



# Client matters

a newsletter from pkffpm accountants

## Top Honours at Irish Accountancy Awards

PKF-FPM scooped two of the most sought-after honours at the Irish Accountancy Awards in May winning the Large Practice of the Year category and the award for Individual Excellence which was presented to Managing Director Feargal McCormack.

The latest honours come hot on the heels of PKF-FPM's earlier success at the British

Accountancy Awards where the firm won the Mid-Tier Firm and Tax Team categories with Feargal McCormack being named Partner of the Year.

Collecting the Large Practice of the Year Award on behalf of PKF-FPM, Director Michael Farrell said the firm's success reflects the passion and collective focus of Team PKF-FPM to exceed client expectations and deliver excellence.

Feargal McCormack said he was truly humbled to be nominated by colleagues and awarded Accountant of the Year accolade.

"I consider the award, a recognition of the collective

Team PKF-FPM Accountants. This honour coincides with the conclusion of my very enjoyable term as President of Chartered Accountants Ireland," Feargal said.



Representing PKF-FPM at the Irish Accountancy Awards were Michael Farrell, Caroline Butler, Feargal McCormack, Tanya O'Hare, Caroline Preston, Nicola Connolly, Teresa Campbell, Michelle Hawkins, Seamas Keating and Teresa Gill.



**BREXIT BRIEFING & TAX MATTERS**  
FREE INSIDE

**Farming Update**  
Pg5

**Caring For & Empowering Your Team**  
Pg6-7

**Shake Up Your Business**  
Pg8

## No1 in Northern Ireland...

PKF-FPM placed 27th in The Sunday Times 2019 Top 100 Best Small Companies to Work for in the UK and No 1 in Northern Ireland

For the second successive year, PKF-FPM has scored a milestone success in the prestigious Sunday Times Top 100 Best Small Companies to Work for rankings of firms across the UK. The firm was placed 27th in the small business category, an astonishing 37 places up from 64th place last year. This recent success against stiff competition means that PKF-FPM also ranks Number One in Northern Ireland.

Accepting the award on behalf of PKF-FPM, People & Culture Director Teresa Campbell noted that the firm's inclusion in the rankings means that PKF-FPM Accountants has now been recognised



Representing PKF-FPM at Sunday Times Top 100 Best Small Companies to Work for were Seamas Keating, Teresa Campbell, Feargal McCormack, Ciara McFerran, Caroline Preston, and Malachy McLernon.

and acknowledged as an exemplar employer in a variety of National Awards for the fifth successive year.

The Sunday Times rankings assess and recognise the quality and popularity of companies to work for in the

UK, across all sectors and industries. Now in its 19th year, the 'Best Companies To Work For' ranking celebrates the elite of Britain's employers. Places in the rankings are determined by results of an extensive staff survey measuring seven key areas including leadership, personal growth, team, and giving something back, alongside a review of pay, benefits and work-life balance.



## HOW WILL BREXIT AFFECT YOU?

Brexit will have profound tax implications for individuals domiciled in Northern Ireland, the UK and Ireland.

Find out how you and your business will be affected and how to minimise your future tax liabilities.

Contact PKF-FPM's Brexit Centre of Excellence.

## about us

### PKF-FPM CORE VALUES

- Passionately believe in caring for our clients, colleagues and community.
- Listen, understand and solve, to make it happen.
- Invest in the Best!
- Pushing out boundaries and creating opportunities.
- A culture of ethical business and trust.
- An ethos of positivity, enthusiasm and fun!

### PKF-FPM CORE FOCUS

- Caring and proactivity are at the heart of everything we do;
- We commit to helping you maximise your wealth and lifestyle aspirations, through understanding you and your business; and
- We have a proven track record in delivering simple solutions to complex problems.

### PKF-FPM THREE UNIQUES

- (1) We 'get' you, and get things done. We foster a sense of urgency, with a bias towards passionate thoughtful action – (we're business owners ourselves).
- (2) We're different ("brave, bold and gutsy"), we tell you what we think, rather than what you would like to hear.
- (3) Acknowledged independently at local, regional and national level as "best in class" with unique Cross Border expertise.



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All details and tax data correct at time of going to press. PKF-FPM cannot be held responsible for any errors, omissions or action taken as a result of the enclosed information. PKF-FPM always recommend that you seek professional advice and consultation.

