

FOR ALL THE LATEST NEWS & VIEWS FROM PERRYS CHARTERED ACCOUNTANTS

Perrys
CHARTERED ACCOUNTANTS

EXCEPTIONAL TIMES

DECEMBER 2021



PERRYS' HIGHLIGHTS



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• A WARM WELCOME TO OUR NEW RECRUITS

• FIVE ACCOUNTING TIPS FOR THE HOSPITALITY SECTOR

• TAX TIMELINE - DON'T MISS A DEADLINE!

From being back on the golf course supporting our chosen charity Family Matters to helping out in our local community, we take a look at some of our highlights from 2021...

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Perrys' Highlights from 2021

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Tax Timeline - don't miss a deadline

Our handy guide will help ensure you don't miss a tax deadline!

We made it! A look back on 2021 ...

At the beginning of this year, everything was a bit bleak. We were into our third lockdown and many businesses were either shut or experiencing difficulties due to restrictions placed upon them by the pandemic.

However, as the success of the NHS's vaccination programme unfolded, businesses were given a new lease of life and were once again able to enjoy the freedom to grow and operate.

Without any doubt, we owe the scientists and health services a debt of gratitude for everything they have done to care for those suffering from COVID-19, prevent its spread and allow for life to return to relative normality.

As we look forward to 2022, we do so with hope and positivity. In a post-pandemic era, there are so many new possibilities and opportunities for businesses to boom.

From remote working to digital advances in how we manage and improve our processes, there has never been a better time to rethink and revitalise.

I hope in the coming weeks and months, we can support you with your business goals and objectives - whatever that vision might be. Rest assured that no matter what your query or request is, our friendly and knowledgeable team is here to help so please feel free to call or email your local Perrys branch.

Sending you season's greetings and the very best wishes for 2022 from everyone at Perrys.

Stewart Pope
CEO Perrys



Triathlon triumph for Declan

Our partner at Mayfair, Declan McCusker, completed the Hever Castle Triathlon - his seventh event - in October. Competing in the over 50s category, Declan came ninth out of 39 competitors - an incredible achievement. Congratulations Declan!



Back in the swing of things for Family Matters

Following an 18-month postponement, we were absolutely delighted to be back at Dale Hill Hotel & Golf Course in Ticehurst, East Sussex for our annual charity golf day - and it did not disappoint.

We were thrilled to see 24 teams turn out on the day and support us by helping to raise an amazing £6,149 for Family Matters, which provides free therapy and counselling services to survivors of childhood sexual abuse and rape.

The day included a three-course meal and a raffle, which further boosted funds. Congratulations to our winning team, Newmans, which was made up of Andrew Deadman, Simon Ellis, Roger Nightingale and Tom Foreman.

Perrys' Annual Charity Golf Day will return to Dale Hill Hotel & Golf Course on Friday 10 June 2022. Tickets cost £99 per person and include a full English breakfast, an 18-hole round of golf, entry into the hole-in-one competition and a three-course dinner. For more information, or to register, please email Caroline Hoare: hoare@perry-company.co.uk, or Nicole Bacon: bacon@perry-company.co.uk. Alternatively, please call 01892 543900. All funds raised will go to Family Matters.

Running sensation Nicole gearing up for 2022

We've been sponsoring Kent-based athlete and long-distance runner Nicole Taylor for a few years and we are always pleased to hear about how she is getting on. During 2021, we have seen her go from strength to strength, clocking up numerous successes and personal bests at competitions along the way. We are delighted to be supporting Nicole with her endeavours again in 2022 and look forward to seeing her continue to flourish. Go Nicole!



Perrys team helps tidy up Orpington

In June, a team from Perrys volunteered their time to litter pick in Orpington. The sun shone throughout, and we were pleased to help clean up the town's streets and parks - we even had some of the residents thanking us personally for our efforts. Thank you to all our volunteers who took part in the initiative and helped make a difference.

