

# Prosper

Issue eight | January 2024

**The investment portfolio balancing act:  
managing bonds and equities**

Plus

A conversation with what3words Co-Founder  
Jack Waley-Cohen

The key to attracting top talent for your business

Four ways to improve access to SME finance

Prosper is our magazine aimed at businesses and business owners, covering the pertinent issues currently affecting you and your peers.

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## Welcome to our eighth edition of Prosper

**To bring in the new year, we have carefully curated a selection of articles aimed at helping you prosper through these still somewhat unsettled times.**

Our last edition of Prosper was released in July of last year and since then the economic hardship the country is facing has seemed to lessen slightly, with the UK making a faster recovery from the pandemic than previously estimated. However, forecasts around the likely end of the cost-of-living crisis still vary, and the possibility of recession looms again following a shrinking economy recorded in the latest Q3 2023 ONS figures, with some predictions suggesting we will not return to pre-crisis levels until at least 2027.

In this issue of Prosper, our specialists provide expert insight on safeguarding and strengthening your business, as well as pertinent updates on key tax and accounting topics that have wide reaching effects on many across the UK. Here at UHY we are committed to supporting both your business and personal prosperity, so we have ensured there is something beneficial for all in this edition.

Focusing first on personal prosperity, both bonds and equities offer different benefits to your investment portfolio, helping you to balance your levels of risk and return according to the financial goals you have in place. Getting the right portfolio mix is critical to its success, so Andrew Lloyd-Owen, UHY Manchester financial adviser, gives his summary of the available options on page three.

If your investment goal is a longer-term income return, UHY London financial adviser, Harpal Matharu, talks through a range of other options on page five. As interest rates remain much higher than the norm of recent years, there are a number of longer-term investment income opportunities that merit serious consideration.

For those with an eye on alternative investments, cryptoasset taxation has been an area of confusion for many, and this is further exaggerated by the lack of uniform standards to refer to. UHY Ross Brooke partner, Phil Kinzett-Evans, overviews the current state of cryptoasset regulations, and what the future could entail on page 13.

With an eye on business prosperity, the Government has announced new transfer pricing guidance, taking effect from accounting periods on or after 1 April 2023, and having implications for all companies with a taxable presence in the UK that are within the Country-by-Country Reporting regime. Nikhil Oza, London tax partner, explains the importance of seeking expert advice in this area on page seven.

Selling your business is a significant decision, and many owners remain unaware of the best way to structure a deal that works for them. Belfast partner Robert Magee explains the difference between share and asset sales, before comparing the implications of both deal structures for sellers and buyers, on page nine.

James Foster, UHY East head of tech & OMB strategy, hosted the first Cambridge Founders Live event and had the amazing opportunity to interview co-founder of what3words, Jack Waley-Cohen. Gain insight into what it takes to build a successful company, now valued at \$250m, from someone with first-hand experience, on page 13.

Efficiency improvements are key in an environment of ever-increasing costs, and digital accounting tools can offer your business cost-effective ways to radically improve the efficiency of your financial systems. Head of cloud at UHY, Rebecca Roberts, lists the benefits of these tools on page 15.

Although businesses need to generate profit to continue operations, UHY International CEO, Rhys Madoc, explains on page 19 the benefits of becoming a purposeful business, and how putting profits before everything else may not be the best way forward, particularly in this current battle for talent.

Here at UHY we understand the impact that the right people can make on business success, which is why we work hard to attract and retain the best talent. As many businesses struggle to fill vacancies, Nottingham partner, David Allum, provides insight into the key to attracting and retaining the best talent on page 21.

### Taking a sector focus

The hospitality sector was left reeling after the pandemic, in which thousands of businesses had to close permanently after the loss of footfall and, unfortunately, the challenges felt then continue to persist. Specialist hospitality adviser, Martin Jones, overviews the most significant obstacles that businesses are facing in the year ahead on page 23.

Similarly, the UK property sector has significant issues to deal with in the near future, as renters, buyers and businesses feel the economic squeeze of rising costs and high interest rates. London VAT partner Sean Glancy details the current state of affairs, and explains how our experts can help you, on page 25.

Staying on the topic of property, HMRC have decided to review the use of hybrid or mixed LLP structures that are being used to hold property investments, after arguments were made regarding the effectiveness of their tax structure. London tax partner Anthony Davies provides more detail on page 26.

### An update on the latest UHY news

2023 was an exciting and prosperous year for UHY, particularly with the addition of a great new firm of skilled and like-minded accountants to our UHY UK network in the form of UHY BPR Heaton, situated just outside of Leeds. Find out more about our newest member on page 27.

Last year also saw the launch of our Manchester office podcast, UHY Cast, in March. Since its first episode, UHY Cast has consistently released interesting monthly episodes between 30-40 minutes on a wide variety of topics, where Manchester CEO, David Kendrick, interviews a range of fascinating and renowned guests across different industries and professions. Don't miss out and read our summary of the episodes so far on page 28, from professional

athletes to multi-million-pound business founders, each episode provides inspiration and insight of value to all.

Last but certainly not least, we discuss our support for Teenage Cancer Trust, our 2023/24 National UHY Charity. Find out more about the amazing work they do for young people throughout the country, and how our fantastic team members have worked to raise money for them in return on page 29.

This edition of Prosper is full of advice designed to ensure your prosperity despite current uncertainty and turbulence. Lean on our experts' knowledge and reach out to them if you have any questions regarding their articles. We look forward to hearing from you.



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**To bring in the new year, we have carefully curated a selection of articles aimed at helping you prosper.**

## The investment portfolio balancing act: managing bonds and equities

**Creating a well-balanced investment portfolio is a crucial move for investors looking to reduce portfolio risk. Andrew Lloyd-Owen explores the difference between bonds and equities, delving into their advantages and disadvantages to help you make informed choices that align with your financial goals.**

UK investors seeking income often face the challenge of deciding between bonds and equities for their investment portfolios. Each asset class has unique benefits and risks, making it crucial to understand their differences and evaluate risk tolerance, investment objectives and time horizon.

Below we look into the differences between bonds and equities, and why creating a well-diversified portfolio involves a mix of the two.

### Getting the right portfolio mix

Equities and bonds exhibit lower correlation since they react differently to market events. As a result, they can complement each other in a well-diversified portfolio. While equities are considered riskier assets with potentially more volatile returns, bonds generally offer smaller, more stable returns. However, the right mix depends on an your time horizon, investment goals and risk profile.

There are two primary types of financial securities: bonds and equities.

#### Bonds

Bonds are debt instruments representing a contract between a borrower and a lender ie. governments, municipalities, or corporations to raise capital. When you buy a bond, you are essentially lending money to the issuer in exchange for regular interest payments (coupon payments) and the return of the principal amount at maturity.

Investing in fixed-income securities rather than equities places investors in a more secure position in an insolvency or liquidation situation, as they have priority when claiming the company's assets. Importantly, if the bond issuer defaults on its debt, recovery may be possible, unlike a share price that could decrease significantly.

Some key features include:

- Bonds are generally considered less risky than equities because they provide regular income and a predetermined return on investment.

- Bonds can add stability to your portfolio as their values tend to be less volatile than equities.
- Bonds provide a predictable income stream through coupon payments, making them attractive for income-seeking investors.

Generally, bonds should not be expected to yield the same growth rate as equities due to their lower risk profile. They can provide a safer source of total return and capital preservation features. However, bond prices are sensitive to interest rate changes, and rising rates can lead to capital losses. Inflation can also erode the purchasing power of bond income, making it less attractive over time.

#### Equities

Equities, also known as shares or common stock, represent ownership in a company. When you buy stock, you become a shareholder in that company. Shareholders are considered the corporation's owners and usually possess voting rights. The returns come from dividends (if the company pays them) and potential capital appreciation (an increase in the stock price).

Preferred stock, or preference shares, grant holders the right to claim the firm's earnings before dividends on ordinary shares can be distributed. Preferred stock also holds a senior claim on the firm's assets in case of company liquidation, making it a less risky investment than common stock.

Some key features include:

- Equities have historically provided higher long-term returns compared to bonds, making them more suitable for investors seeking capital appreciation.
- Many companies pay dividends to shareholders, providing a source of income.
- Equities can potentially outpace inflation over time, preserving the purchasing power of your investments.

However, equities can experience significant price fluctuations, leading to higher potential returns and losses. The performance of individual companies can also significantly impact your investment, making stock selection crucial.

It is worth noting that past performance is not a reliable indicator of future results.

### Creating a diversified portfolio

Determining whether to invest in bonds or equities largely depends on your individual goals, risk tolerance and investment horizon. Bonds may be a better choice if you prioritise stability and predictable income. However, equities could be more suitable if you accept higher volatility for potentially higher long-term returns.