## New Partnership with CEF launched

PKF-FPM are delighted to have become a patron of the Construction Employers Federation. The Federation's role in reducing the burdens on local contractors has recently seen them agree a new policy with Government Clients that Design & Build tender requirements, will only be used going forward, for construction building works projects above £7.5m. This new approach should come into force later in 2019 and represents an element of the Federation's continuing work which, along with working jointly with PKF-FPM, will be further profiled here in the coming months as part of our new partnership which will seek to engage construction companies across Northern Ireland.

Feargal McComack, Teresa Campbell and Paddy Harty pictured with CEFs Director John Armstrong and colleagues David Fry and Mark Spence.



## PKF International Meet PKF-FPM Board Members



New PKFI CEO, James Hickey, along with PKF UK Chairman Les Burnett met the PKF-FPM Board for a very informative and positive meeting.

## Challenging Times For High St.

By Alison Burnside  
Director, PKF-FPM

Some NI businesses are continuing to struggle with legacy debts to HMRC, landlords, rates and trade creditors. Ongoing political uncertainty is not helping business confidence and it is a particularly challenging time for the High Street retail sector with many recent examples of companies availing of Insolvency Procedures.

PKF-FPM have helped many companies steer a course to recovery

through procedures such as the Company Voluntary Arrangement (CVA) which allows companies to continue trading on revised terms. The CVA gives a company the means to deal effectively with legacy debts accumulated due to difficult trading conditions.

Businesses experiencing financial difficulty can obtain more information by contacting us to discuss options and identify an appropriate trading strategy to move forward.

For details, contact Alison Burnside on 028 9024 3131.

## Chief Executives Enjoy Charity Seminar



Pictured (from left) at a highly engaging seminar hosted by PKF-FPM in conjunction with CO3 were PKF Littlejohn Head of Forensics and Fraud Robert Brooker, CO3 Chief Executive Nora Smith, Charity VAT Specialist Terry Dockley and PKF-FPM Charity Director Lowry Grant. The seminar, attended by chief executives from Northern Ireland's top charities, discussed current opportunities, challenges and risks facing the not-for-profit sector.



## BEFTA Win



Michelle Hawkins and Teresa Campbell accepting the Professional Services Firm of the Year at BEFTA Awards, from Chris Power, Davy. Photo: Press Eye

PKF-FPM Accountants were the inaugural winners of the new 'Professional Services Firm of the Year' category at the prestigious Northern Ireland BEFTA Business Awards in Belfast.

The awards, now in their 13th year and re-branded from the former UTV Business Eye Awards, were presented at a glittering ceremony attended by a 600 strong business audience at ICC Belfast.

Sponsored by First Trust Bank, the awards honoured companies and business leaders across 18 different categories, rewarding growth, innovation and commitment to CSR, the environment and people development.

# Annual Leadership Talk

“Our team is the best in the world - we don’t just say that, our customers do. This comes down to our company values which include having a ‘can-do’ attitude. We work together as a team to deliver and to make things happen,” MJM Group Chair, Brian McConville, told the audience at PKF-FPM Annual Leadership Talk in February.

Brian, who set up his joinery business in Rathfriland 35 years ago, has gone on to create one of the world’s leading marine outfitting businesses, MJM Marine, with offices in Newry, Southampton and Poland. The McConville family also owns an extensive property portfolio which includes Damolly Retail Park in Newry, Galwally House and Drumkeen Retail Park in Belfast, Clarence Chambers and Pearl Assurance House in Belfast city centre, and a range of other commercial, retail and residential properties.



Pictured at the PKF-FPM Annual Leadership Talk were PKF-FPM Director Paddy Harty, Executive Dean of Ulster University Business School Professor Mark Durkin, PKF-FPM Managing Director Feargal McCormack, keynote speaker Brian McConville, and event host Gerry Kelly.

During a one-hour conversation with broadcaster Gerry Kelly, Brian gave a detailed overview of his career and also talked about his charity work and love of horses.

The event, which attracted a capacity audience, was organised by PKF-FPM as part of the 2019 MLM Management Month initiative and held in association with Ulster University Business School.



## US Graduates

PKF-FPM Directors Teresa Campbell and Michael Farrell welcomed graduate students from the Joseph M. Katz Graduate School of Business, University of Pittsburgh in March. The purpose of the visit was to discuss the challenges and opportunities of Brexit.

## Cyber Security in Charities

A new report says charities can do more to improve their cyber security.

The Department for Digital, Culture, Media and Sport (DCMS) recently published the Cyber Security Breaches Survey 2019 which provides quantitative and qualitative insights into how businesses and charities are being impacted by breaches and attacks.

