

+ more news

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

Client focus: Moduflow Fan Systems

Selling a family business

We visited Moduflow Fan Systems in Barrow to meet owners Ron and Beryl Whitworth who recently completed the sale of the family business they built together from scratch. In a candid interview with Ron and RfM Partner Paul Newsham we gained an insight into what can be done to prepare a business for future sale, attract the right buyers and achieve maximum value.



Background

Listening to Ron Whitworth talk about the design thinking behind Moduflow's flagship fan products, it's clear that he is hugely passionate about what has been, in effect, his life's work. Ron has been designing industrial fans and air movement systems since 1979. As such, few people have as much knowledge of the industry or such a clear vision of how the future of air movement systems should look.

Ron launched Moduflow Fan Systems with wife Beryl in 2009. Over the last 10 years, they have worked tirelessly to grow their business and disrupt the market through a combination of innovative design and engineering precision. Ron and his experienced team now have a solid reputation for technical expertise, quality workmanship and high levels of service.

The company's cutting-edge design and manufacturing facility is located in Barrow-in-Furness but its reach has expanded far beyond the Lake District, and Moduflow fans are now distributed all over the world.

Finding a buyer

RfM partner Paul Newsham first discussed the sale of the business with Ron and Beryl early in 2019. They had already taken steps to find a buyer through a specialist broker but the right investor had yet to come forward.

"We decided to sell about two years ago, which was quite an emotional thing to do," explains Ron. "You do get very involved with the business. The amount of blood, sweat and tears I've personally put into it have been really high. But, as we didn't have anyone to take it over from me, we decided to sell."

"When I first met Paul, he explained how to put the business on the market and how it would be sold. My involvement was very minimal because Paul did all the work for me."

Drawing on his knowledge of the business sale process as well as his professional connections, Paul was able to assist with finding a buyer and completing the sale to everyone's satisfaction.

"I met with Ron and we spoke about his aspirations for sale," comments Paul. "We then went through the process of putting a value on Ron's business and seeking a buyer."

"In Ron's case, this was quite easy because I already knew someone who was interested in acquiring a business like Moduflow. But usually I would ask the client about their customers, their suppliers and the people that they know in the industry, and draw up a list of potential buyers. We then put together a confidential letter on a no-named basis and market the business to those people."

"With family firms, there are extra emotions and stress involved with the sale. My role is to help them through the process so that they achieve their aspirations and sell for the maximum value possible. This is a one-off transaction and it can be very emotional because they have spent their whole life building up that business; it's almost like a child leaving home, and we try to make that as easy as possible."

Start preparing well before the sale

"The key piece of advice I would give is to look at maximising the value very early in the process – not when you reach retirement age, but a good five or six years before. We help the client get the business ready so that it can achieve maximum value on the day of sale. That could mean adopting processes, recruiting people, or incentives, like share option schemes. Often, a family business will have a lot of goodwill attached to the owners and you need to move that away from the owner to the business."

Following the buy-out, Ron continues to support the business as Chairman, managing the transition to new ownership and ensuring Moduflow continues to be successful for many more years to come.

For advice on selling your business, please contact your usual RfM advisor.

People Power

supporting you to bring out the best in your staff

Ask any business owner what aspect of running their business causes them the most headaches and you will receive a common answer: having staff. From finding the right people to keeping records, drafting handbooks and dealing with issues in conduct, having employees requires specialist knowledge, skills and time that you may not have. As part of our commitment to provide comprehensive support to our business clients, we have introduced a range of HR services delivered via our colleagues at RfM Business Consulting.

We are delighted to welcome experienced HR professional, Diane Johnson to the RfM Business Consulting team. Diane has 30+ years' experience working in human resources roles across a range of commercial sectors and has been delivering services directly to clients via her own consultancy since 2012. Diane also provides coaching services to business owners and leaders.

An optimum level of service

RfM HR services will offer a range of retained HR service packages suitable for most companies, from SMEs to larger organisations. Diane has drawn upon her experience to ensure clients receive an optimum level of service depending on the size, life-stage and growth ambitions of the business. Clients can also tap into specialist expertise to deal with a particular HR issue on an as-needed basis.

"I'm excited to be able to reveal our new service to RfM clients," said Diane. "We have been working hard behind the scenes to make sure our suite of service plans will effectively meet the HR needs of most businesses. Our focus will be on delivering a premium level of service and advice that is driven by the business' needs, at a price that is competitive. This is particularly important for smaller companies who can be put off by the high rates, long contract terms and legally-focused HR advice offered by some providers.

"The RfM ethos is all about adding value and going the extra mile: we have a network of trusted HR professionals that we can call on when needed which allows us to offer a flexible and agile service. We are also happy to work alongside an incumbent supplier to provide oversight or additional skills your current provider may not be able to deliver as quickly or effectively."

Tony Backhouse, Managing Director of RfM Business Consulting, believes introducing HR Services was a natural next step for the business. "The very purpose of our consulting offer is that we can step in and provide high added-value support to smaller companies to help their businesses grow and develop to their full potential.