Diversification is crucial in reducing overall portfolio risk. By investing in a mix of asset classes, you can spread risk and reduce the impact of negative performance in any single investment.

A well-diversified portfolio is not a guarantee against losses, but it can help manage risk and improve the potential for achieving your long-term financial objectives. The right mix depends on individual factors. For personalised guidance, contact your local UHY adviser for an informed approach to long-term financial success.



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**Diversification is crucial in reducing overall portfolio risk.**

## Financial planning roundup

### Growing your investment income

**If your investment goal is income, your options have broadened in the last two years.**

If you wanted income from your capital two or more years ago, there often seemed little alternative to taking on higher investment risk to achieve your goals. The Bank of England interest rate hovered between 0.1% and 0.75% for over 13 years from March 2009. Now, for the first time in over 15 years, the rate exceeds 5%. In theory, if you want income, today you could find it from banks' and building societies' instant access accounts.

In practice, matters are not quite so simple:

- **Inflation** means that if you spend your interest, the buying power of your capital will be eroded. For example, £1,000 in January 2020 was worth only £823 by June 2023, thanks to inflation. Indeed, since 2009 short-term interest rates have rarely been above the inflation rate, so even if you had reinvested all your interest, you would still have less spending power in 2023.
- **Variability:** There was a time in the early 2010s when it seemed interest rates were stuck at 0.5%, but rates now are anything but static. At present, there is a consensus that UK rates are close to their peak. Eventually a decline is expected and, when that happens, there will be a corresponding drop in deposit interest rates.
- **Tax:** Unless you are an additional rate taxpayer, the income tax treatment of your interest benefits from the personal savings allowance (£1,000 for UK basic rate taxpayers and £500 for UK higher rate taxpayers). The allowance has been frozen since its introduction in April 2016. Back then a higher-rate taxpayer with a deposit earning the then bank rate needed over £100,000 before paying 40% tax on their interest. Today that figure is less than £9,600.

### Investment landscape

The different short-term interest rate picture in 2023 is just part of a broader changed investment landscape. This is most obvious in the fixed interest securities sector, which includes government and other fixed rate bonds.

A good example is provided by one benchmark bond, the 10-year UK government bond (gilt).

In July 2021, the prospective annual return for investors who bought that bond and held it through to maturity was a mere 0.57%.

It is now almost 4% a year higher. There have been similar changes throughout the bond market, meaning that bonds and bond funds are once more viable long-term income investments.

Dividend payments on UK shares and share-based funds are also higher than in 2021, as a result of both inflation and the recovery from Covid-19. Since July 2021, the average dividend on UK shares has risen by 36%, based on FTSE All-Share data.

If you need to generate income from your capital, the message in 2024 is clear. While higher rates on instant access deposits are welcome, there are other, longer-term investment income opportunities that merit serious consideration.

### Why Wills matter: intestacy rules change delay

The intestacy rules for England and Wales have been changed...belatedly, and with real consequences for some estates. If you do not have a valid Will then the decisions about what happens to your estate on your death are governed by the laws of intestacy. These may not work as you might hope or expect them to. The rules differ between England and Wales, Scotland and Northern Ireland, but in all three jurisdictions a surviving spouse or civil partner (not cohabitee) receives only a specified share of the estate if there are also children or grandchildren.

For England and Wales, that surviving spouse or civil partner's entitlement consists of personal possessions, assets up to a fixed cash value and half of any remaining estate.

#### Disparity across jurisdictions

The legislation for England and Wales requires that fixed cash value to be updated once total inflation has exceeded 15% since the last update. No such indexation provision applies to the intestacy laws of Scotland and Northern Ireland. Unfortunately, although the 15% inflation threshold was triggered in November 2022, the Ministry of Justice did not act until 26 July 2023, by which time the Lord Chancellor's legislated increase raised the cash sum by 19.3% to £322,000.

Throughout the UK, intestacy law is not a subject at the forefront of legislators' minds. But at a personal level, the defaults imposed by intestacy rules can have serious effects. The families of those who died intestate between November 2022 and July 2023 have potentially lost a substantial amount.

Research shows 50% of UK adults do not have a Will. If you are among them, or your Will has not been reviewed for some years, the time to act is now. Procrastination, as the Ministry of Justice showed, can be costly.

### New take on retirement planning

At what age did you (or will you) start actively planning for your retirement?

The answer is now 36 years old according to research undertaken by a major pension provider. By contrast, the starting age for today's retirees averaged 49. Over half of that group now wishes that they had begun planning earlier.

There are some good arguments for why a retirement focus now begins in the mid-30s. National Statistics data show that the average age of buying a first home and getting married are now both around 34, so at 36 life should have gained a settled pattern for many. Nearly two thirds of respondents were confident in their abilities to make financial decisions by age 36.

Both today's retirees and the 36-year-olds have experienced the new world of automatic enrolment into workplace pensions. When today's 36-year-olds retire, those pensions will be a much greater proportion of retirement benefits than they are today. Apart from the longer timeframe, auto-enrolment will also become more significant because of new legislation which paves the way for:

- an 8% minimum contribution level to cover all earnings (currently it's up to a maximum of £50,270 and excludes the first £6,240); and
- the auto-enrolment minimum age to drop from 22 to 18.

The lower enrolment age of 18 matters because the sooner pension contributions begin, the better. A contribution made at 18 will enjoy about half a century of investment returns before it starts to be drawn on. The truth is that whatever your age, your retirement planning should be a primary focus.



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## UK transfer pricing changes effective from 1 April 2023

### Changes to the transfer pricing documentation required by the UK tax authorities have taken effect for accounting periods commencing on or after 1 April 2023.

UK businesses in scope of the new requirements are those with a taxable presence in the UK (eg. through a UK company or permanent establishment) and are within the Country-by-Country Reporting regime (ie. where they have global revenues of €750 million or more).

By way of background, transfer pricing is a means of pricing transactions between connected parties, based on the internationally recognised 'arm's length principle' which seeks to determine what the price would have been if the transactions had been carried out under comparable conditions by independent parties.

In recent years, there have been significant developments in the field of international tax, spearheaded, in part, by the Organisation for Economic Cooperation and Development (OECD).

Action 13 of the OECD's Base Erosion and Profit Shifting (BEPS) measures recognised the importance of a standardised approach to transfer pricing documentation. The standardised approach consists of:

- a master file containing standardised information relevant for all multinational enterprise group members
- a local file referring specifically to material transactions of the local taxpayer
- a Country-by-Country report for the largest multinational enterprise groups containing aggregate data on the global allocation of income, profit, taxes paid and economic activity among the tax jurisdictions in which it operates.

At the time of the OECD BEPS initiative, the UK implemented the Country-by-Country minimum standard but did not introduce specific requirements regarding master file and local file. HMRC instead relied on the need to keep and retain 'sufficient records' to allow UK taxpayers to demonstrate that their tax returns are complete and accurate, including in respect of any figures affected by the transfer pricing rules.

However, the absence of specific transfer pricing documentation requirements, and supporting guidance, has created a degree of uncertainty for UK businesses regarding the appropriate transfer pricing documentation they need to keep. This has led to inconsistency of approach, especially where their fellow group entities around the world had specific documentation requirements to adhere to.

UK law will now implement the additional recommendations of the BEPS Action 13 in respect of the master file and local file.

Additionally, the new regulations will also introduce a 'summary audit trail' (SAT) requirement, where businesses must complete a questionnaire detailing the main actions they have taken in preparing the local file.

Of course, these additional documentation requirements, especially the SAT, will enable HMRC to capture even more data and place greater scrutiny on large UK businesses, ultimately increasing tax yields for the Treasury.

It is also important to note that revisions to UK law effectively lower the threshold whereby an error is deemed 'careless' for the purposes of calculating penalties. The relevant taxpayer can only displace this by providing the documents and evidencing that the underlying transfer pricing information had been prepared in advance of filing their Corporation Tax return, or otherwise showing they took reasonable care.

There is therefore a very great need for UK entities in scope of the new rules to seek specialist transfer pricing advice, not only for their UK affairs but also across the globe. Across UHY International, we have many dedicated transfer pricing specialists in many jurisdictions and can provide assistance with your global requirements.



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## Structuring the deal: asset sale vs share sale

When buying or selling a business, the structure of the transaction can have a significant impact on the benefits accruing to the sellers and the risks taken on by the buyers. Here we consider a fundamental component of any transaction where the target is a limited company; whether the transaction is structured as a share sale or an asset sale.

