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Welcome

We've been busy at MFW and recently we have not only revamped our newsletter but we have launched a brand new website too. We hope you enjoy our new look.



Scan with your phone to visit the new website now

SPECIALIST SECTORS

The rise of the social enterprise

Despite the economic climate or perhaps as a result, the social enterprise sector appears to be growing.

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CLIENT PROFILE

Romney Marsh Wools

Husband and wife, Paul and Kristina Boulden, have established a business based on what was previously a dying industry.

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INSOLVENCY SOLUTIONS

Credit where it's due

Although credit cards have been blamed for the buy on credit approach, their value is too often overlooked with many not realising the benefits when using them.

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Welcome

Our new website not only has a fresh design but now contains more information than ever. You can now download factsheets on the subjects we regularly get asked about; keep up to date with the latest business and market news and even use one of the many tax calculators to give you an idea of your tax liabilities.

We have also added details on just some of the sectors we specialise in to give you more of a feel for what we do.

One such sector is the agricultural sector, in which the firm has expertise in, since we were first established in 1936. It is also the industry in which this edition's client focus is based, featuring the husband and wife team behind the successful Romney Marsh Wools brand.

Business Matters

Our newsletter will still cover the same topics but, as you can see, has been completely redesigned with a more modern look and compact format. We hope you like it.

Happy reading!

Credit where it's due

Although credit cards have been blamed for the "buy on credit" approach of today's society, their value is too often overlooked with many consumers not realising the benefits when using them to pay for goods or services.

An example of this is when I recently helped a builder friend successfully reclaim £1,200 from his credit card company after the company he bought a gas fire from became insolvent.

In 2011 my friend bought a fire from a Kent showroom but told the manager that he did not want to take it straight away as he was currently re-plastering his living room and would therefore, collect it when he was ready to install it. Perhaps inadvisably, some considerable time passed and the fire remained in the safe keeping of the showroom. From time to time my friend would call in to purchase other goods on behalf of his customers and there was often a bit of banter between him and the manager about the fire which remained stored by them.

When my friend did finally contact the showroom to collect the fire a few months ago, he learned that the company he purchased the fire from had gone into liquidation. Although to all intents and purposes the store appeared to still be trading, it had new owners who had no obligation to my friend to fulfil his order. The employees of the new company claimed to have no knowledge of the fire and neither did the liquidator.



However, because the fire had been purchased with a credit card, section 75 of the Consumer Credit Act 1974 applied which states that the credit provider is equally liable with the retailer to the consumer. I therefore wrote a letter to the credit card provider on my friend's behalf who was delighted when he received a full refund a week or so later.

The Credit Card Act protects the purchase of any goods or services made using a credit card between the values of £100 to £30,000. It is therefore important to remember that if you are paying a deposit for a high value item, it is always worth paying for at least some of the cost on a credit card to ensure you and your purchase are protected.



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Are your employees putting you at risk through Social Media?

Blogs and social media offer exciting and innovative ways for your company's business to thrive and participating in them can be a good way to expand and elevate the company's business presence.

However, in order to adopt a proactive and positive approach there is a need to reduce your risk and it is therefore essential that you adopt a social media policy. In doing so, you will send a clear signal about company expectations for employee use of social media.

The 'instant' nature of social media means that people don't always think before they post, blog or tweet which can make you vicariously liable for your employees' actions if what they have said is defamatory, discriminatory, or commercially sensitive.

Establishing a social media policy

Your policy will be a reminder for employees that social media activity in the workplace is not necessarily

private and that they can be disciplined for conduct that breaches employee policies.

ACAS advises that any policy should include what is and what is not acceptable behaviour for the use of the internet, emails, smart phones, blogs and tweets. You should also cross reference a social media policy to other procedures, and update them, for example bullying policies should include reference to 'cyber bullying'.

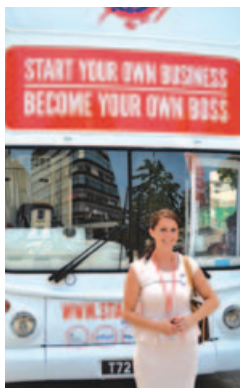
It is advisable to take a 'common sense' approach to regulating behaviour and to treat electronic behaviour as you would treat non-electronic behaviour. However policies do not necessarily have to be drawn up from scratch. For example, you

may already have guidelines for the use of emails and the internet that can be expanded. Be clear throughout your policy about drawing a distinction between business and private use of social media. If you allow limited private use be clear about what this actually means.