"Our collaboration with Diane, and the scope of the HR services we will be able to deliver, allows us to further enhance the support we offer clients by getting the very best from their people as well."

Access to an HR expert – when you need it

Our retained packages have been designed to meet the HR requirements of most businesses.

Safeguard & Protect gives businesses access to the skills and resources they need to comply with employment legislation and the reassurance that they can call on a reputable HR professional to help resolve people problems as they occur.

Sustain is ideal for businesses who want to systemise and create robust people processes, whilst taking the pressure to deal with HR matters away from the MD and/or senior managers.

Grow would suit any size of business that is committed to investing in its people and creating a great place to work.

These are complemented by a broad range of ad hoc HR Consulting services which can be engaged to manage specific issues as they arise.

To find out more and discuss your business' HR needs, call Diane on 07720 353450, email djohnson@rfm-more.co.uk or speak to the Partner at your usual RfM office.

RfM + more
Business Consulting
rfmbusinessconsulting.co.uk

On your marks... get set to pay CGT within 30 days

Next April brings yet more change for residential property owners. From the start of the new tax year, a new 30-day CGT payment window will be introduced. This change will mainly apply to sales of second homes or rental property.

Who will the changes affect?

Any individual, trustee or personal representative realising a taxable capital gain from the sale or other disposal of UK residential property will be obliged to complete a 'residential property return'. They will also need to pay Capital Gains Tax on account within 30 days of completion. In cases where the gain is not taxable – for example if it is covered by main residence relief – it will not be necessary to make a return. If the new 30-day deadline is missed, interest and penalties will be charged.

Why is this change significant?

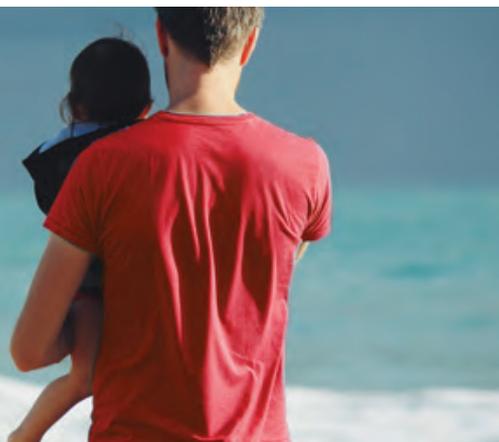
Under current rules, CGT must be paid by 31 January of the tax year following the year of disposal. This proposed new deadline therefore represents a huge reduction in the time allowed between selling a residential property and paying the tax.

We anticipate that the 30-day CGT payment window could lead to problems in cases where calculating the capital gain is complex. The new rules do, however, allow for certain estimates and assumptions to be made in calculating the payment on account. Taxpayers who fall within Self Assessment must also report the capital gain on their annual tax return in addition to completing the 30-day residential property return.



With just six months to go until the new rules come into effect it is important to consider the implications of these changes now if you plan to sell a property after April 2020. **Please speak to your RfM advisor as soon as possible so that we can assist where possible.**

Why use a Trust as well as a Will?



Making a Will brings peace of mind that your loved ones will receive the inheritance you wish to give them in the future. However, a Will alone does not always protect against the 'what ifs': those unexpected yet common life events that could lead to your loved ones losing their inheritance. Here we look at the benefits of using a Trust alongside a Will to make a formidable estate plan.

Prevent 'sideways disinheritance'

If you have specific wishes for what happens to your estate when you die, it is essential to have a Will. But a Will alone may not always protect your beneficiaries against losing all or some of their inheritance.

Using a Trust or Trusts alongside a Will offers many benefits including preventing 'sideways disinheritance' (when assets end up with someone you did not intend them to).

Examples of common life events that can cause sideways disinheritance include:

- **When a widowed spouse remarries**

If a surviving spouse remarries after the death of their husband or wife, assets that were jointly owned or inherited by the survivor would usually be shared with their new partner. So if your surviving spouse remarries, their new partner is entitled to at least half your assets.

By using a Will Trust, assets put into it can be protected for your children even if your spouse remarries.

- **When a beneficiary gets divorced**

Assets left to a person in a Will form part of their estate and would be included in any financial divorce settlement. Perhaps more surprisingly, whilst you are still alive, the inheritance a beneficiary is to receive in the future can be considered, with a portion being handed over when it is received.

If assets are left to a Trust they will not form part of your beneficiaries' estate.

- **When a beneficiary is in financial hardship**

If you leave assets to a beneficiary who is, or has been in financial difficulty, their creditors could seize their inheritance.

Whilst in a Trust, assets cannot be seized by creditors.

- **When a beneficiary dies prematurely**

Imagine that you have left assets in your Will to your son who is married with children. If your son were to pass away whilst your grandchildren were still young, his inheritance would usually pass to your daughter-in-law. If she were to remarry, your son's inherited assets would normally be shared with her new partner. If the new partner also has children, your grandchildren's inheritance would be diluted further, and they could even be disinherited completely.

Children of your beneficiaries (e.g. your grandchildren) can be included as beneficiaries of the Trust.