### What is the difference between a share sale and an asset sale?

The key distinction is in what the purchaser is acquiring; this can be the share capital of the target company or the assets of the target. Each approach presents different challenges and benefits to buyer and seller.

**Share sale** – where the transaction is structured as a share sale, the shareholders of the target sell their shares to the purchaser.

**Asset sale** – where an asset sale is agreed upon, the purchaser will acquire only the assets of the business that are subject to sale. This may include property, machinery, stock, contractual rights, patents and trademarks and other intangible or tangible assets.

### Issues to consider

There are a multitude of issues to consider when structuring a deal, depending on the specifics of the transaction. Some of the more pertinent issues are likely to be:

**Tax implications for the seller:** there can be significant tax disadvantages for a seller under the asset sale model, primarily due to taxable gains often arising twice, initially in the company upon sale of the assets and again when funds are distributed to shareholders.

**Risks for the acquirer:** in the event of a share sale, the acquirer purchases all assets and liabilities of the company, some of which may be contingent in their nature or difficult to detect in due diligence. While the buyers can seek indemnities from the sellers, these can be of limited value.

**Due diligence process:** due diligence for a buyer is likely to be more straightforward and less time-consuming as part of an asset purchase. Fewer investigations will be required and liabilities will typically remain with the seller upon transfer of the assets. This can make an asset sale more straightforward to transact.

**Continuity for customers and employees:** as share sale is likely to be more straightforward in terms of retaining customers and employees, to the extent that a transaction could take place with no meaningful impact on either. In the event of an asset sale, employees may be transferred to a new employer, and customers will likely be buying from a new supplier, which can throw up several issues.

**Legacy liabilities for seller:** in the event of an asset sale, the directors, shareholders, and guarantors may be left with personal liabilities (personal guarantees, for example) and may carry the risk of contingent or unknown liabilities. These issues will need to be dealt with via an appropriate process if the seller is ceasing to trade and may add an additional layer of cost.

Ultimately, every transaction has its own unique set of circumstances for each side, which tend to lead to one option being chosen over the other. Sellers will have the ability to shape this to a certain extent by offering either shares or specific assets in a sales process, however, there may be circumstances where a buyer has a strong preference for an alternative approach and this can be a sticking point in the sale process.

Choosing between a share sale and an asset sale significantly affects both buyers and sellers in a business deal. Key considerations include tax implications, risks, due diligence efficiency, continuity for stakeholders, and legacy liabilities. For insights or discussions, contact Robert Magee at [r.magee@uhy-uk.com](mailto:r.magee@uhy-uk.com) or your usual UHY adviser.



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Choosing between a share sale and an asset sale significantly affects both buyers and sellers.

## Four ways to improve access to SME finance

**For small businesses, access to SME finance could mean the difference between success and failure. However, research has found that companies need to overcome various challenges to secure necessary investment.**

A survey conducted by payments provider, Sonovate, revealed that 26% of UK enterprises were struggling to access finance through traditional banks. Additionally, nearly 40% of respondents expressed dissatisfaction with their main bank's lack of understanding of their business needs.

The Federation of Small Businesses (FSB) released a report called 'Credit Where Credit's Due' which indicated that less than two in five small firms find the process of seeking traditional loans straightforward. Furthermore, only 38% feel they can easily find answers to their questions about applying for finance.

The Institute of Chartered Accountants in England and Wales (ICAEW) has put forward four proposals to open up access to SME finance.

### Raising awareness of SME finance

Research has shown that limited awareness and lack of advice pose significant challenges for SMEs seeking finance. Business owners may not be aware of the available funding options. Initiatives like the ICAEW's Business Finance Guide, created in collaboration with the British Business Bank and leading providers of business finance, aim to raise awareness and provide guidance on different forms of finance and government support.

However, structural issues persist despite these efforts, particularly regarding the limited sources of advice accessible to SMEs. Owners often rely on trusted individuals they can meet in person, such as bank staff. But as banks have shifted their operations post-Covid, closing down branches, SMEs are losing a valuable source of personal advice and support during the application process.

Banks and industry organisations like UK Finance can do more to drive awareness and educate founders about different avenues for SME finance.

### Government support

Initiatives such as tax credits or enterprise zones could assist SMEs in achieving short-term growth, making banks more willing to provide long-term support.

Fundamentally, banks are commercial organisations, and their risk assessment determines whether SMEs are granted traditional loan funding or high-interest costs. Any increase in the cost of a bank's funding, such as interest payments mandated by the government, puts pressure on the bank to pass on the cost to customers or accept reduced profit margins.

Macroeconomic factors also play a role in the scarcity of SME finance. The changing business cycle and increased bank rates have led to higher interest rates for SMEs compared to a few years ago. While finance acceptance rates may be reasonable, the associated costs are more burdensome than in the past.

### New technology

Open banking technology can help bridge funding gaps by allowing non-bank lenders to evaluate creditworthiness based on customers' data. Emerging UK lenders have suggested implementing an SME Funding Passport containing standardised and easily shareable data for lenders to assess funding applications.

The ICAEW's Financial Services, Banking and Insurance Manager Simon Gibbs, says: "One advantage that banks have always had is that if your business has been with a specific bank for some time, that bank can instantly see all your transactions and assess your creditworthiness on an ongoing basis.

With open banking, the customer's data becomes much more portable – opening up the field for non-bank, alternative and other non-traditional lenders to make those sorts of evaluations."

**Research has shown that limited awareness and lack of advice pose significant challenges for SMEs seeking finance.**

### Invoice financing

The changing nature of SMEs calls for appropriate finance options. Invoice factoring with discounting allows finance providers to access real-time trade data and sales invoices to determine safe lending amounts against incoming payments. This approach can speed-up cash flow and facilitate faster scaling for modern SMEs.

The ICAEW's Head of Financial Services, Reuben Wales, says: "Many newer SMEs are tending towards business models with no hard assets. In other words, you don't need an office or fleet of vehicles – you can just set up shop with a laptop. That's a different proposition to what we had in the past, whereby the lender would look at your assets, and you would offer up certain holdings as security and collateral."

SMEs in the UK face finance challenges, with a significant number struggling to access traditional bank funding. The ICAEW suggest solutions, emphasising awareness, government support and new technology like open banking. Invoice financing emerges as a vital option for modern SMEs. For tailored advice and strategic guidance, businesses are encouraged to connect with their local UHY adviser.



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## A conversation with what3words Co-Founder Jack Waley-Cohen

Recently, we hosted our first Founders Live in Cambridge. Our launch event saw five tech companies pitch their businesses in just 99 seconds before a live Q&A with our audience and vote for the winner. Our host James Foster also had the pleasure of interviewing what3words co-founder, Jack Waley-Cohen, who shared details of his journey and gave invaluable advice to other founders in the room.

### Firstly, could you explain what what3words is?

what3words is a way of describing a location in a very human-friendly way. It divides the entire world into a grid of three-metre by three-metre squares, each containing a distinct combination of three words. This approach enables precise location communication using just three words, making it accessible to people in 59 languages. We work with a diverse range of industries, from emergency services to logistics and delivery, aiming to make location sharing more efficient and accurate.

### How did you start what3words, and what was the trigger for this innovative idea?

The idea for what3words was conceived when one of our co-founders, Chris Sheldrick, encountered difficulties delivering bands' equipment to music venues in Italy due to inadequate address information. He tried using GPS coordinates to locate the venues but decided that words were better than numbers after a one-digit error led him to the wrong location. This revelation led him to his friend Mohan, a mathematician, who proposed the concept of dividing the world into three-metre squares with unique word combinations.

With neither of them having prior experience in scaling a business, they decided to seek guidance and support from me. We then made some very early design decisions such as the size of the square and finding a consistent way it could work from a branding perspective.

### Has the combined vision of the cofounders for what3words remained consistent, or has it evolved over the years?

When we launched what3words, we didn't tell people until about the day before. People were excited but didn't really know what it was for.

We had no structured plan in place, but we built it as

quickly as we could and then put it out there with PR support. Lots of media platforms covered it initially and we benefitted from headlines such as 'Is this the end of the postcode?', which resulted in more press which was very exciting.

We then had people from companies that we hadn't heard of, even industries that we didn't know existed, messaging us in the first week saying 'we think you've solved a big problem for us'. This blew our minds initially, but we knew we had to knuckle down to find our focus. We still haven't solved everything, despite being 10 years in and raising a lot of money. We still have resource constraints and we're still not profitable. That said, the vision is still pretty much the same as when we started, although we've developed it and refined it. Ultimately, we're still trying to change the world by making people savvy about locations and not wasting time wandering around aimlessly.