If you need more support on developing a bespoke social media policy to meet your organisation's culture and approach contact Annabel or the team at Kent HR at www.kenthr.co.uk



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Taking the bus to work one journey at a time

Hayley Simpson, is MFW's Business Services Manager based at our Sittingbourne office. She recently signed up as a mentor for the Start-up Britain Campaign which recently visited Canterbury and Maidstone.

Hopping onto the Start-Up Britain bus, Hayley provided much needed advice on starting up and running a new business and was also able to point out potential pitfalls too. She was delighted and amazed with the variety of ideas that attendees had which

included marketing interactive outdoor events, making and selling a range of Mexican cakes and even launching a new invention.

Missed the bus this time around? If you or someone you know missed out on this opportunity then you needn't worry, simply call your local MFW office for a free initial consultation and you can also benefit from our sound advice and assistance.

Client Profile: Romney Marsh Wools (RMW)

The Golden Fleece

Using wool from their Romney Marsh sheep, husband and wife, Paul and Kristina Boulden, have established a business based on what was previously a dying industry. This could be seen as a dangerous strategy by some, but there's no 'pulling the wool over their eyes'. They have joined the ranks of a host of wool producers, fashion houses and designers who are all promoting one of the UK's oldest products and reviving an industry.

Introducing Romney Marsh Wools (RMW)

The brand, which was established in 2008, produces an extensive range of high quality products using the fleece of their flock and lanolin from wool. Products include beautiful and distinctive throws and cushion covers, a range of gifts, toiletries and accessories, yarn and even greetings cards.

Although still a relatively new business RMW is already achieving success and garnering a host of awards, including the prestigious 'Countrylife Magazine Christmas Fair Best Product Award' in 2011.

Reviving old traditions

The wool industry was once one of the most important trades in Britain and was the first commodity to be

levied with export tax. This changed dramatically in the 1950's when the industry started declining largely as a result of competition from cheaper overseas rivals and the widespread introduction of man-made fibres.

However, despite the recession, or perhaps because of it, Romney Marsh Wools has gone from strength to strength. Kristina puts this down to a demand not only for eco-friendly materials but a thrifter buying approach too. Many of her customers are actually shunning cheaper materials in favour of quality natural fibres which by their nature, are made to last.

The great news for Romney Marsh Wools is that the wool industry has seen a 33% rise in sales from 2008 to 2012 with the industry now valued at over £270m.

Paul and Kristina's insight is paying off as their products gain recognition and win more awards, including the Invicta Chamber of Commerce Entrepreneur of the Year Award in 2013.

What's their secret?

Combined with their extensive and award winning product range, the secret of their success lies in how they combine their own individual skills and expertise to work together for the benefit of the business.



↑ The Romney Marsh sheep provide the fleece for products

Paul is a sixth generation farmer who, with his family, rears Romneys along with a small flock of Merino sheep. In fact, it was one of Paul's ancestors that first introduced the Romney breed to the farm as far back as 1882.

Whilst Paul uses his experience to look out for the welfare of the flock, Kristina, a former National Account Manager for Premier Foods, calls on her sales and marketing experience to run the front end of the business. Not only that, but she is even winning awards in her own right, recently winning the Kent Women in Business Award 2013.

Product diversification, together with Kristina's ability to follow markets and spot new product opportunities also plays a part too. She has more recently spotted the growth in the craft market and added new knit-kits to the product range to satisfy demand.

As well as selling products through traditional channels such as high-end local stockists, Kristina is also promoting products in a variety of other avenues. This includes showcasing their products on their website romneymarshwools.co.uk, through trade fairs, consumer fetes and shows, (including the Kent County Show); and also through their excellent use of social media.

"Lydney has been key in setting up and advising us on certain strategic tools which have aided our growth"



Kristina Boulden
Proprietor, RMW

As seen on TV

If running a successful business or two is not enough, Paul can now add TV star to his resume after recently appearing on the BBC programme Countryfile, which highlighted the history of Romney Marsh including the tale of sheep smuggling gangs who used to roam it in the 17th Century. If you missed the programme it's worth taking a look and discovering the origin of the well known phrase, "better to be hung for a sheep than a lamb".

Watch the highlight:
http://www.bbc.co.uk/iplayer/episode/b036bn7k/Countryfile_Kent



Alternatively, scan this code with your phone to be taken straight to the video.

Working with MFW

Paul's family have been clients of our Ashford office for many years. Their family business was first looked after by David Kendall, former Partner and now Consultant of MFW, and is now managed by David's daughter, Lynsey. Lynsey helps Paul and Kristina to prepare their accounts, complete their tax returns, and also provides general bookkeeping and VAT advice.

