and would like to speak to us about R&D tax credits or business funding, please get in touch.



Paying dividends – getting it right

Many owner-managed companies use dividends as a means to extract cash from the business but the practice of paying dividends has been attracting more and more attention from HMRC. Getting it wrong can have expensive tax consequences – so what is the right way to do it?

Paying dividends – company law

The s830 Companies Act 2006 states that a company is only entitled to make distributions out of profits available for the purpose. A dividend must also be supported by relevant accounts which demonstrate that profits are indeed available for distribution. For paying a year-end dividend, the statutory accounts will most likely be the appropriate accounts.

In respect of paying interim dividends, directors may be called upon to make what the law calls ‘reasonable judgment’ of the company’s current financial position and its ability to meet debts as they fall due.

Directors’ responsibilities

Directors should take their responsibilities in regard to paying dividends very seriously. In the event that shareholders receive a dividend whilst knowing that there were not sufficient reserves available at that time, they can become liable to pay it back. Company directors may also become personally liable.

To ensure that dividends are paid lawfully, always follow correct procedure. Good practice would be to hold a directors’ meeting to consider the accounts and declare the dividend. Ensure the meeting is minuted and that a dividend voucher is prepared at this time.

Tax tribunals

It is not unheard of for individuals and companies to lose a tax tribunal for neglecting points such as these. In one case, a tribunal heard that ‘there had not been any directors’ meetings at, or resolutions in which, any of these amounts had been declared as dividends’. The tribunal subsequently found that the amounts were not, in fact, dividends but earnings. HMRC were entitled to recover PAYE income tax and National Insurance from the directors personally.

Please speak to your advisor for advice on the payment of dividends or remuneration strategies.

The Parliamentary Review – a year in perspective

RfM Accountants is proud to have been featured in this year’s Parliamentary Review, an annual initiative to showcase best practice in all sectors of business across the UK.

The Parliamentary Review is released each year to coincide with the start of the Parliamentary year. The purpose of the Review is to share best practice among policy makers and business leaders. It also aims to demonstrate the response of business and industry to challenges posed by the political and economic environment.

Each edition of the review focuses on a key government policy area, with a select number of organisations sharing their insights alongside government ministers, agencies, associations and trade bodies. With the inclusion of commentaries from leading journalists and innovative thinking from industry experts, The Parliamentary Review is viewed as a comprehensive summary of the past year, and a reliable blueprint for the year to come.

Businesses across the UK are invited to submit evidence of best practice in their sector for inclusion in the Review. The case studies featured are used as a learning tool by the public and private sectors. RfM Accountants has been included as a representative of best industry practice in the field of Accountancy and Financial Services.

The Prime Minister commented, “this year’s Parliamentary Review follows a significant year in British politics” and this is reflected in the articles from journalists and best practice representatives.

Our group philosophy – to go the extra mile

“We are really pleased to have been invited for inclusion in the review,” said RfM Group Consultant, Paul Newsham. “It’s evidence that we’re doing something – actually lots of things – right.

“The group has grown relatively quickly over the last two years so it was important that, firstly, we understood what we were offering to clients and,

secondly, were consistent in the way we delivered our services across the different offices.

“The **+ more** element of our brand represents our philosophy of always going the extra mile to solve our clients’ problems. As we’ve grown, it also stands for some of the other services we offer, such as business consulting and our newly-launched legal service.

“Quick growth and corporate acquisition has certainly brought its own set of challenges. Foremost among these was ensuring that the additional offices that joined the group shared not only the same accountancy systems and standard procedures, but also our group philosophy and guiding values.

“I hope that other practices will take from our review piece that you don’t have to be just accountants to be a successful accountancy firm.”

Parliamentary Review launch

Earlier this year, Paul attended a gala dinner at The Houses of Parliament to launch the Review. The Honourable Jacob Rees-Mogg MP was the keynote speaker at the event.

Search for RfM Accountants at www.theparliamentaryreview.co.uk to view the full article.



+ more news on our website

We regularly publish news stories and updates on our website. Recent articles include:

20 years and counting...

A profile on Partner Gillian Isibor who recently celebrated 20 years at RfM Preston.

Inheritance Tax planning and reliefs

Key points and reliefs to consider when planning to minimise the impact of IHT.

New tax rates and bands

The headline figures for new tax rates in England, Scotland and Wales.

Plans to abolish Class 2 NICs delayed

NMW for sleep-in shifts

The government has clarified whether NMW should be paid to employees carrying out sleep-in shifts.

