

# MCBRIDES BUSINESS ARENA

News and views to give you the edge in business

## 'eXtra' protection from the taxman

Small businesses are more likely to be reviewed by the taxman after HMRC admitted that one in ten small businesses is under investigation as it attempts to recoup uncollected taxes from 2015-2016.

Should HMRC decide to investigate your business records, it will usually call asking questions to ensure you are meeting legal responsibilities. This conversation will help it determine whether you can submit an accurate tax return, if further action is required, if additional help and support is needed or if a face-to-face visit is required.

If HMRC deems a face-to-face meeting necessary, it will agree a date and time with you, although we have heard about some instances where inspectors have turned up unannounced. Please remember that you are not obliged to meet with them if this is the case as it's highly unlikely to be at a convenient time. You are also entitled to have time to prepare for what can be a lengthy visit.

Unfortunately, no-one can predict if or when HMRC might decide to have a closer look at your business affairs, but such intrusion is costly to deal with and you will need to take professional advice to help you manage HMRC's questioning.

McBrides offers all clients a fee

protection insurance known as 'eXtra' to help cover our fees should HMRC select your business for review. 'eXtra' is an annual insurance product with premiums linked to your business turnover. The premium also covers the self-assessment tax returns of directors and/or company secretaries and their spouses or civil partners where McBrides prepare these. If any of these people have rental income exceeding £50,000, a separate 'eXtra' fee, at the appropriate rate, is required. It also includes access to free HR, health and safety and legal advice, which is invaluable to growing businesses.

In 2016, one of our clients decided not to renew their cover but then became subject to a detailed enquiry, which has only just concluded. That client is currently about £10,000 out of pocket by not renewing.

If you would like further information about 'eXtra', then please contact [shirley.caddock@mcbridesllp.com](mailto:shirley.caddock@mcbridesllp.com). If you would like further information about what to do in the event of an HMRC review, then please contact [terry.baldwin@mcbridesllp.com](mailto:terry.baldwin@mcbridesllp.com). ●



## Team Talk

With the current coverage of great teams whether it be England (don't laugh), Mr & Mrs Duke of Sussex, Trump and Kim (Jong-un that is, not Kardashian West), I thought it was a chance to reflect on McBrides reaching its 45th anniversary this year.

It's not a typically noteworthy anniversary – we'll save that for the 50th – but it does get you thinking about how a business survives successfully and the constant adjustments needed to enable every constituent part to perform. Our people are our constituent parts and having expanded from a sole practitioner in 1973 to more than 50 people now, we're entirely dependent on their capabilities, motivation and drive.

Each member of the McBrides team plays their part in ensuring we stay at the top of our game (sorry, couldn't resist). They know that at least 50% of our new work comes from recommendation, which we only get if we perform exceptionally (please keep them coming!). I'm grateful to each of them for their individual contributions to our 45 years and they are a credit to us.

This year, we have introduced a bonus scheme that rewards every person if our firm grows, and we're delighted to be making our first payment under the scheme this month.

If you are looking for inspiration and contemplating success in your field, my advice is to start with your people first. If they understand what you are trying to achieve and are motivated to help you get there, you've taken a major step forward. My other piece of advice is to avoid penalties – they always end in tears!



*Nick*

Nick Paterno,  
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## New IR35 consultation launched

HM Treasury and HMRC have opened a joint consultation on how the tax rules applying to off-payroll working are being applied. More commonly known as IR35, the stated aim of the consultation is to increase compliance with the legislation first introduced in 2000.

The IR35 rules are meant to ensure that someone working like an employee, but through a company, pays a similar

amount of tax as if they were directly employed. However, since its introduction, the legislation has been subject to comment and scrutiny, with a significant number of cases decided against by the courts. HMRC estimates that only around 10% of people who should be applying the rules do so correctly.

In April 2017, the government reformed the same rules for contract workers in the

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public sector so that the relevant public sector body must determine the correct status of such workers. HMRC estimates that this reform has already raised an additional £410 million of income tax and NICs since then.

The new consultation document

makes clear that the government's preferred option is to reform the rules in the same way for the private sector, although it says that this is not a done deal.

We will have to wait and see what the outcome is, but it seems inevitable that

this will be a greater focus for HMRC in the future. Entities engaging off-payroll workers or those who would be categorised as such a worker should carefully 'watch this space'.

The 'off-payroll working in the private sector' consultation ends on 10 August. ●

## Welcome to our new recruits



Gerard McKeown and Matt Reid

We've welcomed two new people to the McBrides team since our last issue of Business Arena – the second and third to join us in two months.