Protecting the future

It is possible to avoid all these outcomes and protect your loved ones' inheritance by placing property and/or assets into a Trust. Sharon Rigden, Relationship Manager at RfM Legal Services, can advise you on the best structure to meet your individual requirements.

Arrange a free Will Review consultation

Arrange a free consultation to review your existing Will or to discuss setting up a new Will or Trust. Your Will Review will be a relaxed, informal session at a time and a place to suit you, and you are under no obligation to take any action based on Sharon's recommendations. Call Sharon on 01772 431233 or email srigden@rfmlegal.co.uk



RfM + more
Legal Services

rfmlegal.co.uk

Positive Rental Attitude

6 tips for buy-to-let Landlords

The pressure on buy-to-let landlords continues to grow and they have more legal obligations than ever before. If you are thinking about getting into buy to let, these 9 top tips will help you stay on top of your responsibilities.

1 Find out if you need a licence

Some areas introduced licensing in 2006 to clamp down on rogue landlords. Check with your local council to see if you need one.

2 Get a valid EPC

As of April 2018, any property being let must have a valid Energy Performance Certificate and a minimum EPC rating of 'E'. If you arrange a tenancy without one, you could face a hefty fine.



3 Prepare the property for tenants

Think about the type of person you want to attract and have them in mind when you decorate or furnish the property.

4 Get the right insurance

Most standard buildings insurance will not provide the level of protection you need, so it's worth shopping around for specialist cover for landlords that ideally includes loss of rent, damages, legal expenses and liabilities.

5 Stay on top of safety checks

All gas appliances must be checked every year by a Gas Safe registered engineer. Landlords must also ensure that smoke alarms and Carbon Monoxide detectors are fitted and tested and that the property is safe and fit for human habitation.

6 Draw up a tenancy agreement

We can't stress the importance of having a contract between you and your tenant – especially for issues like rent arrears.

Read the full article in the news section of our website rfm-more.co.uk

Phishing and fraud HMRC stops scammers spoofing helpline numbers



HMRC have successfully stopped fraudsters being able to spoof their official helpline numbers.

The 'spoofing' scam worked as taxpayers would receive calls which, when they checked the numbers online, appeared to be genuinely from HMRC. This led many to believe the fake calls were real, and enabled fraud.

HMRC will only ever call you asking for payment of a debt that you are already aware of and will never ask you to read your card details aloud.

If you receive a call, text or email from HMRC, take steps to ensure it is genuine before responding or revealing any personal details. **Report a suspicious text by forwarding it to 60599. Report scam emails and calls to phishing@hmrc.gsi.gov.uk**

Helping smaller companies get from A to where you want to B

We have found many smaller companies don't have the time or the expertise to develop a plan to move their business on to the next level. RfM Business Consulting has launched a Growth Strategy package tailored specifically to the needs of these smaller businesses.

Who is it designed for?

The ways in which you will benefit will depend on the stage your business is at and how well it is doing. Typically, this business growth strategy package will be of help if:

- you are too busy working IN your business to work ON your business
- you know you need a plan for the future but don't know where to start or what to prioritise
- you are uncertain of the direction your business should be going in
- you have grand ambitions for growth but are unsure how to achieve them
- you need a robust business plan to be able to approach lenders for funding
- you want to identify new growth opportunities
- you want to build up your business to achieve a particular goal e.g. to have a better living, to sell, or to hand over to the next generation.

What will you gain?

The typical outcomes of working with an RfM business growth consultant are:

- A clearer picture of your business as a whole and a better understanding of what is working



well and what is less successful.

- A strategy baseline which allows you to measure the success of your actions.
- A strategy map/business growth plan which sets out future aims, actions and priorities.

Tony Backhouse, MD of RfM Business Consulting recently worked with family business Horner Brothers Brewery to formulate a robust business growth plan. "I have found the whole process really helpful, particularly in terms of setting the direction we should be going in and identifying where I need to focus my efforts," says co-owner Elliot Horner.

"Although the results of this exercise will have a big impact on the business, the process has not been disruptive or time-consuming. Tony guided us through each stage and worked with me to clarify what was needed. I've already started working on our first priorities and I am excited about what the future holds for Horner Brothers Brewery."

+ more news on our website

We couldn't fit all our news into this newsletter; please visit our website for these stories [+ more](#)



VAT changes for construction companies

Controversial changes to VAT for builders and construction companies have been delayed. We explain the VAT reverse charge and what you should do to prepare.

[Read online](#)



News from our international partners

Asia Briefing provides a round-up of the latest business updates from Asia published by our international partner Dezan Shira & Associates.

[Read online](#)



Skydive for Gracie

There is still time to sponsor Mandi, Emily and Brad who are skydiving for the NW Air Ambulance Charity in memory of their colleague Gracie.

[Please donate via the Ulverston office](#)

RfM

Accountants **+ more**

Our offices

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

RfM Morecambe & Lancaster	01524 566190
RfM South Lakes	01539 445412
London	07708 335174
International	01772 431233

Email enquiries@rfm-more.co.uk

rfm-more.co.uk



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.