The survey found that 22 percent of charities have had cyber security breaches or attacks in the last 12 months, with the most common attacks being phishing (identified by 81% of these charities), others impersonating an organisation in emails or online (20% of these charities), and viruses, spyware or malware, including ransomware attacks (18% of these charities).

Although three-quarters of charities surveyed said that cyber security is a high priority for their organisation’s senior management, DCMS says there is more that organisations can do to protect



By Teresa Campbell  
Director  
PKF-FPM



themselves. Increasing board-level involvement in cyber security, monitoring suppliers and planning incident response are among the recommended actions.

The survey found that just over a third of charities have made changes to their cyber security policies or processes as a result of GDPR. DCMS says the latest findings suggest that GDPR has compelled some organisations to engage formally with cyber security for the first time, and others to strengthen their existing policies and processes. However, it warns that GDPR “has led some organisations to frame cyber security largely in terms of avoiding personal data breaches” and says that organisations may need to think more holistically about the issue.

PKF-FPM organises regular seminars and briefings to support our clients in the charities sector. If you are not already on our mailing list and would like to be notified of forthcoming events, please let us know.



## Celebrating Success

Team PKF-FPM enjoyed a day of festivities on the 1 March as they celebrated catapulting from 64th to 27th position in the Sunday Times UK Best Companies to Work for ranking.



## CAI Annual Dinner

Pictured at the Chartered Accountants Annual Dinner in Croke Park were Gary Digney, PKF-FPM, Gemma Murphy Jack Murphy Jewellers, Lauren Quinn and Michael Farrell PKF-FPM.

## Naoimh Success

Congratulations to MJM Marine Director Naoimh McAteer (nee McConville) who won ‘Young Director of the Year’ at the 2019 Institute of Directors Awards in May. Naoimh is pictured with Adrian Moynihan, Head of First Trust Bank who sponsored the awards and Gordon Milligan, Chairman, IoD NI.

2019 is turning out to be an exceptionally good year for MJM Marine who recently received a Board of Trade Award for exceptional performance in international trade. In February, the company won its largest ever contract when it was appointed as the main outfitting contractor by Norwegian Cruise Line to undertake a complete refurbishment of Norwegian Joy, a ship being repositioned to the West Coast of the United States.



## Honours For Learning Space

Congratulations to PKF-FPM client Learning Space who took the Customer Service Independent Retailer Award sponsored by Andras Hotels at the recent Belfast Business Awards. Learning Space Managing Director Mary Leonard was also a finalist for Business Person of the Year.



## Blueacre Tech Takes Top SFA Award

PKF-FPM client Blueacre Technology, a leader in precision manufacturing for the medical device and advanced industries, was recently named overall winner at the SFA National Small Business Awards 2019. Pictured with David Gillen, Managing Director (centre) are Sue O'Neill and Sven Spollen-Behrens of the SFA.



## Around Noon Best Managed Company

Market-leading food-to-go company and PKF-FPM client Around Noon, was recently honoured in the Deloitte Best Managed Companies Awards run in association with Bank of Ireland. Pictured are Gareth Chambers CEO, Around Noon with Company Chairman Howard Farquhar.



Pictured with Mark Bleakney, Southern Regional Manager, Invest NI is Fat Fish Managing Director Joshua Neilly.

## Fat Fish Expands

Newry-based digital marketing agency Fat Fish, a PKF-FPM client is creating six new roles in 2019 to support its sales growth in North America. Established last year, Fat Fish helps customers increase their online presence by developing and implementing digital campaigns which drive sales growth. Many of its customer base operate in the alternative medicine market which is forecast to be worth over \$196 billion by 2025.

“ We do appreciate referrals...”

# Royal Visitors For Extern

Their Royal Highness TRH The Duke and Duchess of Cambridge visited leading social justice PKF-FPM charity client, Extern in February as part of a two day visit to Northern Ireland. TRH visited Extern's Roscor Youth Village, on the shores of Lower Lough Erne, Co. Fermanagh, to mark its 21st year.

During their visit, The Duke and Duchess met and chatted to children and young people who are currently being supported by Extern at Roscor Youth Village. Roscor is a haven of hope, and place of safety, for more than 2,500 children and young people from across the island of Ireland each year.

Speaking about the visit, Charlie Mack, CEO of Extern, said: "We are tremendously honoured to have The Duke and Duchess of Cambridge visit Extern today to learn more about the life-changing work which goes on at our Roscor Youth Village. Childhood should be a safe, happy, and precious time, but unfortunately, when things go wrong at home, or in care, it is often children who feel the brunt. That's where Roscor makes a difference. While here, children feel safe, and through world-class specialist social care interventions, we help them build resilience and empower them to plot a brighter future for themselves."