### What is the most significant change in your role over the last decade from startup cofounder to COO of what3words?

Over the years, my role as a co-founder has evolved significantly. Initially, I wore many hats, from head of HR to CFO and CTO, and even did some sales. As the business scaled, I learned to trust others to handle various aspects, which allowed me to be more hands-on in the early stages. This transition is quite typical when scaling a tech business. While it's been challenging at times, the excitement of new developments keeps me going.

### Can you share any early hire examples that you feel were particularly important for what3words?

Two hires stand out as crucial for our growth. One is our commercial president, who has been with us for six to seven years. Although we initially hired her for a different role, her energy and creativity made her an essential figure in our team. The other vital hire was the head of HR, who played a crucial role in taking care of our people as the business expanded. There comes a point when growing a business, where both fortunately and unfortunately, you have to do things other than just managing people.

You have to look after the people within the business and you have to make sure you do that right, which is something I care deeply about but I found quite difficult, so the head of HR hire was crucial.

### How important was having access to an ecosystem like Cambridge for what3words' growth?

Being part of an ecosystem like Cambridge provided us with credibility and opened doors that might have otherwise remained closed. While it's frustrating that you sometimes need such associations for credibility, it's the reality. It helps you gain equity and access to a pool of talented individuals. If you have the opportunity to be part of a strong ecosystem, it's wise to leverage it.

### Any advice for founders looking to attract investors and open doors to funding?

Attracting investors can be tough, especially in today's competitive landscape. However, the key is to sell your vision. In the early stages, the numbers may not look impressive, and your business plan might seem uncertain. What investors really want to see is your unwavering belief in your vision and its potential to make a significant impact.

Focus on the big picture and the problem you're solving rather than just the financials. Building relationships and trust with potential investors is vital, so be genuine and passionate about your mission.

### Want to hear more from Jack?

This isn't the first time we've interviewed Jack, so [click here](#) to read our interview from 2019.

In conclusion, what3words is a testament to the power of innovation and the impact it can have on the world. Jack's insights shed light on the journey from a groundbreaking idea to a global movement, proving that a shared vision and unwavering determination can transform the way we navigate our planet.

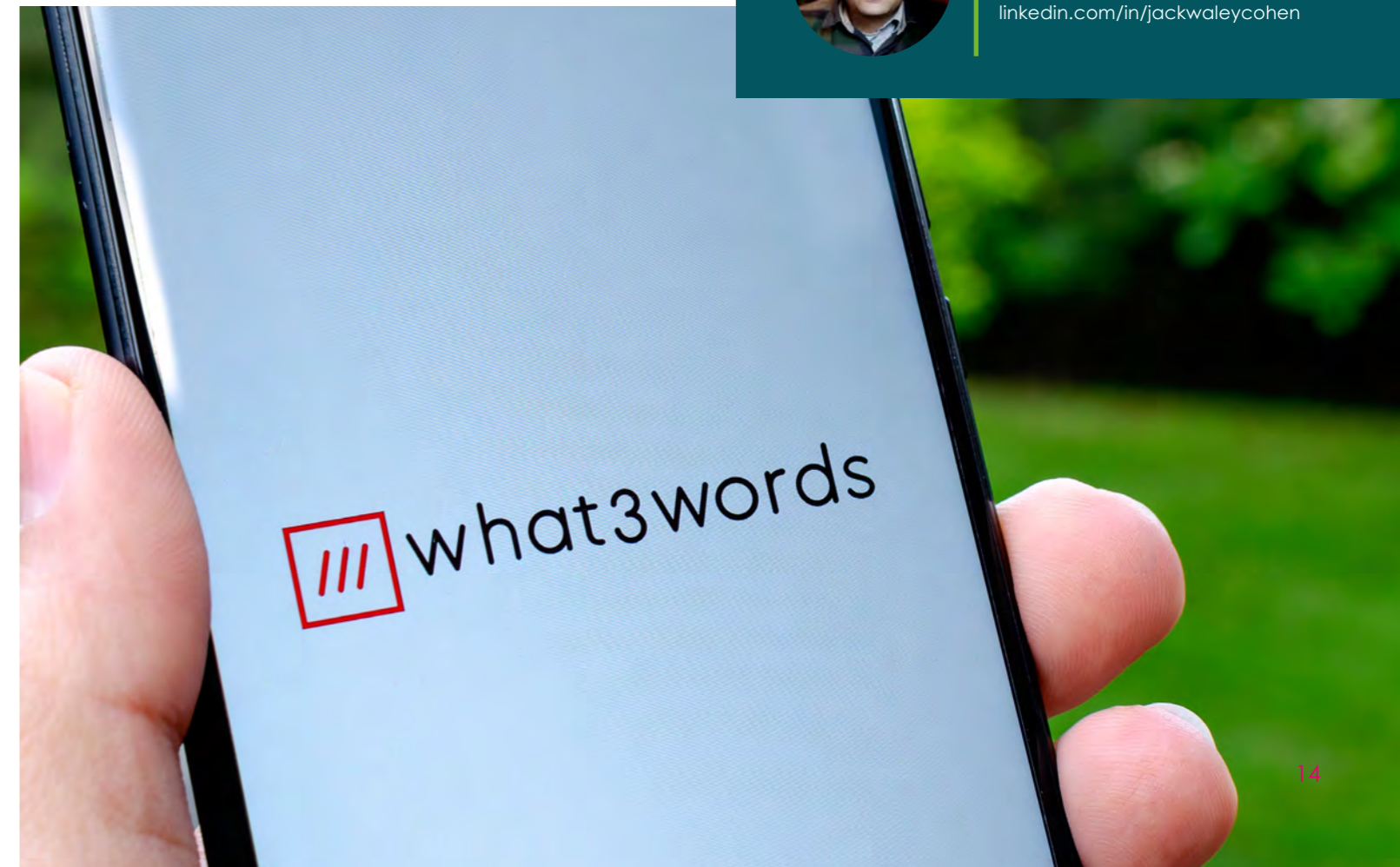
If you're interested in pitching or attending the next Founders Live Cambridge event, please contact James Foster.



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## The benefits of using digital accounting tools for your business

**Companies that embrace digital tools for accounting are often able to streamline their processes, improve accuracy and make data-driven decisions more efficiently.**

By leveraging technology, you can automate routine tasks, reduce manual errors, and gain real-time insights into your financial performance. This enables you to make more informed decisions and adapt quickly to changing market conditions, ultimately leading to faster growth.

Digital tools for accounting offer several benefits for companies, contributing to faster growth. Here are some key advantages:

- 1. Automation and efficiency:** repetitive tasks such as data entry, invoice processing and reconciliation can be automated. This not only saves time but also reduces the risk of human errors. With streamlined processes, employees can focus on more value-added activities, leading to increased productivity and efficiency.
- 2. Real-time data and insights:** real-time access to financial data and analytics will allow you to have a clear and up-to-date view of your company's financial health, performance and cash flow. Instant access to key metrics makes it easier to make informed and timely business decisions, enabling you to seize opportunities and address challenges promptly.
- 3. Enhanced collaboration and communication:** with cloud-based platforms, multiple users can access and update financial information simultaneously, enabling transparency and reducing communication gaps. This drives faster decision making and improves overall efficiency.
- 4. Scalability and adaptability:** As your company grows, your accounting needs evolve. Digital tools offer scalability and adaptability to accommodate changing requirements. They can easily handle an increasing volume of transactions, support multiple currencies, integrate with other business systems and provide flexible reporting options. Such flexibility will allow you to scale your operations without significant disruptions.

An example of a digital tool that could benefit your business is Dext. Dext (formerly known as Receipt Bank) is a cloud application that allows you to manage receipts, invoices and other documents that businesses need.

It helps business owners store their receipts and invoices on the cloud software and helps automate bookkeeping processes as it begins to extract information. Dext can save you time by automating time-consuming admin. For instance, invoices and receipts can be held for at least ten years, eliminating the need to store boxes upon boxes of paper, which you will need to search through at a later date to retrieve information you need. HMRC do accept digital copies of invoices as well, making the process even simpler.

Dext can also be used in conjunction with Xero, another amazing digital tool that can save your business time and improve the efficiency of your financial systems. Xero's online accounting software connects small business owners with their numbers, their bank and advisers anytime. It can help by simplifying everyday business admin and increase efficiency by automating manual tasks. Xero also connects with more than 1000 third-party apps, allowing you to tailor its use even further to your business's specific needs. Here at UHY, we are well versed at implementing Xero for our clients and would be happy to assist you in this process.

Overall, companies that leverage digital tools for accounting can gain a competitive advantage by streamlining operations, making data-driven decisions and adapting to changing business needs. This ultimately contributes to their faster growth and success in today's digital age.