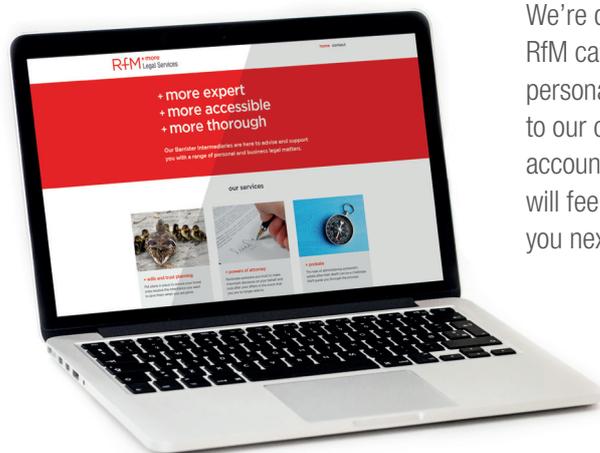
The death of a spouse – ISAs and the Marriage Allowance rules

Read these articles and more at

www.rfm-more.co.uk/news

FOCUS ON: RfM Legal Services

The RfM family is growing



We're delighted to announce that RfM can now provide a range of personal and business legal services to our clients. As your trusted accounting advisors, we hope you will feel confident to come to us when you next need legal assistance.

Over the years, many of our clients have come to us for advice on a range of legal matters, both personal and business-related. Whilst we did not have the expertise 'in-house' to help them directly, we have always aimed to refer them to a specialist who could. However, we became somewhat frustrated that we could not do more to help.

As such, we have looked closely at how we could improve the way we respond to requests for legal help and are delighted to be announcing the launch of RfM Legal Services.

Members of the Legal Services Guild

To be able to provide our new range of legal services – including wills and trust planning, probate, conveyancing and more – we have become accredited members of the Legal Services Guild (LSG) and welcomed a qualified Barrister Intermediary to the RfM team.

Should you choose to use our legal services, Sharon Rigden, our Barrister Intermediary, will be your first point of contact and the vital link between you and your legal team.

With you at every step

Sharon is qualified to assist you directly with a range of personal and business legal matters. As a first step, Sharon will usually meet with you to get to know you and to gather the facts relating to your legal matter. She will then make recommendations and prepare the necessary documentation with the support of the barristers at the Legal Services Guild. If the advice you need is not covered by the services we currently offer directly, Sharon can refer you for expert legal assistance in virtually every area of law.

Whether we manage your case in-house or refer you to a specialist, Sharon will be there to support and assist you every step of the way.

Our range of legal services

+ Wills and Trust Planning

Ensure your loved ones receive the inheritance you want to give them when you are gone.

+ Powers of Attorney

Nominate someone you trust to make important decisions on your behalf and look after your affairs.

+ Probate

We'll guide you through the task of administering someone's estate after their death.

+ Inheritance Tax Planning

With careful early planning, it is possible to remove the burden of Inheritance Tax.

+ Shareholder Agreements

Reduce the potential for damaging disagreements between shareholders.

+ Buying and selling businesses

A Sale or Purchase Agreement ensures that all parties understand what to expect from the transaction.

+ Conveyancing

We'll make sure your house sale or purchase goes through as swiftly and smoothly as possible.

+ Debt Recovery

Get the money you are owed without damaging important client relationships.

+ Divorce, dissolution and pre-nuptial agreements

Our personal approach will help ensure the best outcomes for everyone involved.

If you would like advice on a legal matter, please speak to your usual advisor who can refer you.

Alternatively, call 01772 431233,

email srigden@rfmlegal.co.uk or fill in our

online form at www.rfmlegal.co.uk

Meet our Barrister Intermediary



Should you need to call on us for legal services, our Barrister Intermediary, Sharon Rigden, will be the vital link between you and your legal team.

In addition to giving access to legal expertise, the Legal Services Guild supports members in other ways, such as by helping with the recruitment of a suitable Barrister Intermediary. LSG suggests that the ideal person for the role will have a background in banking, a passion for customer service and the ability to nurture client relationships. They could have been talking about Sharon.

A passion for service

After a career in banking spanning over 30 years, Sharon was looking for a new challenge – but one that played to her strengths and the type of work she most enjoys. Sharon started out behind the counter at TSB Bank aged 16 but her friendly nature and ability to build good customer relationships soon saw her move up to the position of Personal Banking Advisor. She would go on to hold a number of key, customer-focused roles and look after the affairs of individuals and businesses from all walks of life, in a range of circumstances.

"In many ways, the role of Barrister Intermediary is very similar to what I did before," explains Sharon. "At the bank, I often supported clients during difficult periods of their lives. There is a lot of crossover with some of the legal services I will be providing, such as powers of attorney and probate. A key aspect of the role is to get to know our clients, to understand their needs and provide the right advice. And to be consistent; clients won't have their matter passed to different people, they will always be able to deal directly with me."

Qualified and registered

Whilst the role is a perfect fit for Sharon's skills and experience, she has had to undergo intensive training to gather the required legal knowledge and be qualified to practice: "The training is delivered by practising barristers and quite intensive. But, it's really motivating to discover another profession that suits my skills and personality just as well as banking."

We would like to congratulate Sharon on achieving outstanding scores in all her exams.