Their Royal Highnesses The Duke and Duchess of Cambridge signing tiles featuring designs by young people from Extern's Roscor Youth Village.

## Re-Gen Robotics Invests In Life Saving Robots



Re-Gen Robotics Managing Director Fintan Duffy with Vicki Newwell, Contracts Manager, Conor Kelly, Robotics Operator and James Power, Tanker and Site Supervisor

Re-Gen Robotics, a sister company of PKF-FPM client Re-Gen Waste Ltd, has invested £1.5M in two purpose-built, fully compliant, Ex Zone 0 rated machines.

One is designed to de-sludge, wash and clean large scale tanks and a second, lightweight and highly portable compact unit suitable for use on smaller sites and underground storage tanks and containers, including petrol forecourts, interceptors and process tanks. The state of the art, automatic tank cleaning system will eradicate industry fatalities in the British Isles, eliminating human exposure to confined spaces and hugely decreasing all risk categories. There are 25 avoidable deaths within confined spaces in the UK and Ireland each year due to hazardous works and manual tank cleaning methods, which remains common practice.

## Killeavy Castle Re-Opens

Clare Clarke and Gary Flynn (First Trust Bank) with Killeavy Castle Estate owner Mick Boyle and General Manager Jason Foody outside the newly renovated Killeavy Castle and event marquee.

The long awaited reopening of Killeavy Castle took place in April following extensive renovation and building work by PKF-FPM client Mick Boyle and his wife Robin. Over 50 events have already been booked for the new venue.

## Another First For McElmeel Mobility Services



McElmeel Managing Director Conor McElmeel and Senior Engineer James Devlin

McElmeel Mobility Services, Northern Ireland's multi award winning manufacturer of Wheelchair Accessible Vehicles (WAV), has once again set new standards across Europe by being the first convertor of vehicles for wheelchair access, to retain Ford's prestigious QVM accreditation.

Ford's QVM scheme has been designed to ensure that Ford only works with vehicle modifiers who are regulated to a level that compliments their own world class standards. In 2016, having pioneered the Ford Custom onto the Motability scheme, Ford choose McElmeel Mobility Services to be the first convertor of WAV's in Europe to undergo this program. The Ford Custom Tourneo is now the single most popular wheelchair accessible vehicle on Motability.

More recently, in April 2019, PKF-FPM client McElmeel Mobility Services became the first company in Europe to have its QVM status reviewed.



# Oxlade-Chamberlain And Sterling Become STATSports Investors

The England internationals, who play for Liverpool and Manchester City, have become significant investors as well as global ambassadors for PKF-FPM client STATSports. Both players have used StatsSports body-worn devices since their launch, to monitor their fitness levels and performance in training and matches.

Commenting on the investment, Jarlath Quinn, Executive and Chief Global Strategist at STATSports, said: "The company has been profitable year on year without taking any investment since inception in 2009. What is even more remarkable is for a technology company to achieve global market leader status whilst



Premier League stars Alex Oxlade-Chamberlain, pictured left with Jarleth Quinn, and Raheem Sterling have joined the growing trend for elite athletes to invest in high-tech businesses in a bid to secure their financial futures once their playing careers come to an end.

being bootstrapped.

So without doubt this is a landmark moment for STATSports. The fact that our first set of investors include top players

such as Alex and Raheem, who know better than anyone the importance of our technology, is a ringing endorsement of our plans to cement our position in the B2B market whilst growing the huge B2C opportunity."

STATSports also offer a consumer device for the everyday athlete so that they can track their own performance. This is available to buy at statsports.com.



## Ambitious Grown Plans

Congratulations to Brian Reid, CEO and Co-Founder of PKF-FPM client, Deli-Lites who has been recognised in the Maserati Top 100 Innovators of the Year 2019. Earlier this year, Deli-Lites announced a €250,000 investment in a new innovation hub and major refurbishment of its headquarters along with plans to create 20 new full-time jobs to meet its international growth plans.



RGM Vent Managing Director Raymond Murphy with Julie Skelly, Danske Bank.

## RGM Vent Completes £1m Job at Center Parcs Resort

Ballynure based RGM Vent, part of RGM Holdings, has recently completed work worth c.£1m at Ireland's first Center Parcs holiday resort. Established in 2004, PKF-FPM client RGM Vent provides bespoke ventilation solutions for the construction industry.



