

Alumni Magazine

Opportunity Knocks

MAUREEN PENFOLD

AN EXCITING
ACQUISITION AND A
NEW REDHILL BASE

CHANDRU IYER

ON BREXIT, TRADE
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TIM STOVOLD
ESSENTIAL RED
TAPE FOR LARGE
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CATCH UP WITH
DEBBIE CLIFFORD



Moving on
up

CATCHING UP

Welcome to our third Alumni Magazine. I hope you enjoy reading about all the latest KS activities and the exciting news in Maureen's Managing Partner update.

I would like to say thank you to those who braved the torrential rain to make our Alumni Pre-election Party on 6 June. It was great to catch up and hear their latest news, as well as the insights from our two speakers, Dominic Tayler and Richard Carter of Quilter Cheviot. Dominic and Richard gave an excellent summary of the current status of our economy, past trends and the implications of the election which took place on 8 June. The presentation was interactive and everyone got involved, with some great questions from the audience.

Save the date and spread the word – our annual summer party is on 21 September at the Beach Bar at the Montague in the Gardens Hotel. To book your place, email events@ks.co.uk.

Many of you will remember Ian Matthews and Guy Richardson and I am delighted to tell you that they were both promoted to partner on 1 May 2017. Ian and Guy started as KS trainees on the same day in 2005 so it's great to see them being promoted on the same day. I would like to add my personal congratulations to them both, especially as I was involved in recruiting them!

Ian said: "I'm really excited about the new role and couldn't imagine doing it anywhere else. I have the pleasure in being the partner for a few clients I have actually acted for ever since being a trainee way back when."

Guy commented: "I'm very excited and proud to have joined the partnership, and I'd like to thank everyone that has helped me along the way to achieving that goal, including many of the alumni. It has taken a lot of hard work and dedication over the years, but it was well worth it. I'm now looking forward to the new challenges that being a partner brings, and being a part of growing and shaping Kingston Smith for the future."

Heather Powell has been appointed Head of Property, following Martin Muirhead stepping down from the role. Heather joined the KS property team in 2007 and brings extensive sector knowledge to the role, gained by working closely with investors, developers and traders over the last 30 years, so please do discuss any property issues with her.

Many of you work abroad and keep in touch through LinkedIn which is great, so keep the messages coming as it's a really good way to stay connected.

We recently had a chance to work with one of our alumni, through

providing financial and tax due diligence services to leading mass participation events company, Human Race, on its acquisition of Xtra Mile Events. The work was won thanks to a recommendation by KS alumnus, Mike Hedges. He was a trainee in our West End office who moved to Grant Thornton and then on to Human Race where he is the Finance Director. From his time at KS, he worked closely with partner Mandy Merron and Corporate Finance director, Nick Thompson, and had first-hand experience of their skills and expertise. Having kept in touch over the years by meeting up for a drink every so often, Mandy and Nick were front of mind for Mike when Human Race needed specialist advice on their due diligence.

Spotted

I caught up with some familiar faces recently in some unfamiliar places. During a skiing trip in March, I bumped into Nadia Greenidge Baston at Gatwick on her way out to Canada. Then three days later in Morzine, France I ran into Debbie Clifford. Debbie was trying to control her two young children and I was trying to walk back from the slopes in my ski boots and carrying my skis. Not sure which of us was succeeding!

If you bump into any KS Alumni in unfamiliar places, please do let us know or, even better, send us a picture.

You can also catch up with Debbie on p.8 in our 'Where Are They Now' feature? It's always great to see our KS Alumni and I hope to catch up with more of you in the coming year at our events. Do keep us posted on what you are up to post-KS – we love hearing your news!

- Julie

Julie Walsh



CHANGING TIMES

It's been a very busy first half of the year at KS, with an exciting acquisition, new partners, award nominations, exam successes, promotions - and, of course, plenty of client work!