A fond farewell to Karen Hurn

After 21 years with Perrys, our Credit Control Manager, Karen Hurn, retired in early October. We are so grateful to have had her expertise supporting our team for so many years and will miss her cheery face round the office. We wish Karen the very best for the future and hope she enjoys her well-earned retirement.



Marathon wait over for our Alex

London consultant Alex Skinner runs up a fundraising total of £1,338.90 for Family Matters

The wait was finally over for our London-based consultant, Alex Skinner, when he took on the mammoth task of completing the legendary London Marathon in October to raise money for Family Matters.

After completing the Virtual London Marathon in 2020, Alex was delighted to finally get the chance to run the famous course, finishing in just over four hours and raising £1,338.90 for our chosen charity in the process. Well done, Alex!



Sue and Chris Woodgate – from buzzing business to a beekeeping retirement

For more than 30 years, Sue and Chris Woodgate ran their own successful business providing service and maintenance assistance for fire protection equipment. Here, they explain how Perrys supported them during their time as company owners and helped them to achieve their dream of a happy and peaceful retirement.

Sue and Chris Woodgate live on an idyllic farm in an ex-labourer's cottage tucked away in the Kent countryside close to the nearby village of Pembury. Life is a lot more laid back than it used to be. Until February 2021, the couple had owned and operated their own business - initially started by Chris from the couple's family home.

Chris, who has spent his working life on call 24 hours a day, seven days a week, 365 days of the year, and his wife, Sue, who assisted him with finance, payroll and everything else in between, certainly know what hard work looks like. Building their business from scratch, they nurtured it from a one-man start-up to a large, limited company with a full team of staff.

A couple of years ago, they decided that it was time to take a step back, slow down and pursue new adventures.

Tell us more about your business and how you got started

Chris: I was originally employed as a fire sprinkler engineer, but I decided to go self-employed with a friend of mine servicing and installing air conditioning units. Given my past experience, I was asked a few times by a former colleague to take a look at his sprinkler system. Initially I refused, but after a while I gave in and the rest is history. Before too long, I was operating as a sole trader with Sue helping me with the admin tasks.

Sue: Chris would write out the quotes and I would type them up and send them out. I would also do the bookkeeping and finance side of things.

How did you come into contact with Perrys?

Chris: Our original accountant, who had worked with us for a few years, had made a mess of things and we had ended up being fined. We were living in Wrotham at the time where Perrys has an office, so it was a case of convenience initially. Our first appointment was with Steve Hale (partner at Historic Dockyard Chatham). He was new to Perrys and we were officially his first ever client.

Sue: Steve was extremely helpful from the outset and full of so much knowledge and information - he actually saved us money. On his advice, we went from operating as a sole trader to a limited company. After that, things got busier and busier and we started to take on more and more staff.

Steve has been great. We've built a strong relationship with him over the years and call him a friend - he and his wife even came to our daughter's wedding in August 2018!

Why did you decide to sell your business?

Chris: After 30 years of managing staff and clients, we felt we were at the stage where we couldn't give it all the attention it required to grow it further - we had done as much as we wanted.

Sue: Working life has changed considerably since we started operating - everything is so much more digitally focused nowadays. We felt it wasn't for us and wanted to do something a bit slower paced.

How did Perrys help you with the sale of your business?

Chris: During one of our annual reviews with Steve around three years ago, we mentioned that we were thinking of possibly selling. Steve explained that he could undertake this work on our behalf and advise us of what we would need to do within the company to prepare it for an acquisition. The first thing he asked us to do was to start delegating our jobs to other people within the business to assist with a clean handover when the time eventually came. Perrys also compiled a 'teaser document' for us to market the business.

Sue: Steve, together with Zoe (partner at Perrys in Orpington), handled the sale faultlessly. We had very little involvement in the process, which was great because trying to run a business and manage a sale simultaneously would have been extremely difficult.