Matt Reid has joined us as Senior Tax Adviser – Corporate & Business Taxes from MarkerStudy Insurance Group, where he was head of tax for five years. He will be supporting us with corporate tax issues and corporate finance transactions. Matt has a wealth of experience gained from 16 years in the tax team at top ten accountancy firm Baker Tilly (now RSM) and three years as

an HMRC tax inspector.

Elsewhere within the firm, Gerard McKeown has joined us as Company Secretarial Team Leader. More recently, Gerard was working with the top ten accountancy firm Mazars. He has gleaned his experience in company secretarial work from several firms, including company formation specialists Stanley Davis Group and Silver Levene LLP.

Here at McBrides, as well as ongoing company secretarial duties, Gerard will be assisting clients with corporate

restructuring and various share transactions.

McBrides' Managing Partner Nick Paterno said: 'It's an exciting growth period for us with Matt and Gerard's appointments boosting our tax and company secretarial teams respectively and following in quick succession from Masum Ahmed's appointment as tax director in April.

"Our tax department is growing from strength to strength and I'm certain that our clients will value Matt's considerable industry experience. His appointment adds substantial weight to our tax team and we are now recruiting for a tax assistant to support the team's private client work.

"With Gerard spearheading our company secretarial team, we will be better able to deliver a speedier service to our clients on company secretarial changes and restructurings. I'm delighted to welcome both Gerard and Matt to McBrides."

To find out more about the private client tax assistant vacancy, please visit: [www.mcbridesllp.com/careers-vacancies](http://www.mcbridesllp.com/careers-vacancies). ●

## Safeguarding your personal information

As you will be more than aware, a new regulation impacting the way companies hold and process your personal data came into effect on 25 May. Under the General Data Protection Regulation (GDPR), organisations are now obliged to clearly inform individuals about why they are collecting their personal data, how it is going to be used and with whom it is going to be shared.

At McBrides, we take data protection



and our clients' privacy very seriously. As part of our commitment to keeping data safe, and in line with the GDPR requirements, we have updated our privacy notice and our standard terms of business (STOBs). Both are available to view on our website: <https://www.mcbridesllp.com/legal>. The new STOBs will replace and supersede all existing STOBs.

Additionally, there may be times when we will need to take the precaution of

encrypting emails that we send you. In such instances, you will receive an email from us containing a temporary password and link to enable you to open a secure email.

You'll be prompted to create a more memorable password and this will be unique to you. Once changed, you will be able to use this password to access any future encrypted emails sent by McBrides. Guidance on how to do this will be provided in our initial email. ●

# Client Spotlight – Michael O’Mara Books

Michael O’Mara Books (MOM Books) has been a McBrides client since the company incorporated in December 1984.

At the time the publisher’s only two employees were husband and wife team Michael and Lesley O’Mara, and their office was the spare bedroom in their Clapham home. They first met at a book packaging company, Rainbird, where Lesley was head of sales and Michael was head of publishing.

Having decided to launch their own publishing house, their first collaboration was with ITN, which suggested a full colour book celebrating the Queen Mother’s 85th birthday – in just six weeks’ time.

Having risen to the occasion and published *The ITN Book of the Queen Mother* by Alastair Burnet in July 1985, their first book was a number one best-seller and MOM Books published several more books with ITN. They are known for being fast on their feet and got into *The Guinness Book of World Records* by producing a full colour book in just three days – Prince Andrew and Sarah Ferguson were married on a Wednesday and the title was in bookshops the following Saturday!

Over 30 years later, they remain one of the few privately owned independent publishing houses, have a backlist of over 1,000 titles, and produce about 150 new books a year. Michael is Chairman, Lesley is Managing Director and the business employs 50 people across four charming mews buildings in Clapham, south west London. The publisher also has two other imprints (publishing names): LOM ART, which focuses on artist-led creative titles; and Buster Books, which creates books for curious and creative children.

One of MOM Books’ first authors was the investigative journalist Andrew Morton. When Michael first saw the manuscript for Andrew’s biography *Diana: Her True Story*, he needed proof of credible sources behind it. “We just couldn’t believe it when we heard the recorded interview tapes. It was a very exciting



Michael and Lesley O’Mara

time” says Lesley.

Published in June 1992, the book sold more than 10million copies worldwide and bookshops could not keep up with demand. There was also much for the MOM Books team to manage ahead of publication: “It was secretly printed in Finland to keep the media at bay, although one enterprising journalist pretended to be Michael and tried to intercept it on the day it was printing”. Elsewhere, a French newspaper published excerpts before publication day creating havoc with serialisation agreements around the world.