## Elevator Promotional Marketing

Sara Callahan and Geoff Johnston own PKF-FPM client Elevator Promotional Marketing which is one of Northern Ireland's specialist promotional agencies, delivering effective marketing campaigns for brands. They have secured contracts with the following brands Tayto, Irwin's, Dale Farm, Coca-Cola, Translink,

### AGRI HELP FILES

## Farming Update

The Irish Finance Act 2018 introduced a number of new measures affecting farmers.

### Income Averaging

Income averaging helps farmers deal with income volatility and can provide cashflow benefits in times of rising profits. It allows farmers to elect to pay income tax based on average profits for a 5 year period. Prior to 1 January 2019, farmers could not avail of income averaging if they or their spouse/civil partner was carrying on another trade or profession or held more than 25% of the share capital in a trading company. This restriction has now been removed.

Farmers who have availed of income averaging should keep in mind that they can temporarily step-out of averaging for one year and pay tax on actual profits for that year. The deferred tax for the step-out year is payable over the following four years.

### Stock Relief

Stock relief has been extended for another three years up to 31 December 2021. This relief takes the form of an additional income tax deduction for increases



By Caroline Murphy  
Senior Manager, PKF-FPM

in the value of farm trading stock from the beginning to the end of the accounting period and so provides an incentive for farmers to increase their stock. The general stock relief is 25% while registered farm partnerships are entitled to 50% and certain young trained farmers are entitled to 100%.

### Stamp Duty Relief

Stamp duty relief for young trained farmers has also been extended for another three years up to 31 December 2021. The relief is an exemption from Stamp Duty on the transfer of agricultural land to young trained farmers under the age of 35 where certain conditions are met.

### Limit on Relief

A cumulative cap of €70,000 has been imposed on the

amount of state aid that may be granted to farmers under the stock relief provisions, the income tax credit of €5,000 for succession farm partnerships and the relief from stamp duty for young trained farmers. Tax returns submitted after 1 January 2019 will need to take into account the amount of tax relief claimed since 1 July 2014. The cumulative total should not exceed €70,000.

### General Income Tax Measures

Finance Act 2018 included a number of income tax provisions which farmers can avail of. The standard rate band increased by €750, meaning that a single person can now earn €35,300 before entering the 40% marginal rate of income tax. The earned income tax credit increased to €1,350 which will benefit self-employed farmers. The Home Carers tax credit has increased to €1,500 for the 2019 tax year. A married couple can claim the Home Carers tax credit where one spouse cares for a dependent person and earns less than €7,200 per annum. The middle rate of USC reduced from 4.75% to 4.5% from 1 January 2019.



## New Rules For Irish Companies

By Patrick McKenna  
Senior Manager, PKF-FPM

Potential of convictions and up to €500,000 fines for companies which fail to list owners on the new register.

Legislation to establish a central register of Beneficial Ownership of Companies (RBO) was signed into law by the Minister for Finance on the 22 of March 2019. Under earlier legislation drafted in November 2016 companies in Ireland were required to keep a beneficial ownership register. These new rules, introduced to comply with the EU's fourth anti-money laundering directive, create a central online register where companies must upload the correct details of their beneficial ownership. This new register will go live on 22 June 2019. Failure to comply with the legislation could lead to convictions and fines of up to €500,000.

As a reminder the key provisions of the original legislation are:

### Who is a beneficial owner?

A beneficial owner is the natural person or persons who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that company.

A shareholding in excess of 25% or a share of an ownership of more than 25% held by an individual is an indication of direct ownership.

In the case of indirect ownership (e.g. trusts), there is still a legal requirement to file and disclose details of the ultimate beneficial owner.

### What is a beneficial ownership register?

A beneficial ownership register is a register which records certain particulars regarding an Entity's beneficial owners, including the full name, date of birth, nationality and residential address, PPS number/ social security number/passport number, and a statement of the nature and extent of the interest held by the beneficial owner.

### Key dates to be aware of

The Central Register will be available to entities and presenters for filing by 22 June 2019. Relevant entities which exist before 22 June 2019 will have 5 months to deliver the required information to the central register (by 22nd November 2019). Companies incorporated on or after 22nd June 2019 will have 5 months to deliver the required information to the central register.

Further information on the RBO can be found on the CRO website ([www.cro.ie](http://www.cro.ie)) where a template setting out the data to be filed with the RBO is also available.

For further information contact  
[p.mckenna@pkffpm.com](mailto:p.mckenna@pkffpm.com)

## Feargal's Busy Year as

PKF-FPM's Feargal McCormack concluded his term of office as President of Chartered Accountants Ireland in May after a very successful year at the helm of Ireland's largest, longest-established and fastest-growing accountancy body. Pictured are highlights from Feargal's term in office.