We are delighted to have strengthened our media and entertainment offering in the West End with the acquisition of Anderson & Pennington, a boutique firm. Anderson & Pennington is a highly regarded and well known media and entertainment practice specialising in the theatre, music, film and television industries, with some very interesting clients. If you happen to see one of the most popular West End productions, the likelihood is that our theatre practice is working with them! This is another key step in our growth plans and also links in well with increases in our connections across the Atlantic, both with our joint venture in LA and the wider Morison KSi firms.

We certainly live in changing times with such surprising election results. As you know times of uncertainty can create opportunity and we are focusing on our clients to help them maximise opportunities whilst covering the risk of any downside.

With Article 50 triggered, Brexit negotiations are underway. Our KS website Brexit Hub has been launched to offer clients and contacts insightful

commentary and analysis as developments unfold. Key areas we cover include Trade, Taxation and

People, as well as links to useful resources from the Home Office and European Commission. The Hub will be regularly updated and kept fresh. There are a range of articles on the Hub which I hope you'll find interesting, including implications around tax issues for private clients and businesses, why the Great Repeal Bill may bring some post-Brexit comfort to employers, how the triggering of Article 50 might impact the City and how Brexit is affecting the talent pool. You can explore our Brexit Hub at this link:

<https://www.kingstonsmith.co.uk/brexit-hub/>

“As you know times of uncertainty can create opportunity and we are focussing on our clients to help them maximise opportunities whilst covering the risk of any downside.”

A year after we launched our EU debate series, our speakers are reuniting on 28 June at Barber Surgeon's Hall to share their thoughts and opinions on what shape Brexit might take. Now that Article 50 has been triggered, the UK

will be seeking to lay

the groundwork for trade

deals outside Europe. Since our last debate, the EU has made it clear that it cannot strike a deal that is too advantageous for the UK if it wants to keep the Union together. So the highly topical question our panel will be debating, following the unexpected election result and the uncertainty of the UK's approach, is how 'hard' a Brexit will it be? Visit the Events on our website for

full details and please share with any clients or contacts who might be interested in watching the livestream of this fully-booked event.

The last month has brought some excellent news for KS as we

were finalists at two prestigious awards. Our terrific Tax team was a finalist at the Tolley's Tax Awards, a reflection of the scope of

expertise in our well-regarded team. KS was also shortlisted for Consultancy of the Year at the UK-India Awards. This is fantastic recognition for our India Group which advises a large number of Indian businesses on their international operations. It reflects our growing profile in the region and the benefits our specialist advice can bring to businesses which are expanding globally. I'd like to thank India Group members Tim Stovold, Parveen Chadda, Tom Moore and Chandru Iyer for all their hard work which has resulted in this recognition.

Maureen Penfold



Managing Partner Update

Congratulations also go to Head of International Business Development, Chandru Iyer, who is featured in the UK-India 100 List of most influential people in UK-India relations. Compiled by India Inc.'s experienced research team, the list profiles the "go to" people in business, advisory services, and the public sector. This is terrific recognition of Chandru's enthusiasm and strong focus on attracting and supporting businesses from the Indian SME sector to do business in the UK.

Excellent news for our team at Redhill - they will be moving into a new office towards the end of July. Betchworth House on Station Road is in a more vibrant part of town and continues our plans to strengthen our 'One Firm' ethos, ensuring all our offices are joined together as 'hubs' which are convenient for all our people, clients and contacts to visit and utilise. If you are near any of our offices and need a quick space to use, please do drop in - we have collaborative, open spaces available at each office for our clients, contacts and, of course, our Alumni.