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**The adoption of digital tools in accounting is a strategic necessity for companies seeking rapid growth in the digital age. Automation, real-time insights, improved collaboration and scalability are key advantages driving efficiency and informed decision-making.**

**Connect with your UHY adviser today to embrace the efficiency and growth potential of digital tools, ensuring your business remains competitive in the dynamic digital landscape.**



**By leveraging technology, companies can automate routine tasks, reduce manual errors and gain real-time insights into their financial performance.**

## Facing the challenges of cryptoasset taxation

**The rise of cryptocurrencies and other cryptoassets has presented tax authorities around the world with a new and unique set of challenges. These digital assets, often characterised by their decentralised nature and pseudonymous transactions, have created complexities that conventional tax systems were not designed to handle.**

### Lack of uniform international standards

One of the primary challenges in the taxation of cryptoassets is the lack of uniform international standards. While some countries have established comprehensive regulatory frameworks for cryptoassets, others remain uncertain about how to approach them. This disparity makes it difficult to address tax-related issues, especially in the case of cross-border transactions and global tax evasion. The UK recognises the importance of international cooperation on cryptoasset taxation and actively participates in discussions to combat tax evasion and money laundering through cryptocurrencies.

### Valuation and reporting

Valuing cryptoassets accurately is a complex issue. The volatile nature of the cryptoasset market means that the value of a digital asset can change significantly over a short period. This presents a challenge for tax authorities when determining the fair market value of cryptoassets for tax purposes. The UK has addressed this issue by providing fairly clear guidance on the tax treatment of cryptoassets, including how to calculate capital gains tax (CGT) and applicable tax rates. The UK's system also includes an annual tax-free allowance, helping individuals with smaller holdings to avoid CGT. However, the guidance from HMRC was delayed and many taxpayers with these asset types were trading in them long before any tangible guidance was released by HMRC, leaving many in arrears with their tax affairs.

### Identification of taxpayers

Cryptocurrency transactions are pseudonymous, making it challenging for tax authorities to identify the individuals or entities involved. The use of blockchain technology may provide transparency, but it does not always link wallet addresses to specific individuals or businesses. Tax authorities must rely on cryptocurrency exchanges and wallet providers to collect and share user data.

The UK has established regulations requiring exchanges and wallet providers to adhere to anti-money laundering (AML) and know your customer (KYC) regulations, helping authorities track transactions and identify taxpayers involved in cryptoasset activities.

### Tax evasion and money laundering

The anonymity and ease of cross-border transactions in the cryptocurrency world have made it an attractive option for tax evasion and money laundering. Criminals can use cryptocurrencies to hide their income and launder illicit funds, making it challenging for authorities to track and prevent illegal activities. The UK actively works to combat these issues through its regulatory framework, exchange reporting requirements, and participation in international efforts to combat financial crime.

### Regulatory clarity

The UK has taken a proactive approach by providing regulatory clarity regarding the taxation of cryptoassets. In 2019, HMRC issued comprehensive guidelines on the tax treatment of cryptocurrencies. According to these guidelines, cryptocurrencies are considered assets, and their tax treatment depends on how they are used. This clear classification has helped taxpayers understand their obligations.

In other jurisdictions, this is not the case - some treat the assets as though they do not exist and accordingly have no matching taxation. Others treat them all as if they are currency, and treat cryptocurrencies as cash, whereas the UK considers Bitcoin and others to be assets.

### Record-keeping and reporting requirements

HMRC has emphasised the importance of maintaining thorough records of cryptoasset transactions, including the acquisition and disposal of assets, the date and time of transactions, and the amount of cryptocurrency involved. The UK's tax system includes streamlined reporting processes within tax forms, making it easier for taxpayers to fulfil their obligations accurately.

### Software

There are several leading software providers to help individuals comply with their tax obligations. Each software provider has different strengths, eg. privacy, token coverage, Non-Fungible Tokens (NFTs) and matching the right software to the individual's needs can significantly reduce the work required in accurately

calculating tax liabilities. In general, the software available has improved dramatically over the last 18 months, but the main challenge facing the providers is keeping pace with the innovation within the crypto space, something that advisers need to be mindful of.

In the UK, there has been a particular challenge around the fact that most software houses are not UK based and the software was designed for another jurisdiction and then adapted to the UK market. As the UK's approach to cryptoassets is quite different from other countries, there have been teething issues in the calculation of UK tax liabilities. With the help of UK advisers this has improved significantly, but the output from the software still needs to be carefully reviewed to ensure its accuracy.

### Educational efforts

The UK government has made efforts to educate taxpayers about cryptoasset taxation. HMRC provides online resources, including guidance documents, webinars, and FAQs, to help individuals and businesses understand their tax obligations. This educational outreach aims to reduce unintentional non-compliance.

### Evolving regulations

The UK recognises the evolving nature of the cryptoasset landscape and is open to adapting its regulations to address emerging challenges. Regulatory bodies in the UK continuously monitor

developments in the cryptocurrency space and collaborate with industry stakeholders to ensure that the tax system remains effective and fair.

The UK has taken steps to address the challenges associated with cryptoasset taxation. Its approach, including regulatory clarity, clear tax treatment, and educational efforts, serves as a model for how governments can adapt to the evolving crypto landscape. By providing clear guidelines and maintaining an open dialogue with stakeholders, the UK aims to strike a balance between effective taxation and encouraging innovation in the cryptoasset space while addressing the broader global challenges in this evolving field.

This is a rapidly growing area of business and commerce. Inevitably, crypto will form a larger part of audit, accounting and taxation and UHY has the necessary expertise in the UK and internationally to assist with all aspects of crypto work.

If you would like to know more about our expertise in this field, please contact Phil Kinzett-Evans or get in touch with your local UHY adviser.



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**Crypto will form a larger part of audit, accounting and taxation and UHY has the necessary expertise in the UK and internationally to assist with all aspects of crypto work.**



## Purposeful business: a driving force for positive change

**We are all in business for a purpose. Businesses exist to create and sell products or services and, by doing so, to make profit. A business that does not make money will not be a business for very long.**

But having a profit motive is not the same as being a purposeful business. Certainly, purposeful businesses exist to make money, but they also have a wider motivation that informs everything they do.

Put simply, purposeful businesses do not put profits before everything else. They operate with positive social, environmental or corporate goals in mind (and often all three).

### Solving problems - not creating them

Purposeful businesses make money from solving problems and never from creating them. They identify a challenge and focus their efforts on doing something to help customers overcome it. They work to minimise any negative impact those efforts may have on wider society and the planet.

In short, they see their products or services, and also their behaviour as corporate citizens, as a means for positive change. Some brands, alongside their products or services, might position themselves as ambassadors of environmental or social change. Others simply offer solutions to the everyday needs that people face.

Purposeful businesses aim to be good corporate citizens. That might mean minimising the environmental impact of supply chains, or putting employee wellbeing at the heart of their human resources strategies. It also means abiding by local and international regulations at all times.

### Guiding principles of purposeful businesses

The British Academy has produced a set of guiding principles by which purposeful businesses should operate. It states:

"Measurement should recognise impacts and investment by companies in their workers, societies and natural assets both within and outside the firm. Performance should be measured against fulfilment of corporate purposes and profits measured net of the costs of achieving them."

This sounds a little like an ESG strategy, and meeting ESG criteria can certainly be one of the goals of purposeful business. But a company that integrates these principles 'will organise itself on all levels according to its purpose'. That will involve areas like corporate governance, shareholder obligations, financing and investment too.

### A network for positive change

In the UHY network, our member firms aim to make informed decisions for the benefit of their own business and to support their clients. As well as core accountancy skills, our members offer consultancy and business advisory services that not only help to make organisations compliant with regulatory standards, but also help them to become fitter and more efficient. Many of our members offer specific services around ESG, technology adoption and corporate social responsibility.

In short, our member firms seek to add value to client businesses. By working together and sharing expertise across borders, they also help multinational companies expand more seamlessly into new territories. By sharing knowledge, ideas and innovations across our network, UHY professionals are able to offer clients the most up to date support on technical, regulatory and organisational issues and standards.



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**Purposeful businesses do not put profits before everything else. They operate with positive social, environmental or corporate goals in mind (and often all three).**

## The key to attracting top talent for your business

**A lack of workforce is one the top five challenges facing the workplace, according to a recent Forbes article. Dave Allum, partner in our Nottingham office, provides insight into the key to attracting and retaining top talent for businesses.**

Those of us who grew up in the 90s will be familiar with the works of Ugly Kid Joe and today we are thinking about the closing track to their debut album, 'Mr Record Man'. For those not familiar with it, it is a ballad where a 'wannabe' band desperately hopes that the recording company is genuinely interested in them as a band and not just in it for the money. In some ways, this is reflective of the way that many of the workforce now need to feel a sense of belonging and purpose.