Chris: Perrys was excellent at ensuring confidentiality was maintained throughout. It was important that we continued to function seamlessly, and our staff were completely unaware of the process while the sale was in progress.

How is life since you retired?

Chris: I am so used to being busy all the time, so I didn't want to do nothing. Around six years ago we got interested in beekeeping and took our first course in 2015. We are now registered bee farmers making and selling our own honey - Grove Honey (named after the couple's cottage) - in local farm shops. Last year we produced around half a tonne. It's hard work and labour intensive, but I love the fact that I am outdoors with just the bees and wildlife. It makes a real change from having to deal with people all day long.

Sue: I've also taken up a few hobbies that I haven't had a chance to do in years, including cake decorating and sewing. We're also enjoying travelling around and being tourists. We both SCUBA dive so we are intending on doing some diving abroad before we get too old.

Finally, why would you recommend Perrys to other businesses?

Sue: Perrys has a large team of specialists so there is always someone able to guide you in the right direction - nothing is too much trouble. As our business grew, we were able to rely on them more and more. For example, I used to do the payroll, but when it got too big to handle alone, Perrys' sister company, AMR Bookkeeping Solutions, was able to take it on. It's service like that which has proved invaluable for us.



Sue Woodgate

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Chris Woodgate at his bee farm

"Steve was extremely helpful from the outset and full of so much knowledge and information - he actually saved us money."

A warm welcome to our new recruits

This year we have welcomed seven new faces into the fold at Perrys and are delighted to introduce them to you here...



Sharon Brophy Credit Controller, Tunbridge Wells

Sharon is our new credit controller at Tunbridge Wells, replacing Karen Hurn who retired in October. Working with us since September, Sharon loves spending time with her family and friends, doing a spot of gardening and visiting the cinema.



Scott Roper ACA Apprentice, London

Scott started working at our London office in October. He has a degree in economics and mathematical sciences. He is a keen reader of history and philosophy and enjoys running and rock climbing.



Daniel Debrah ACA Apprentice, Tunbridge Wells

Daniel joined our Tunbridge Wells branch in July. He is a big Manchester United fan and enjoys playing football, video games and table tennis. He also loves going to the gym and spending his weekends with family and friends.



Scott Jordan ACA Apprentice, West Malling

Scott joined us at West Malling in July after completing his A levels and starting his AAT qualification at college. He enjoys watching and playing football and spending time with family and friends.



Daniel Dowdye ACA Apprentice, Orpington

Daniel graduated from BPP University with an Accounting and Finance Degree before joining Perrys in March. He is an avid Manchester United fan and lover of many sports, including football, American football, basketball, golf and Formula 1. He also likes to travel, go to the gym and socialise.



Roisin Horne ACA Apprentice, Wrotham

Before joining Perrys in July, Roisin completed her A levels and gained a Level 3 Finance Certificate. She loves horse riding and enjoys taking part in show jumping competitions at the weekends.



Jamie Putman ACA Apprentice, Orpington

Jamie joined us in November as an apprentice at our Orpington office. He likes basketball and football as well as spending time with friends and enjoys meeting new people.

Five accounting tips for the hospitality sector



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Restaurants, hotels, pubs and bars are struggling through a uniquely difficult period, with the COVID-19 crisis and Brexit-related recruitment issues combining to create a perfect storm of challenges. It's estimated that the industry has built up almost £10bn in debt during the pandemic.

Margins are squeezed like never before, which means careful budgeting and tax planning is crucial. Here, Alex Skinner, hospitality specialist and consultant at our London office, discusses how hospitality businesses can plan ahead to ensure they are equipped for the future, whatever surprises the future may bring.

1. Forecast – if you dare!

Covid has turned the concept of forecasting into a nightmarish exercise for many UK companies, especially those in the hospitality industry. Yet forecasting and strategic planning remain vital to any business operation.