Our first Charity Partnership with the Rainbow Trust has been extremely successful, with the firm having raised over £50,000 already of our £75,000 target for the year! The Rainbow Trust is a fantastic charity that provides support to families who have a child with a terminal or life-threatening illness. KS staff have thrown themselves into raising money for this great cause – some of them literally as they bravely took part in a skydive – and we've had London Marathon runners, dress down days, dog-racing, bake offs, Easter Egg hunts and much more. In true KS style, we've been putting the fun in fundraising! Martin Muirhead is taking part in Ride London in July, a gruelling 100-mile cycle challenge to raise money for the Rainbow Trust. To keep an eye on his progress and fundraising details, visit www.virginmoneygiving.com/MartinMuirhead

We have just held our Summer Ball, revived by Julie in 2014, which had a 'Bond theme'. We raffled a diamond for the Rainbow Trust, which raised £6,110 and was a great evening in the usual KS Way!

It has been fantastic reconnecting with so many of you and I look forward to seeing you all at the next party on 21 September at the Beach Bar at The Montague on the Gardens Hotel (we promise, no speeches or formalities - just fun!).

- Maureen

BREXIT AND TRADE: A WEALTH OF OPPORTUNITIES?

Article 50 has been triggered; Brexit is finally happening. While the eventual Brexit deal will take around two years to be agreed and initiated, this period also allows the UK to begin initial discussions on possible bilateral trade deals with the emerging economies. This won't be an easy task, particularly with pressure from the EU not to sign any trade deals until it has negotiated its own with the UK. Agreeing the terms of a Free Trade Agreement (FTA) takes a long time, and it would be wrong to assume that the developing economies will bend over backwards to sign on the dotted line. The eventual bilateral FTAs with countries like India, China, etc. give rise to plenty of opportunities, both on the trade and investment sides. The trade relationships which the UK establishes with other territories around the world will be keenly followed as the post-Brexit UK develops.

Entrepreneurs and owner-managed businesses in the UK will need time to assess the implications of Brexit and what it means for them. However, we know that British SMEs are resilient and the successful ones seize opportunities in the face of change. As changes to legislation and regulation start to flood in, adaptability and stability will be key for businesses operating in the UK to sustain and grow.

A possible concern about leaving the EU is that the UK will lose the benefits of various EU directives which eliminate withholding taxes within the EU. Combined with the UK's favourable domestic tax regime, this has made the UK a very attractive place to locate a holding company for European subsidiaries. But all is not lost – the UK has an extensive tax treaty network which covers most of Europe. Tax treaties also reduce withholding taxes which means that most UK parent companies can continue to receive dividends, interest and royalties without being burdened by withholding taxes.

One benefit of leaving the EU is that UK companies will no longer have to comply with the EU State Aid restrictions. These rules have meant the UK has either had to restrict the benefits it can offer under some tax relief schemes, or else make them

very complex – neither of which is beneficial to business. The UK will undoubtedly wish to remain at the forefront of innovative research projects and will have the option to encourage companies working on innovative projects to remain in the UK by boosting the existing

Research & Development reliefs, without having to limit them under EU State Aid rules. The UK previously tried to initiate

Chandru Iyer



“As changes to legislation and regulation start to flood in, adaptability and stability will be key for businesses operating in the UK to sustain and grow.”

a Patent Box regime which reduced the Corporation Tax paid by companies exploiting patents in the UK to just 10%. This was severely hampered by EU regulation, so the government may seize the opportunity to reintroduce it in original form to encourage companies to carry out R&D and hold intellectual property in the UK.

The contentious issue of immigration and work visas hovers in the background but, if the UK positions itself as a truly global, forward-looking nation, there are plenty of opportunities to be had and strong trade relationships to be built across the globe, in the post-Brexit world.

- Chandru

IS YOUR BUSINESS TRANSPARENT ENOUGH?

Large corporates are required to publish their gender pay gap figures, details of their policies on modern slavery and, in the not-to-distant future, tax strategies on their websites. This fact appears, however, to be something of a well-kept secret in some quarters, with many unaware of their obligations – and failure to comply could give rise to fines, penalties or PR disasters.

Gender Pay Gap Reporting

Gender Pay Gap reporting obligations affect UK businesses and charities that employed 250 or more people on 5 April 2017. The data that needs to be reported gives a snapshot of the position on 5 April 2017 and this must be published as a report on the company website within 12 months – by 5 April 2018 at the latest.