A Forbes article in the last quarter of 2022 set out the top five challenges facing the tech sector. This included the usual suspects: supply chain issues, cyber security, rate of change in innovation and demand for sustainable tech. Mostly, these are external factors and often outside of direct control. The fifth challenge is a little more in direct control and that is a major lack of talent.

As most employers are finding post-pandemic, the workforce seems to have shrunk. This is not something confined to limited sectors or geographic areas, nor is it something that has an overall cause. One line of thinking is that the amount of time people spent at home during the lockdowns has led them to evaluate their work-life balance and created a much greater focus on this balance. In a similar vein, there is a thinking that the way the workforce views work is different. Gone are the days of working to get money, having been replaced by the desire to actively contribute to a purpose generating a much deeper sense of satisfaction.

Whatever the cause, one thing is certain: there is huge competition for talent from a small pool of people. You can have the greatest plan ever but without the right people, there is always going to be a barrier to building a successful business.

### So how do you attract the very best talent?

#### A key purpose

It's not that long ago that pay was generally considered to be the ultimate tool to attracting talent, and that the best teams could be created by simply paying the most money. If you have been recruiting recently, you will know that this simply does not hold true in a lot of cases now, particularly with the younger generations who are looking for a much wider reward system.

My own experience of recruiting recently has been helped tremendously by the values that we hold at UHY and the way in which these are woven into our everyday work. Underpinning these is our key purpose – 'helping you prosper'. All our people understand what this means to our clients and each other, creating an experience that people want to be part of.

But how does this link back to your own business I hear you ask? Well, I imagine whether you are a new business or are a long-established company, there will be one key thing that gets you and the team out of bed each morning to do what you do – but is this written down or just an unspoken understanding? If it is not written down, I would advocate spending some time with the team understanding what the common goal is and what happens in your business to create that sense of purpose. Once you understand the purpose, it becomes easier to set out the values that everyone lives up to and to embed these into the culture. Having a clearly defined and well communicated purpose and set of values is one of the key things that can help in the war to attract (and retain!) talent.

#### Providing self-development opportunities

Another key driver for workers is a sense of self-development – are you providing training and development opportunities for everyone? In technical roles, it is more common to see regular technical updates but don't confuse this with development training. Development training is around the soft skills that enable successful working and would be appropriate for non-technical and support roles as well. Having a clear development plan for all the team can create a great sense of reward and potentially put you ahead in the war for talent.

#### Corporate responsibility

A final tip to think about as part of the purpose is the impact of the business on others. ESG has been a buzz phrase for a while now, but we are seeing more that this is a huge driver for attracting people to your business. Do you just have a token recycling bin, or do you have a well-defined policy and actively make choices to reduce environmental impact? Do you select suppliers based on their environmental impact as well, giving preference to those that might not be the cheapest but whom have a policy that mirrors your own? Do you have a well-defined and implemented social policy, creating a zero-tolerance policy to discrimination? All these things matter to the modern workforce.

Attracting talent has never been easy and is certainly getting harder. By having focus on the things that are important and matter to the modern workforce, it is possible to create an advantage for your business and attract and retain the right people to help you succeed.

In addressing the talent shortage, a clearly defined purpose, along with self-development opportunities and a focus on embracing corporate responsibility, is key to gain a competitive edge in attracting and retaining top talent.

If you would like to read more about our purpose at UHY and our commitment to helping you prosper, please visit [www.uhy-uk.com/helping-you-prosper](http://www.uhy-uk.com/helping-you-prosper).



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## Challenging times for the squeezed middle in hospitality

### The hospitality sector continues to face headwinds following the pandemic, as it confronts various challenges.

Its current challenges are:

- pressure on revenues due to a fall in discretionary spending by consumers
- pressure on food costs and wages
- potential increases in business rates
- supply chain disruption
- staff shortages and difficulty recruiting.

In this article, we look at each of these in turn and see how the hospitality sector is coping and how it can respond.

### Revenues

Consumers are cutting spending in the wake of the cost-of-living crisis, and this is having an impact on the viability of pubs and restaurants, most notably the mid-market chains. People are eating out less and at home more, so those with no delivery option are struggling. Restaurant insolvencies have increased and struggling operators continue to close less profitable sites. Byron, the burger chain, recently announced that it was reducing its estate to single figures following further closures.

### Costs

High input cost inflation is affecting both food and drink costs and wage costs for operators. In the year to April, food and drink inflation stood at 19.1%, significantly above the general inflation rate according to the Office for National Statistics.

### Business rates

UKHospitality continues to lobby the government on business rates, claiming it is one of the most outdated and unjust tax systems facing hospitality and is in dire need of review and reform.

The 2023/24 Retail, Hospitality and Leisure Business Rates Relief Scheme provides eligible and occupied retail, hospitality and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

If the relief had not been extended at the Autumn Statement in November, estimates by advisory group Altus showed that pubs' annual taxes would jump from £3,900 to £16,800, potentially causing more strain for small, independent businesses.

### Supply chain disruption

Disruption to supply chains during and after the pandemic contributed to the inflationary food costs. With the increasing emphasis on ESG, operators have more awareness about the ESG impact of sourcing food. As a result, there has been a shift to sourcing more locally and reviewing the locations and credentials of suppliers for better sustainability.

### Staff shortages

A UKHospitality study in 2017 estimated that 25% of chefs and up to 75% of waiters in the UK were from EU countries, clearly highlighting the decline of available talent pool since Brexit and the pandemic. Operators continue to struggle to find and retain staff and some have revamped their service accordingly. For example, Nando's has moved away from table service to save on labour costs. Many operators have simplified menus to ease the pressure on staff, which has also helped reduce food waste.

The Skilled Worker visa, which covers workers with a certain skill level, could be a solution to the hospitality sector's recruitment problems for chefs and managers, as it allows skilled workers from abroad to occupy positions which are often unfulfilled.

### The squeezed middle

According to the Insolvency Service, there were 6,208 (seasonally adjusted) corporate insolvencies in the third quarter of this year and research suggests that in the twelve months to 30 September 2023, nearly half of such casualties were from the accommodation and food sector. It is not surprising that with the headwinds outlined above, many restaurants are going out of business, particularly in the middle space. Consumers tend to be trading down generally or splashing out on the occasional treat, so operators in the middle ground find themselves squeezed.

Jamie Oliver opened his newest restaurant - Jamie Oliver Catherine Street - at the end of November, billed as an upmarket restaurant. Oliver has indicated that he would not look to roll out another UK casual dining chain due to the huge pressure on mid-market restaurants. Jamie's Italian launched in 2008 on the back of the private equity-backed roll out model and grew to 25 sites before it collapsed into administration in 2019.

Popular brands at the lower end of the market, such as pizza and pasta outlets, J D Wetherspoon and the likes of Nando's continue to prosper as does fine dining. In the hotel sector, boutique hotel group Firmdale recently announced record revenues, achieving average daily room rates of £568 across its London portfolio, demonstrating how some top-end hotel groups have managed to pass inflationary costs onto customers.

As Luke Johnson, British entrepreneur, commented, "The strong get stronger and the weak fade away."



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## Our property sector overview

**Interest rates have continued to remain at an inflated level compared to previous years and, while the Bank of England have forecast that interest rates will drop throughout 2024, some suggest the base rate will settle around 4.5%. Combined with the costs of construction and development also remaining high, the corresponding impact on the property sector has been evident. In this article we provide our overview of what's been happening and what is most likely ahead for the sector.**

### Residential

#### Buy to Let

The buy to let sector has been hit hard by increased costs and the cost-of-living crisis. Costly legislative changes, such as upgrades for EPC ratings and an ever-increasing tax burden, continue to prove significant challenges for the sector. Despite an increase in rents, we will no doubt see more landlords exiting the market or changing their business model to commercial or short-term letting.

#### Property prices

Huge uncertainty still surrounds future changes in property prices through 2024, however most researchers have downgraded their estimations to a modest reduction in prices, rather than a full housing market crash. There are huge opportunities in the sector for cash deals as demand continues to outstrip the supply of housing.

### Commercial

#### Construction and development

Many house builders have scaled back activity. Increased interest rates and building costs, combined with a 30 percent reduction in reservations for new houses seen by some house builders, will no doubt lead to boardrooms questioning how many houses to build over the coming 12 months.

The Autumn Statement may have missed a trick in supporting this crucial sector.

Reform is clearly needed in a painfully slow planning process, where house builders are waiting years to get planning permission for larger developments.