Pre-pandemic, it was generally possible to devise a realistic forecast based on past performance data, market research and predicted industry trends. In the Covid era, any forecast must incorporate worst case scenarios such as further lockdowns or social distancing restrictions that put a cap on customer numbers.

Forecasting is a complex skill that could cause huge problems if mistakes are made. Seeking professional advice from an accountant with forecasting expertise is likely to save time and money in the long term.

2. Take advantage of tax breaks

In terms of the bigger picture, industry representatives are lobbying the government for further relief on business rates, arbitration over rent debts and better VAT terms. While these discussions are ongoing, individual businesses should do all they can to ensure their tax bill is kept to a minimum.

For businesses that need to invest in new equipment, the Super Deduction Tax is a generous incentive, allowing companies to write off the cost of certain capital assets against taxable profits. Announced in the March 2021 budget, it means your tax bill could be cut by up to 25p for every £1 invested in qualifying purchases, such as new ovens or washers. The scheme ends in March 2023, so you may wish to consider bringing forward planned investments. A word of warning – beware of splashing out on brand new equipment that you may need to dispose of in the short term. Speak to an accountant about possible catches, such as 'clawback' rules included in the scheme.

Other tax reliefs on capital investments are available, for example the 100% Annual Investment Allowance (AIA) which, unlike the Super Deduction Tax, can be used to relieve expenditure on second hand equipment if deemed new to the business.

3. Contract out bookkeeping tasks

Incurring further expense may seem like madness for businesses desperately trying to boost the bottom line. However, contracting out time-consuming yet essential tasks such as payroll, tronc admin and cashflow reporting will free up time to concentrate on customers' front of house experience – a crucial factor in an industry that is so dependent on positive customer reviews.

Hiring professional bookkeepers ensures clear and accurate record-keeping, avoiding any last-minute rush to meet tax deadlines. With real-time reporting, a full understanding of the business is possible, enabling good decision-making in terms of future growth, or areas where cutbacks are needed.

Attempting to handle bookkeeping tasks in-house might seem like an attractive money-saving prospect at a time when every penny counts. But the long-term costs can be crippling if mistakes are made and HMRC decides to investigate. If you are set on an in-house approach, however, it's worth investing in a short training course to brush up on the use of accounting software.

4. Review, review, review

You've drawn up a forecast, budgeted carefully, and hired a reputable accountant and bookkeeper. It's tempting to think that the show will now run itself, but as anyone in the hospitality sector will know, there's always more work to be done. A regular review of the accounts will allow you to pinpoint strengths and identify areas that could be improved. Reviews of forecasts, budgets and cashflow should be carried out regularly, ideally monthly or even weekly.

As part of your review, take a look at elements such as pricing, labour costs, and the status of any credit or loans. Are there cheaper financing options you could consider?

Keep a close eye on competitors and plan ahead for 'quick wins'. In the hospitality sector these will often have a seasonal flavour, for example Valentine's-themed offers in February.

5. Plan your exit

Although there are grounds for optimism, it's a sad fact that many businesses will not survive the pressures of the pandemic. Whether your café or bar is in danger of bankruptcy, or you plan to sell it as a going concern, it's good practice to devise an exit strategy.

A detailed exit strategy – whether or not it's actually implemented – helps to mitigate risk and offers peace of mind that a Plan B is in place if the time comes to move on.