Feargal, pictured at the White House St. Patrick's Day Reception



Feargal, pictured with Jim Clerkin, President and CEO of Moët Hennessy at Moët Hennessy headquarters, New York.



Feargal with CAI Conference Keynote Speaker Pat Cox.



PKF-FPM's Michael Farrell, Denise Reilly, Sarah Jane Garvey and Ashok Thomas joined Feargal at the CAI Influence Conference in Kilkenny.



Presenting a Tyrone jersey to Brian McKenna Partner and Head of the Deloitte Consultancy Division, Canada at Toronto event.



Shaun Kelly Global COO, Keynote Speaker at Leadership Symposium with Gerry Kelly and Feargal McCormack

## Caring For and Empowering

Feargal McCormack delivers Keynote Address to Queen's University Chief Executives Club

Former **Queens' undergraduate and post graduate, and inaugural President of the Queen's University Accountancy Society, PKF-FPM Managing Partner Feargal McCormack was the Keynote Speaker at the Chief Executives Club held at Queen's University on 14 May 2019. The subject matter was 'Leadership – Caring for and Empowering your Team.'**

In a wide ranging address, Feargal stated that his life had been a journey of learning and leadership experiences, and that he was more convinced than ever that our motivation in life, including business, should be to care and serve others, since life is all about people and relationships.

"I believe that the quality of leadership, more than any other factor, determines the success or failure of an organisation. Leadership is not about position or hierarchy, but it is about attitude, definite characteristics and behaviours such as vision, passion, culture, people skills, resilience, team-building and inspiring others. It is appropriate for real leaders to stand up and deliver. In my experience, staff can either



Dr Stephen Kingon CBE, Pro Chancellor, Queen's University Belfast, Feargal McCormack Managing Director PKF-FPM Accountants and Wendy Galbraith Director of Finance, Queen's University Belfast.

be your ambassadors or your assassins.

He added, "I would suggest, that only by knowing ourselves, can we become effective leaders. From self-knowledge, we develop character and integrity, and from character and integrity comes leadership. It's about doing the basics right, taking care of the details, looking after yourself and the team. It's about humility. In this context, I believe that humility allows us to ask a simple question: How can we do things better? Humility begins at the level of interpersonal communications, enabling an interrogative, highly facilitated

learning environment, in which no one has all the answers. Each individual is invited to contribute solutions to challenges being posed."

"Fifteen forwards never won a game, thus I believe you should encourage diversity within your team. Personally, I do not like 'yes' people around me. I encourage open debate and believe to succeed you need to embrace positive criticism (not negativity). Indeed we can learn from criticism."

"The success mindset is about focusing on getting better, and getting better, means seeing positive criticism

as a learning opportunity. The person who never made a mistake never got anywhere. Intelligent failure must be allowed in a mature society. Furthermore, we should learn from others, because, the success of others, should be a source of inspiration, not a source of fear."

**Feargal identified three significant challenges facing modern organisations.**

"Firstly, how to manage millennials and the newest Generation Z, secondly, dealing with environmental uncertainty and thirdly, managing change."

"Millennials and the newest Generation Z are young, vibrant and experts of personal branding through social media. They demand a new approach from management, with an emphasis on work life balance, social responsibility and ethical policy regarding people, supply chains and the environment, and collaboration as opposed to hierarchical structures. This is difficult for managers of older generations to comprehend, as they themselves took a different approach during their formative business careers. Therefore, new structures, procedures and business operations are required. I



**By Nicola Connolly**  
Manager

## Deferred Tax

Deferred tax arises due to timing differences between when something is allowed for tax purposes and when it is accounted for in a company's financial statements.

While it is beyond the scope of this article to go into deferred tax in detail, a key point to be aware of is that deferred tax is recognised in respect of temporary timing differences. A temporary timing difference is a timing difference that will reverse in the future e.g. depreciation and capital allowances. Permanent differences which will never reverse (e.g. expenses not allowable for tax) are outside the scope of deferred tax.

The starting point for calculating deferred tax is identifying which adjustments in the tax computation will lead to a deferred tax liability/asset and to note the rate that will apply to the various items, e.g. CT rate for expenses, CGT rate for revaluations.

Deferred tax also needs to be considered for provisions. If, for example, a provision is being made for claims against the entity, this will need to be brought into the accounts in the relevant year although it may not be tax deductible until a later stage.