The government's consultation on CIS reform will likely result in a more stringent test for gross payment status for subcontractors. Those affected will likely suffer significant cashflow disadvantages.

#### Office space

High inflation and salary demands have created huge cost pressures for many corporates. The 2023 RICS survey suggests that pressure on cashflows will continue into 2024 as office rents are typically one of the largest costs suffered by a business.

Hybrid working has become the norm for many businesses with nearly 40% of employees adopting this approach. The demand for serviced and co-working spaces has increased but demand for larger office space has reduced by 19% according to a recent RICS study.

#### Looming election

Property and housing are always hot topics for any government. The next general election will be held in early 2025, which may see some last-minute changes in tax policy as the current government seeks to curry favour with voters.

#### How we can help?

We work with businesses and investors in all parts of the property sector. Property taxation is a complex area and requires expert knowledge to navigate. Ensuring that the reliefs are claimed and that the correct tax is paid is critical when costs seem to be spiralling for all businesses.



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## Property businesses and incorporation relief

**There has been a furious flurry of opinions exchanged online in relation to the use of hybrid or mixed LLP structures to hold property investments. The structures were established to avoid s24 interest expense restrictions, also known as Section 24 changes. HMRC issued Spotlight 63 which, in summary, stated that they do not believe that many of the structures put in place by landlords are effective from a tax perspective. Each structure will need to be reviewed on a case-by-case basis.**

#### Where are we now?

In relation to hybrid structures, social media has gone quiet, and it is likely that many landlords could find themselves with an enquiry as HMRC digs through the thousands of cases to understand them and determine their effectiveness.

We support many clients with enquiries, and dealings with HMRC, and are discussing the implications and options available to several clients who have entered into structures to which they now believe Spotlight 63 may apply.

#### Can companies still be used to hold property?

Yes, 100%. There are many benefits to holding property via a limited company, such as the lower rates of corporation tax (25%) compared to income tax rates of up to 45%. No interest restrictions. Family Investment Companies (FICs) are a very popular structure that, if used in the correct way, can allow the tax efficient transfer of wealth to the next generation.

#### What about incorporation relief? Is this still available?

Incorporation relief is still a legitimate relief and available, provided all the criteria are met. Please note that HMRC do not currently consider the incorporation of a property business as unacceptable avoidance if legislation is followed. Some mortgage providers have become concerned about whether incorporation relief represents unacceptable tax avoidance. Lenders will take their own view, and some may choose not to lend to structures which have claimed incorporation relief.

#### What should I do if I have setup a hybrid structure?

The first thing is not to panic. HMRC will take some time to consider the structures, and will no doubt form an opinion on some of the more common structures they review. It will be necessary to take tax advice and may also be necessary to approach HMRC to discuss the tax implications of the hybrid structure.

Care needs to be taken if you wish to restructure - this may not negate any adverse tax issues already triggered by setting up the hybrid structure and may cause additional tax liabilities, worsening the situation.

Our expert team can help and advise you on the best course of action.



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## Leeds accountancy firm BPR Heaton joins UHY Hacker Young

**Leeds accountancy firm BPR Heaton joined our UHY Group in April 2023, before officially rebranding to UHY BPR Heaton in October, further expanding our presence in the North of England.**

UHY BPR Heaton can trace its roots back 100 years and, since that time, they have been successfully operating as one of the largest independent chartered practices in Leeds. They offer a strong, out of town alternative to the larger firms of Leeds city centre.

The firm, which is led by Mark Andrews as Managing Partner, has five partners and a 30+ strong team. The team support a wide mix of businesses and private individuals across the region, providing the full range of audit, accounting, corporate finance and tax services, and with an extensive management accounts, outsourcing and advisory offering. They have particular specialisms in agriculture, the professions, the service sector, construction, manufacturing and retail.

Mark said of the firm's reasons for joining UHY:

"We could see how the benefits being offered through membership of the UHY UK Group would be a real advantage for us. While we're a strong local firm with a good history of growth, we knew that becoming part of the UHY brand would open doors to additional opportunities with some of the larger local businesses, which we know is the next step in our growth.

We also knew having access to additional resources, to a wider pool of technical specialists and to peer driven thought leadership would provide additional guidance, support and direction for us and our clients."

The addition of UHY BPR Heaton forms part of our strategic plan to expand the Group further across the UK. Nationally, we are focused on increasing our presence in a few key locations, namely in Scotland, the North East and the South West. Recent years have seen our UK Group add new firms in Cambridgeshire, Hertfordshire, York and Sheffield.

Group Chairman, Colin Wright, who was part of the team responsible for onboarding UHY BPR Heaton, said:

"The addition of our new Leeds firm to the UK Group is another solid move in support of our ambitious growth plans. More importantly, however, the firm were immediately onboard with our Group purpose of helping you prosper and wanting to join us on our journey to become a purpose led group, with a great employer brand and ambitious plans to hit the £100m fee income mark by 2027. The firm fits well within our group culture as a 'people-first' business, which came across when meeting their teams."

If you know of any firms that you think would be a great fit, and aligned with our purpose, please contact our National Executive Director, Zoe Paradine, with any recommendations.



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## UHY Cast: engaging conversations packed with valuable

**Our Manchester office launched their podcast series, UHY Cast, in March 2023 with partner Ryan Wear introducing the series' host, Manchester CEO David Kendrick, in the first episode. David took the hot seat to answer questions about his journey from a university student to UHY senior leadership, as well as his plans for growing the Manchester office and meeting their ambitious strategic goals.**

Since its first episode, UHY Cast has regularly released interesting monthly episodes between 30-40 minutes on a wide variety of topics, with guests from a range of industries and professions.

The list below contains all the other episodes currently available on our website at [www.uhy-uk.com/insights/uhy-cast](http://www.uhy-uk.com/insights/uhy-cast)

### Episode 2 - From side hustles to entrepreneurship, a chat with John Leach

From a degree in chemistry to establishing one of the leading UK management consultancy businesses, David sits down with the founder of Winning Pitch, John Leach, to find out more. John shares his journey to becoming an entrepreneur, the obstacles that came with it, the steps he took to sell his business and his views on the significance of intellectual property.

[Click here to listen to Episode 2](#)

### Episode 3 - From £2.5 to £200 million plus, the secret recipe to pet food success with Julian Bambridge, MPM CEO

David sits down with Julian Bambridge, the CEO of MPM (Making Pet Food Matters). From Olympic swimming trials to leading a multi-million pound business, Julian shares his incredible journey and the secrets to his success.

[Click here to listen to Episode 3](#)

### Episode 4 - The current economy, a chat with John Stevenson, Founder of Pareto FP

In this episode we sit down with John Stevenson, founder of Pareto Financial Planning, as he shares his professional opinion on the current economy, covering hot topics such as interest rates, mortgages and cryptocurrency. John also gives us insight into his journey from telesales to success in the financial industry as the Founder of Pareto FP.

[Click here to listen to Episode 4](#)

### Episode 5 - The road to Paralympic medals with Shelly Woods, British Paralympian

Shelly Woods, an elite British Paralympian, shares her inspiring journey to becoming a three-time medal winner at the Paralympics and two-time winner of the London Marathon. Shelly details the captivating behind-the-scene moments at the Beijing and London Paralympic games, the feeling of winning a medal and the discipline, resilience and determination she had to undertake to achieve such a victory.

[Click here to listen to Episode 5](#)

### Episode 6 - The climb up Everest with Olly Burr, one of the youngest Brits to conquer the summit

We delve into the inspiring journey of Olly Burr, one of the youngest Brits to achieve the remarkable feat of conquering Mount Everest. Olly shares his first-hand account of the journey, expert insights, and a deep dive into his historic ascent that has left an indelible mark on the world of mountaineering.

[Click here to listen to Episode 6](#)

### Episode 7 - Unlocking workplace wellbeing, with Founder of Ripple & Co, Eileen Donnelly

In this episode, Eileen Donnelly, the Director and Founder of Ripple & Co, delves into the significance of cultivating a workplace environment where individuals are at ease discussing their mental wellbeing.

[Click here to listen to Episode 7](#)

### Episode 8 - Batting for the win, an exclusive chat with Cricket legend Sir Geoffrey Boycott

In this exclusive interview, cricket legend Sir Geoffrey Boycott shares his incredible journey from local fields to becoming one of England's finest batsmen. This episode explores Geoffrey's background and covers his perspective on the 2023 Cricket World Cup.

[Click here to listen to Episode 8](#)

### Episode 9 - From generation to generation, the journey to luxury homeware with Nick Bianchi

Nick Bianchi is the Director of distinguished luxury home furnishing brand Arighi Bianchi. As the fourth generation to embrace the family business, Nick unveils his unique path and outlines future plans.