In addition to Lynsey's support, Luke Rouse, fellow Manager at our Ashford office has been advising and setting up the Boulden's with

Sage accountancy software. Kristina and Lynsey have a superb working relationship. Kristina says, "Lynsey has been a great supporter of our RMW business from the very beginning and has been key in setting up and advising us on certain strategic tools which have all aided in the growth of our business".

The future

Paul and Kristina have succeeded in running a new business that uses time-honoured farming traditions and offers their high-quality, traditional products to a current market. It will be interesting to follow their progress and we look forward to seeing what they will add to their product range in the future.

For more information on our expertise within the agricultural sector visit our specialist section on our website at www.mfw.co.uk/services/sectors/



↑ A selection of products made from Romney Marsh Wools

The rise of the social enterprise

Despite the current economic climate or perhaps as a result, the social enterprise sector appears to be growing.

A social enterprise is a business that trades for a social and/or environmental purpose. The purpose and the desired impact of the entity will be clearly defined and will identify who it aims to help, and how it plans to do it. It will generate most or all of its income through selling goods or services rather than from receiving grants and/or donations. It will also have clear rules about what it does with its profits, reinvesting these to further the 'social mission'.

We have seen a significant increase in enquires to our charities and not for profit team and these have resulted in a number of new social enterprises being formed.

Traditionally the vehicle for not for profit entities has been a charity but recent changes mean that there is now considerable scope when considering the structure that you should adopt when starting out.

Your entity could take the form of any of the following:

- Unincorporated Association registered with the Charity Commission
- Company Limited by Guarantee, registered with the Charity Commission
- Company Limited by Shares
- Community Interest Company
- Charitable Incorporated Organisation

Below are the key features, pros and cons of some of these structures but for a more comprehensive list please refer to the full table featured in the news area of our website.

Unincorporated association and registered charity

These must be registered with the Charities Commission. Activities must fall into a pre-defined charitable object for the public benefit. This entity is governed by a board of trustees who give their time on a voluntary basis.

Pros

- Easier to raise funds
- Tax exemptions and reliefs

Cons

- Active regulation from the Charities Commission
- More responsibility for those involved i.e. trustees
- Charitable law does not allow individuals to be paid for their role as a trustee
- Restrictions on trading apply

Company limited by guarantee and a registered charity

These are run by the board of directors/trustees and are registered with the Charities Commission. Activities must fall

into a pre-defined charitable object for the public benefit.

Pros

- Possess a legal personality separate from its members
- Can own property and hold contracts
- Easier to raise funds
- Tax exemptions and reliefs

Cons

- Increased regulation in accordance with the Companies Act and Charities Commission
- People involved are company directors so face more responsibility
- Trustees can not be paid for their roles as trustees

Community Interest Company

CICs can be private companies limited by shares or guarantee and can adopt the cooperative not for profit or general commercial company model. There are a number of obligations that a CIC has to meet and continue to meet in addition to those imposed on an ordinary company. It must also satisfy a community interest test, adopt certain statutory clauses into its constitution and deliver an annual community interest company report with its accounts.



A CIC limited by shares may pay a dividend if agreed by a resolution of its members but dividends payable to private share holders (non-asset locked bodies) will be subject to a dividend cap.

Pros

- Directors can be paid
- Light touch CIC regulator
- Separate legal identity
- Can own property or enter into contracts in its own right

Cons

- Dual regulation with Companies Act and CIC regulator
- More responsibilities for those involved i.e. become company directors
- May be difficult to raise philanthropic grants and donations

- Cap on dividends could suppress interest from investors
- No specific tax exemptions/reliefs

Charitable Incorporated Organisation

This is an incorporated form of charity which is not a company and only has to register with the Charity Commission and not Companies House. Its trustees will normally have limited or no liability for the debts of the CIO and it can enter into contracts in its own right.

Pros

- Separate legal person
- Limited liability
- Can enter into contracts and hold property
- May qualify for tax relief

Cons

- Active regulation from the Charities Commission

- More responsibility for those involved i.e. trustees
- Charitable law does not allow individuals to be paid for their roles as trustees
- Restrictions on trading

At McCabe Ford Williams we can assist you in selecting the appropriate entity for your Social Enterprise. Once you are up and running we can provide you with a wide range of accountancy, tax, audit and business services.

In this sector there is always a need for specialist help and this is where the support of our experienced team will really benefit you. For instance some of the structures detailed above do not automatically qualify for the tax reliefs afforded to traditional charities and our experienced team can assist you with applying for charitable tax status, as and where appropriate.

Our new website contains a comprehensive list of all the services that we offer to the not for profit sector and you can also read our fact sheet on social enterprise.

If you would like more specific information about the services and support we can provide to such entities please do not hesitate to contact us.



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