Other examples of deferred tax assets/liabilities include pensions accruals, revaluations of land and buildings and fair value movements of investment property.

It is important to go through the balance sheet and identify any balances that need to be considered for deferred tax.

Other points to note include that deferred tax is measured using the tax rate that is expected to apply when the timing difference reverses so if rates change, the deferred tax asset/liability will increase or decrease; deferred tax can apply in the case of business combinations; deferred tax assets for losses can only be recognised if it is probable that there will be future taxable profits which they can be used against; deferred tax liabilities/assets are not subject to discounting; deferred tax needs to follow the original transaction e.g. as the revaluation of land and buildings goes through OCI, the deferred tax charges also go through OCI.

For further information on deferred tax, contact [n.connolly@pkffpm.com](mailto:n.connolly@pkffpm.com)

## Do Suppliers Still Need Retention Of Title Clauses?

The answer to this question is 'Yes'. The Retention of Title clause allows suppliers to retain ownership over goods they have supplied until they are paid for or (depending on the type of clause) until all goods supplied by them have been paid for. This is security for the supplier if the customer should default on the agreed terms of trading or enter insolvency.

Forthcoming changes whereby HMRC will regain partial preferential status in insolvency proceedings from 6 April 2020 means retention of title clauses will be more important than ever. In a number of recent insolvency cases, we have seen that the retention of title clause was missing on documentation issued by suppliers which meant that the suppliers were unable to recover the goods they had supplied.

The good news is that it is never too late to add this protection to your business. For more information, contact Alison Burnside on 028 90243131 or at [a.burnside@pkffpm.com](mailto:a.burnside@pkffpm.com)

# President



Deborah Somorin receives Inspiration Award



With President of Dublin Chamber of Commerce & CEO of Tourism Ireland Niall Gibbons, John Healy President NI Chamber of Commerce and Brian Keegan, CAI at a US Commerce 'Ireland Gateway of the Atlantic' event in Washington.



Fergal and Anne McCormack with Irish Consul General to San Francisco Robert O'Driscoll.



Barry Dempsey Chief Executive Chartered Accountants Ireland, Tom Ryan Director General GAA, John Horan GAA President and Fergal McCormack pictured with The Sam Maguire & Liam MacCarthy Cups.



Brexit briefing at Silicon Valley

# Your Team...

would suggest a wider span of control with increased delegation, responsibility, shorter chain of command and teamwork are essential to motivate the millennials and Generation Z. There must also be an emphasis on coaching, regular feedback, discussions, softer business skills, opportunities for promotion and a people and culture approach."

"In terms of environmental uncertainty, the world is continually evolving, and unforeseen circumstances are rising at an alarming rate. The economy, social demographics, politics, laws, growing regulation and climate change are all some examples of complex challenges facing modern organisations. But it is important to recognise that every challenge is also an opportunity. I believe that the businesses and organisations who concentrate on their own performance, whilst demonstrating peripheral vision of the external environment, will succeed. A simple PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) Analysis conducted on a regular basis, will maintain a sharp focus and awareness of the volatile and uncertain environment around us."

"Yes, change is difficult to implement as people by their nature are often resistant to change and will impede new ways of doing things. To put it simply, to survive we must innovate, or we will evaporate. To succeed, the underlying culture of the business

organisation must be responsive to change. Culture is central to behaviour, it is the glue, between the present and the future, that keeps everything together and is a key determinant in the performance of an organisation, and its ability to achieve its objectives."

"The business culture reflects the style of operations within an organisation and there are clear benefits to having a strong, unified company culture, underlying a company's business operations. Culture contributes to identity and



**Fifteen forwards never won a game, thus I believe you should encourage diversity within your team.**

the values of a business. A strong company culture attracts better talent and more importantly retains that talent and enhances the chemistry of other team members."

"In today's fast changing environment, we need to embrace new ideas and thinking, to adapt the Mindset, that retraining and upskilling are the norm, to stay relevant. Corporate culture also adds to brand identity, because if we care and treat our staff colleagues well, and have a listening and fun-loving corporate atmosphere, our clients will be more prepared to trust us and see us as a caring, fun

loving and generous brand, that inspires confidence."

### Authentic leadership

In conclusion, Fergal stated, "I believe authentic leadership is what gives an organisation its vision and translates that vision into reality. Leadership must be at all levels but there must be consistency of message and adherence to standards. The key qualities are humility and inspiration, and if we want to inspire a team, then we must first be passionate and inspire ourselves and endeavour to work a little more on the business. Success breeds success, we should celebrate our achievements and our self-belief and confidence in the growing competence of our collective team. It is acknowledged that when a team outgrows individual performance and learns team confidence, excellence becomes a reality."