[Click here to listen to Episode 9](#)







Through fundraising initiatives, Teenage Cancer Trust ensures that young cancer patients receive the best possible care and support during their challenging journey.

## Teenage Cancer Trust: Supporting young lives facing cancer

**Our national charity, Teenage Cancer Trust, is a UK-based charity dedicated to improving the lives of young people battling cancer. Established in 1990, the organisation specialises in providing specialised care, support and facilities tailored for individuals aged 13 to 24 diagnosed with cancer.**

The charity's core focus lies in addressing the unique challenges young people face when dealing with cancer. Adolescents and young adults have distinct emotional, social and psychological needs that often differ from those of children or older adults. Teenage Cancer Trust recognises and caters to these specific requirements by offering dedicated units within hospitals designed specifically for this age group.

Within these units, young patients have access to not just medical treatment but also a range of activities and support services designed to make their stay more comfortable. These include recreational areas, access to technology and engagement programs that address the unique emotional and social needs of this age group. This holistic approach aims to not only aid in the physical recovery but also provide emotional support and a sense of normalcy.

Additionally, the charity actively engages in raising awareness about cancer in young people, working towards earlier diagnoses and providing educational programs to empower both young individuals and medical professionals.

Through fundraising initiatives, Teenage Cancer Trust ensures that young cancer patients receive the best possible care and support during their challenging journey. UHY Hacker Young's fundraising efforts, including the ongoing contributions and support, significantly contribute to ensuring these services continue to positively impact the lives of young cancer patients.

Nine months into our dedicated commitment to Teenage Cancer Trust as our chosen National charity of the Year, we're thrilled to showcase some of the milestones we've collectively achieved through our ongoing support. Our fundraising efforts have resulted in raising an outstanding £21,162, and counting, for Teenage Cancer Trust.

Our journey toward this sum has been a testament to our collective dedication and the power of teamwork. Our fundraising efforts have taken various shapes across our offices:

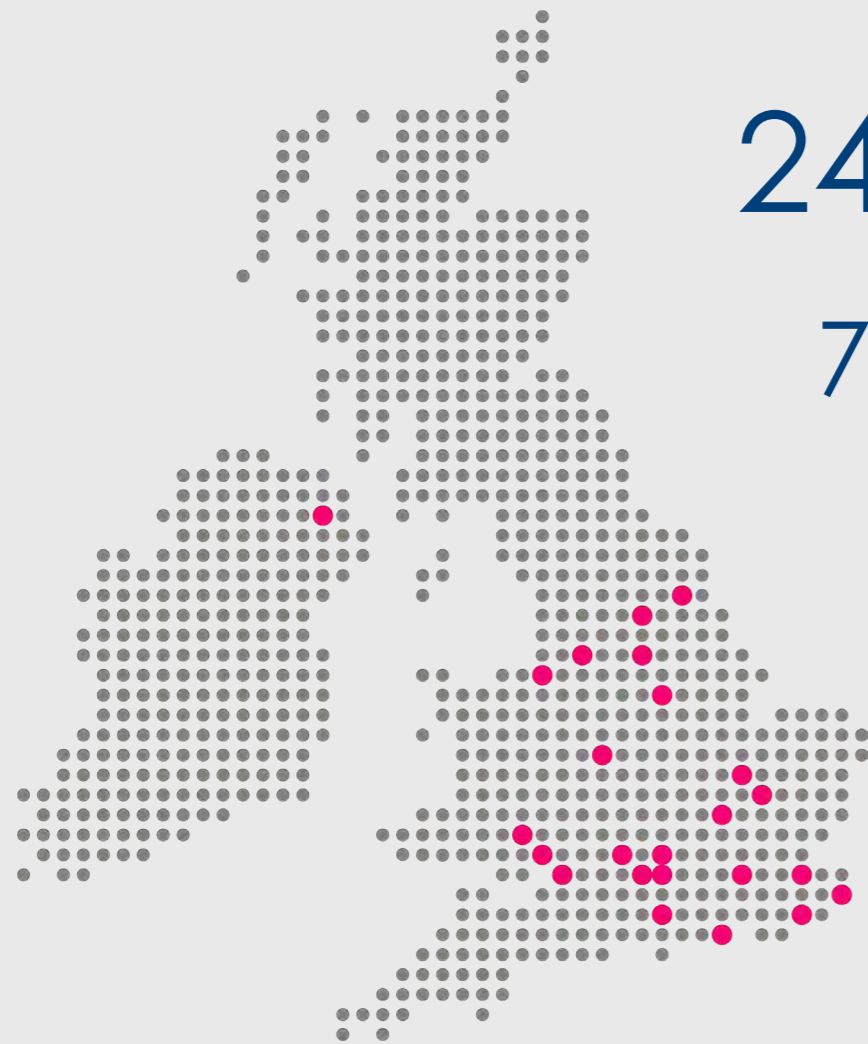
- regular coffee mornings which are combined with bake sales, offering our teams' homemade masterpieces
- Fundraiser at our National Conference
- UHY Ross Brooke organised a friendly rounders game between their offices
- Our Kent offices have been running a monthly Payday Bonus Ball fundraiser
- The UHY Manchester team fearlessly took on the Tough Mudder challenge, rallying together to raise an impressive sum, nearly reaching £2,000!
- 'Rudolph's Runway', our national Christmas jumper day, which ran across all offices to celebrate the festive season and encourage further donations.

Beyond our collective efforts, Kerry Whattam, Cloud Manager at our York office, embarked on a heartfelt journey in support of Teenage Cancer Trust. Kerry, along with her brother and sister, participated in various running events on October 15th. Their involvement was fueled by a personal connection and an inspiring story:

"Jamie ran the York marathon, I ran the 10-mile event, and my sister from Adelaide also covered 10 miles. We undertook this in memory of Amelia Ellerby, a cherished family member who tragically passed away at 19. During her illness and treatment, Amelia received care at the dedicated young persons' cancer care ward in Leeds. The Teenage Cancer Trust Young Adult Unit at St James's University Hospital in Leeds is a vital support system for individuals aged 19-24. It offers specialised in-patient beds, day-care facilities and a comforting environment with various amenities, providing a semblance of home during challenging times."

If you would like to make a donation to our fundraising efforts for the Teenage Cancer Trust, you can do so through our dedicated JustGiving page at [www.justgiving.com/campaign/uhyhackeryoung2023-2024](http://www.justgiving.com/campaign/uhyhackeryoung2023-2024). Every penny counts, so thank you.

## UHY in numbers



**24** offices across the UK

**720** professionals

**96** partners

**20<sup>th</sup>** largest global network\*

**UHY**

Founder member of UHY, our international network

**340** offices

in

**100** countries

In the latest Corporate Advisers Rankings Guide, we are currently ranked:

**18<sup>th</sup>** by number of AIM listed audit clients

**17<sup>th</sup>** by number of stock market audit clients

\* According to the IAB World Survey 2023

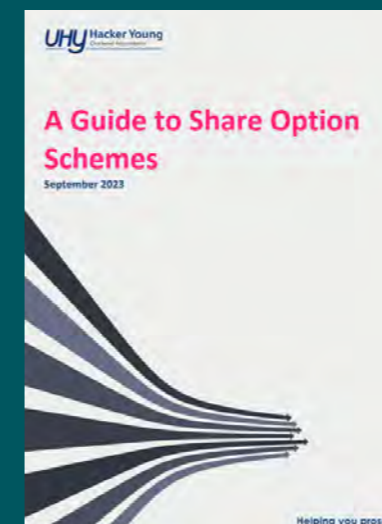


Working with **more than 500** academies and free schools nationally and ranked by the ESFA as one of the UK's Top 3 auditors of academy trusts by total number of trusts.

Supporting more than **300 charity and not-for-profit clients** across the UK, including 3 of the UK's largest grant-giving foundations. Ranked 2nd in the Charity Finance Audit survey for our charity expertise and 3rd for overall service to our charity clients. All clients scored us top marks for our charity expertise, technical expertise and overall service.

Involved with more than **1/3 of the transactions** within the automotive retail market for the last five years. Employed as trusted advisers to **more than 70 dealer groups across the UK automotive sector**.

## Some of our recent sector and service publications:



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Telephone us: +44 20 7216 4600

We will ensure that your enquiry is directed to your most relevant local expert.



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# Combining national expertise with a tailored local service

Our UHY Hacker Young experts across our 24 offices nationwide provide the best advice because we understand both local needs and the national picture.

Whether you are looking for advice on your personal finances, looking to start a new business, expand your current business interests, or you just want regular compliance advice, our clients come in all shapes and sizes and so do our services.

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