+ more under one roof... RfM now provides mortgage services

Hot on the heels of the launch of RfM Legal Services, we have more exciting news to share... You can now call upon RfM for help with a range of mortgage matters, including remortgages* and funding for commercial property.

In keeping with the + more element of our brand, we are always looking for ways to help our clients to save money and make the most of their finances. The introduction of RfM Mortgage Services means we can now offer expert, independent advice on mortgages.

Whether you are seeking a new mortgage, looking to get better terms by remortgaging or need finance for your commercial or rental property, we can help. Our independence means that we have access to the entire mortgage market, and we aim to find the right product for you, at the best rate.

Independent mortgage services, tailored to you

One size of mortgage definitely doesn't fit everyone's needs which is why the mortgage market is so broad – and confusing! As experienced, independent advisors, we have access to the entire market so that we strive to track down the most appropriate mortgage for you. This includes exclusive products

which are only available through certain mortgage advisors.

We provide a free initial consultation to ensure we fully understand your mortgage and remortgage needs before making any recommendations. Be assured that the mortgage advice we give you will always be professional, clear and honest. Whether this is your first or fifth mortgage, we will guide you through each step of the application process and keep our communications refreshingly free of confusing jargon.

If you are looking for a mortgage because you are moving home, we understand that the process can be incredibly stressful. We have introduced our Mortgage Plus service to help take away at least some of that stress. As part of our premium service we can fast-track your mortgage application, negotiate the purchase price and deal with estate agents, lenders and solicitors on your behalf.



The standards you expect from us

Our priority is to ensure that the service we deliver to clients using our mortgage services is of the high standard you expect from us. Sharon Rigden, who also heads up RfM Legal Services, will be the first point of contact for new clients.

Sharon has over 30 years experience as a banking relationship manager. She puts client care at the heart of everything she does and will ensure that your mortgage enquiry is dealt with efficiently and professionally.

For advice on any of our mortgage services, please speak to your usual advisor who can refer you or call 01772 431233.

On the move?

If you are looking for a mortgage because you are considering moving, our conveyancing service can take care of the legal work involved in the sale and purchase of a property. Visit www.rfmlegal.co.uk

Applying for a mortgage when you are self-employed

Getting a mortgage can be a challenge at the best of times. For the UK's nearly five million self-employed people, the process is even more difficult, but that's not to say it is impossible...



Since the start of the financial crisis in 2007, lenders have tightened the rules around proving income and affordability, which is where it sometimes gets tricky for self-employed applicants.

Unlike most employees, with a regular, fixed amount of earnings every month, income for the self-employed can vary. There will be good months and bad months. Providing evidence of income can also sometimes cause problems, for example if you have only recently started trading and, as such, do not have two or three years of accounts.

As a first step, ask your lender or mortgage provider what they will accept as evidence of income – this will vary from lender to lender. The good news is that an increasing number of mortgage providers will accept the SA302 self assessment tax calculation or a tax

calculation printed from the tax return software that we, as your accountants, use. In addition, you will also need to provide a tax year overview.

You can print the SA302 and tax year overview from your HMRC online account. A list of lenders who accept the SA302 and tax year overview as proof of income is published on the gov.uk website.

Ensuring that your annual accounts and tax returns are prepared and submitted in good time will also help any application.

RfM Mortgage Services

We provide a free initial consultation to ensure we fully understand your mortgage or remortgage* needs before making any recommendations.

Call 01772 431233 or arrange an appointment online at www.rfmmortgageservices.co.uk



Chartered Accountants

RfM Preston	01772 431233
RfM Ulverston	01229 582149
RfM Barrow	01229 820003
RfM Fylde	01253 790527

Chartered Management Accountants

RfM Morecambe & Lancaster	01524 566190
RfM South Lakes	01539 445412

www.rfm-more.co.uk

Email enquiries@rfm-more.co.uk



*You may have to pay an early repayment charge to your existing lender if you remortgage.

RfM Mortgage Services is a trading style of Key Mortgage Advice Limited who is authorised and regulated by the Financial Conduct Authority. We are entered on the Financial Services Register No 312930 at register.fca.org.uk

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME OR PROPERTY. YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.
The Financial Conduct Authority does not regulate some aspects of commercial mortgages and buy-to-let mortgages.

Generally, RfM refers to the network of member organisations, each of which is a separate and independent legal entity. Member organisations are not members of one legal partnership and are only liable for their own acts and omissions, and not those of each other. **Disclaimer:** This newsletter is published for the information of clients. It provides only an overview of the regulations in force at the date of publication and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material contained in this newsletter can be accepted by the authors or RfM.

RfM is not authorised under the Financial Services and Markets Act 2000 but, because we are licensed by the Institute of Chartered Accountants in England and Wales, we are able to offer a limited range of investment services to clients if they are incidental and / or complementary to, or arise out of, the other professional services we have been engaged to provide. It is our policy to refer investment business, excluding corporate finance work, to Financial Advisers, authorised and regulated by the Financial Conduct Authority. The Financial Adviser will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000.