"To facilitate planning for business succession and the creation of a legacy business, I would suggest it is important to encourage the development of leaders at all levels in an organisation, recognising leadership is more than a job - it is a mindset and has the capacity to improve, engage and create new opportunities. It is important to retain a sense of nervousness and fire in our bellies to succeed. However, a vision without delivery is pointless, similar to sports, remember to be a winner, you must plan to win and expect to win."



## Honours For Lowry Grant

PKF-FPM Director Lowry Grant has been awarded the British Empire Medal for services to the community in Co. Antrim. Lowry received the award at a ceremony at Hillsborough Castle in April.

## Employees Of The Year

Congratulations to PKF-FPM Joint Employees of the Year, Ashok Thomas, Teresa Gill and Lauren Quinn.



## Winning Mindset

Team PKF-FPM members pictured with Winning Ryder Cup Captain Paul McGinley at an MLN People and Performance event during Management Month in March.

## Time To Shake Up Your Business?

If the thought of shaking up your business fills you with dread, you are not alone! Day-to-day pressures along with the comfort of familiar routines and fear of the unknown are barriers to change in many businesses.

However, at a time when economic and digital drivers are disrupting our environment, your ability to lead and manage change is very important.

### So, where do you start when you need to shake up your business?

Good practice is to set aside time for strategic planning. At a minimum, you should take time out at least once a year to review your business and benchmark your performance against similar businesses in your sector.

When conducting this exercise, make sure that you have the necessary information to check that your expenses are in line with, or better, than your competitors, that your costs are under control and profitability is being maximised.

Improving the financial strength of your business is a very effective way to ensure that you are ready to cope with the impact of any necessary changes.

Effective businesses have the resources to rapidly analyse financial information and performance indicators. However, you don't have to be a large business to benefit from good management reporting. If you do not have an in-house accounting team, real time accounting services are a good way to overcome this problem.



By Michael Farrell  
Director  
PKF-FPM

### Positive reasons to shake up your business processes and/or structure...

- You have outgrown your current business structure.
- You want to develop additional revenue streams or enter a new market.
- You need to raise capital to fund business development.
- Your competitive environment is changing and the time is right to acquire or merge with another business.
- You want to bring in the next generation, take on a new partner or recruit to enhance your management team.

### Warning signs that you need to shake up your business...

- You spend most of your time 'fire-fighting' day-to-day crises.
- You no longer have time to keep up with industry/market trends.
- You are losing customers and/or not achieving expected results.
- You have difficulty retaining employees.

Depending on the outcome of your business review, there may be positive reasons to introduce change. Alternatively, there may be warning signs that you need to shake up your business. Examples of these positive and negative indicators are set out below middle.

### Leading and managing change

Regardless of the size of your business, your ability to lead and manage change is the key to achieving success. While not everyone is a born leader, leadership skills can be acquired. Mentoring and personal development can be helpful in this regard. Likewise, bringing external expertise into your boardroom enhances objectivity and can help you make better business decisions. Consultants can introduce up-to-date knowledge and insights that can help you develop a more robust business strategy. While internal teams have valuable business and customer knowledge, it is often easier for external consultants to identify problems and confront obstacles such as resistance to changing the status quo.

When developing your strategy, remember to take into account the tax consequences of any planned business changes.

Update your business plan and communicate your vision clearly to your team. Check that the goals you set for yourself and your employees are aligned and monitored on an ongoing basis to ensure that everyone stays on track.

Finally, remember that change is continuous and shaking up your business should not be seen as a once-off event. By regularly benchmarking your performance and reviewing your business strategy and plan, you will optimise your ability to keep pace with evolving trends.



## SRC Careers Evening

PKF-FPM Director Teresa Campbell is pictured above with speakers from Autoline, Navigator Financial Planning and Hanna & Hillen at the Southern Regional College Careers Evening where she shared tips with students interested in a career in accountancy.



## Fighting for Cancer

PKF-FPM's Glen Nesbitt, who annually takes on fund raising challenges in aid of Cancer Charities, stepped out of his comfort zone yet again, on 18 May 2019 to be a part of the 2019 Charity Mixed Martial Arts (MMA).

After eight weeks of intense training, a couple of black eyes and a few minor war wounds, followed by three 2 minute brutal rounds in the ring and a declared draw, Glen returned to work, a hero in his colleagues' eyes, having raised £6,187 for Cancer Research UK.