So what exactly needs to be reported? Employers with more than 250 employees need to publish:

- the mean and median hourly pay for male and female staff
- the mean and median bonus pay
- the proportion of men and women who received a bonus
- the proportion of men and women in each quartile of pay bands.

Once the data has been calculated, the report needs to be published on the organisation's website and remain accessible to the public for at least three years. These are the standard requirements, but many companies may wish to include commentary to explain the reasons behind any differences and how they're addressing them.

Slavery and Human Trafficking Statement

Commercial organisations carrying out business in the UK with an annual turnover of at least £36 million are required to publish a modern slavery statement for each financial year.

There is an immediate need for businesses which have overlooked this requirement to prepare and publish a statement: the requirement has been in force from 29 October 2015 and applies in respect of financial years ending on or after 31 March 2016.

The statement might include information on the organisation's:

- structure, business and supply chains
- policies in relation to slavery and human trafficking
- due diligence processes in relation to slavery and human trafficking in its business and supply chains
- areas of business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk
- effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains.
- training about slavery and human trafficking available to staff.

Tim Stovold



Market Analysis

Tax Strategy

Large corporations and partnerships with a turnover of more than £200 million, or gross assets of more than £2 billion, are required to publish their tax strategy, annually. The tax strategy must be published on the internet and free to access by the public.

It should contain the company's:

- approach to risk management and governance arrangements in relation to UK taxation.
- attitude towards tax planning as it relates to UK taxation.
- level of risk it is prepared to accept in relation to UK taxation.
- approach to its dealings with HMRC.

A penalty of £7,500 could be charged for failing to publish a tax strategy and also for failing to ensure it remains accessible on the internet for the required duration. Further penalties of £7,500 could be charged if a tax strategy has still not been published within six months of the due date. However, HMRC has confirmed it will issue an initial warning notice, giving 30 days to comply with the requirements before a penalty will be charged.

In conclusion, it's possible that many companies who do fall foul of unwanted warnings and penalties are simply unaware of the requirement to publish these reports. This can lead to being hit by fines and negative press coverage. Additionally, many shareholders and customers now take a keen interest in the ethics of companies they invest in or buy from, so this type of transparency is crucial, even though it adds "red tape" which ideally would be reducing.

- *Tim*

“It’s possible that many companies who do fall foul of unwanted warnings and penalties are simply unaware of the requirement to publish these reports on their websites.”

Where are they now?

CATCHING UP WITH DEBBIE...

WE CAUGHT UP WITH DEBBIE CLIFFORD IN HER IDYLIC NEW FOREST COTTAGE TO FIND OUT HOW SHE'S FARED SINCE LEAVING KS IN SEPTEMBER 2013...

What have you been up to since you left KS?

I've been busy! I moved to the New Forest to live in a thatched cottage with my husband and two kids who are three and five now – plus the latest addition to our family, Burt the dog! I'm a partner at a small firm in Salisbury, specialising in the not-for-profit sector and I work with a lot of local academies, schools and charities.

Why did you make the move to the country?

I actually moved here without a job to go to. We'd wanted to move to Oxfordshire for ages but couldn't find the right house - we wanted a bigger one than was feasible in London. It was strange swapping the city for the country at first. I find myself missing odd things like taking the Tube and having time to read or a cheeky nap on my commute! I'm really into running and, while the trees and lovely views are beautiful, there are no opportunities for people-watching as there are on a busy London street.

Any chance you'll come back to the Big Smoke?

Well, both sets of grandparents are still in London so we regularly bring the kids up to visit. Having on-hand babysitters is great! But we are coming up less and less now we're settled in the Forest – at first we came to London every other weekend, but now it's probably every other month.

How's your commute these days?