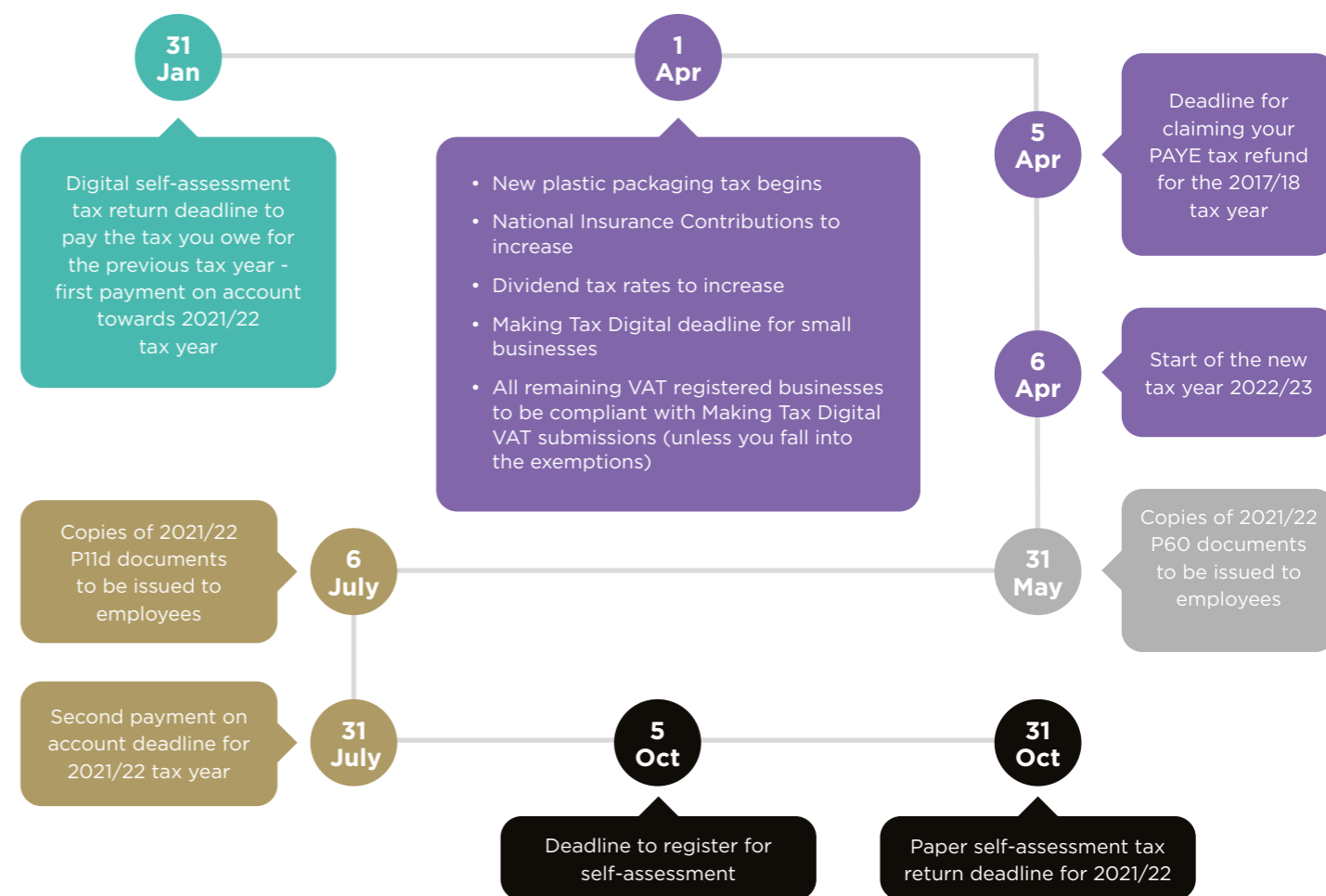
A variety of exit strategies are available, including bankruptcy, liquidation, family succession, or selling the business to a third party. This is a complex area with much to consider, including disposal of assets, termination of employee contracts and payments to shareholders. Speak to a reputable accountant with expertise in this area to formulate a flexible strategy that suits your business. Again, review the strategy periodically to take any new factors into account.

If there's one thing that the last two years has taught us, it is to expect the unexpected. While it's impossible to plan for every eventuality, hospitality owners who keep on top of their accounts are better placed to survive the tough times – and to thrive as the economic outlook improves.



Tax timeline

With so many different tax dates to remember, we've put together this handy guide to help you avoid missing a deadline.





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