“And then Andrew was grilled by the *Today* programme on the day of publication as they just couldn’t believe that this story was true. They accused him of making it up”, says Lesley.

Known for spotting trends before they become popular, MOM Books specialise in adult non-fiction from history and popular science to language; biography to puzzles; gift and humour to craft. They introduced the first adult colouring book in 2013, *Creative Colouring for Grown-Ups*, which started a global publishing phenomenon.

Lesley says that team brainstorm meetings are the source of many of MOM Books’ successes: “Several members of

our team mentioned children’s interest in unicorns, so we looked into it and created *Where’s the Unicorn?* a search and find book, very quickly last summer to get it out before Christmas. Not only was it a best-seller at Christmas, but it continues to be among the top three in the best-seller chart six months later.”

In a move that reflects a steep rise in popularity, MOM Books announced it is publishing audiobooks alongside key hardback releases. Lesley explains: “Younger audiences want to consume books in a different way and audio is becoming the fastest growing sector in publishing. It’s a new way of selling for us.”

Another commercially astute decision made by MOM Books earlier this year was to handle all export sales directly through its sales team rather than relying on a third party: “Succeeding as an independent in a publishing world dominated by vast, multinational conglomerates is not easy, but it is fun and we’re constantly finding ways to rise to the challenges,” says Lesley.

Perhaps it’s of little surprise that *Meghan: A Hollywood Princess* by Andrew Morton is Lesley’s recommended read for the summer and tipped for their autumn best-seller is *The Magical Unicorn Society Official Handbook*. ●



Clare Rice, Jamie Clarke, Tanya Hamilton and Andy Martin

We were overwhelmed by the generosity of our clients, contacts, colleagues, family and friends who sponsored our team #WalkingForJimmy on the late May bank holiday weekend.

You helped us raise a phenomenal £5,000 for our charity of the year, For Jimmy, smashing our target of £2,000. The

funds will be used to help Jimmy Mizen's family to continue their work creating safer communities for young people following the untimely death of their son in an unprovoked attack in Lewisham ten years ago.

Worthy of a special mention is our audit and accounts team colleague Jamie Clarke. A school friend of Jimmy, not only

did he propose For Jimmy as our charity of the year, but he walked with nine other school friends from St Thomas More Catholic Secondary school who collectively contributed £1,735 (so far!) to the McBrides total. A fantastic achievement!

We have more in-house fundraising activities planned for For Jimmy throughout the rest of the year but thank you for your tremendous support with this event.

If you'd like to sponsor us retrospectively, or you'd like to keep up to date with how we are doing, please visit: [www.justgiving.com/companyteams/mcbrides2018](http://www.justgiving.com/companyteams/mcbrides2018).



## Join our graduate training programme

Do you know a recent graduate who's keen to kick-start a career in the accountancy profession, earn as they learn and work with owner-managed businesses? If so, we'd love to hear from them!

We offer various training contracts which typically run for three to four years depending on the qualification being studied for. Trainees are given relevant practical experience with a wide range of clients which helps with professional exams, and we assign them a mentor who provides day-to-day feedback on their progress. We pay for study courses and exam fees and offer paid study leave and 20 days' holiday (plus bank holidays) each year.

We think we offer a great training programme but here are a few words from two of our graduate trainees coming to the end of their first-year studies:

Robert Rutnam says: "I chose McBrides because I wanted to study



Ellen Isteed and Robert Rutnam

for the ACA qualification in a supportive environment, while also getting the hands-on experience that you just don't get from training at the larger firms."

Ellen Isteed says: "I really enjoy working with a range of people at all levels. Having direct contact with both managers and partners who are friendly and approachable when working on jobs makes a really big difference to my training."

We welcome applications from graduates with a 2:1 degree and 240 points at A Level. Further details are available at: <https://www.mcbridesllp.com/careers-apply-now>.

## Have a 'FaB' breakfast!

If you've ever dreamed of flying The Queen's Award flag at your main office and using the prestigious emblem on your marketing materials, then you need to book your place at our next Finance & Business breakfast.

We'll be hearing from McBrides client Jon Tibbs, whose business JTA recently won the international trade Queen's Award for its work providing strategic brand building and communications consultancy for clients in the international sports arena.

We're also delighted to welcome Glenn Dale from The Queen's Awards team. He'll be providing some background to the awards and explaining some of the benefits of winning the prestigious accreditation.

As well as providing some great networking opportunities over breakfast, you'll be brought up to date on the latest tax issues by McBrides partner Terry Baldwin.

Our free event takes place at the London Golf Club on Wednesday 11 July from 8am to 10am. To book your place, please visit: <https://www.mcbridesllp.com/events>.