The commute itself is a paltry 20 minutes door-to-door down pretty country lanes. But my typical day starts with three drop-offs – the school run, the nursery run and doggy daycare! Then it's back again at 2.30pm to pick everyone up. I also get to travel to different areas such as Andover and Shaftesbury which is great. I no longer have to suffer train delays while commuting, but I am at risk from getting stuck behind the New Forest wildlife on country roads! I was half an hour late the other day after getting trapped behind a slow-moving donkey. I always seem to encounter a tractor when I'm running late too!



What do you miss most about KS?

The people! I have fond memories of the third floor Christmas Dare Calendar – this was an advent calendar where we put dares behind each door. It resulted in one member of the team having to wear elf ears all day and another having to answer every phone call with “Howdy Partner”! We had a really good laugh that I don't think could be replicated anywhere else. The biggest thing I miss about London is KS – I wish I could have brought it with me.

Do you keep in touch with anyone or come to Alumni events?

I do keep in touch, particularly with Kathryn Faulkner and Stephanie McNamara – Stephanie keeps me up-to-date with all the KS gossip! I came to the first Alumni event in September which I really enjoyed – it was lovely to see so many people. I'll definitely come to more events.

“The biggest thing I miss about London is KS – I wish I could have brought it with me.”

You left KS four years ago and life has changed a great deal for you! What do you hope the next four years will bring?

I'll definitely be staying in the Forest. But once the kids get that little bit older, I'm looking forward to having more time to explore the Forest and all the activities it offers. We live right next door to a wakeboarding centre – when I tried it out it was quite painful falling off, so more practice would be great! I'm also keen to travel more.

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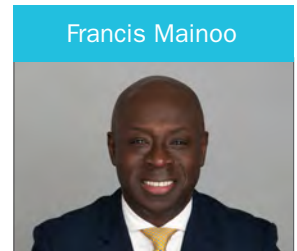
Vida McShane & Francis Mainoo

Earlier this year, we were very pleased to welcome **Vida McShane** and **Francis Mainoo** to Kingston Smith.

Vida's appointment as senior solicitor has strengthened our growing legal service offering. She specialises in corporate and commercial law, and has additional expertise in employment law. Vida advises a wide variety of clients, including individuals, SMEs, mid-caps and charities.

Francis Mainoo joined our Practice Development team as Head of Sales. A highly-skilled UK & International Sales and Business Developer, Francis has nearly two decades of experience in financial and professional services. His expertise includes delivering successful campaigns to multinationals, SMEs and Private Equity-backed businesses.

These are both exciting appointments for KS and will play important roles in strengthening the firm's multi-disciplinary offering and meeting our ambitious growth targets.



Our new Head of Property: Heather Powell

We are delighted to announce that Heather Powell has been appointed as our new Head of Property, following Martin Muirhead's move to Senior Partner last year. Many of you will know Heather and the key part she has played in helping to build our highly successful property team. Heather said: "It's an exciting time to take this key role at Kingston Smith. The multidisciplinary team has grown significantly under Martin's leadership and now comprises 14 very talented partners and specialists who are committed to helping our clients build their businesses, whether they are developers, traders or investors. I look forward to working with all of our clients, and future clients, in this sector - which responds with infectious enthusiasm and energy to opportunities as they arise."



Partner Promotions – Guy Richardson and Ian Matthews

Ian Matthews and Guy Richardson have been promoted to partners. They both started at Kingston Smith as ACA trainees in September 2005 so it's great to see them promoted in the same month!

Over the last decade Ian Matthews has advised owner-managed businesses across a wide range of sectors, using his expertise to help clients achieve their personal and professional aspirations. He works with clients in the property, technology and entrepreneurial business sectors, advising on tax structures, profit extraction and long-term strategies.

Guy Richardson works with a broad range of SMEs, with a particular focus on the property and healthcare sectors. He is also experienced in helping UK businesses set-up and manage overseas operations, working with service providers from Kingston Smith's international network, Morison KSi.

