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Are You Paying More Tax Than You Need To?

As a Xero Gold Partner and British Accountancy Awards Finalist my professional credibility is worth more to my business than anything else. That means I am not into knocking other accountants or trying to bend the rules (even when I disagree with the underhand and heavy-handed tactics occasionally used by HMRC to squeeze hardworking people). But it does frustrate me when people are unwittingly paying more tax than they need to because they have been badly advised. So, please do not blindly assume that your accounts are being managed tax efficiently.

In the last month, I have taken on a number of new clients and saved them a significant amount of tax. It is not because I have access to

any secret schemes, neither am I favoured with inside knowledge that is hidden from any other accountant. All that I have done (as I do for every single one of my customers) is taken the time to look at their individual situations and recommend appropriate action. Any accountant could (should) be doing this!

Losing tradition and gaining £6k

One of these new customers moved to us from a traditional firm with a one-size-fits-all, approach. As with most of these type of accountancy practices, they employ specialists in each area. This sounds like a sensible and efficient strategy, doesn't it? And that may well be the case for the firm itself – but let's consider the impact working like that has on their clients.

A specialist looks after everyone's personal tax returns; elsewhere another expert is looking at the company tax return; a dedicated company accounts person is dealing with that aspect of the business; and in another department an efficient bookkeeping team are beavering away. The result is that no one is taking an overall view (or responsibility) to spot opportunities, between these different areas, that might minimise tax. Don't get me wrong: accuracy and compliance are still critical to good accountancy, but there is



Jazzing Up The Orchestral String!

Across the road from Bushey Arches in Watford, sitting quietly among a row of ordinary looking shops, lies a musical masterpiece in the making. Its story began in the 1950's, when a young apprentice began learning the strings alongside a master luthier in Archway, London. The mystery of the double bass; its deep, powerful, rhythmic resonance, and the beauty of the crafted wooden body that gives birth to those magical tones, captivated the lad's heart and became the soundtrack to his life from that time onwards.

Thwaites, the business that Jack Pamplin went on to set up, has grown into one of the UK's leading

dealers and restorers of the 'orchestral string' range of instruments. A true family business, it is now run by Jack's son and daughter (Bill and Caroline), although the past master himself still lends a hand around the workshop and shares his rich experience and expertise wherever it is needed. Now employing an orchestra of luthiers, bow restorers and shop workers (all talented and accomplished musicians in their own right), the company is certainly in tune with its clients' needs.

Whether buying, selling, hiring or restoring, Thwaites has the experience and expertise to find fine stringed instruments that can create orchestral magic.

A lifetime of music.

Bill recalls accompanying his dad on buying trips as a boy and gleaning little notes of instrument trivia and technical detail along the way. Although he didn't realise it at the time, this knowledge would become the foundation of his own lifelong love affair with music. He went on to study at the London College of Music, specialising in percussion and double bass, eventually becoming a professional musician and teacher. Likewise, Caroline studied bow restoration in the Hill tradition and is an accomplished cello player.

The company moved to Watford over 40 years ago although its presence, heritage and prestige in the world of fine stringed instruments is largely a secret to its non-musical neighbours. For those in the know, however, the



Thwaites name is synonymous with the very best in new and expertly restored double bass, cello, viola, and violins.

From start-up to Stradivarius...

With a passion for music at the very heart of the family's ambition for the business, they have composed a very clear direction for it in recent years. Their clients sit neatly into three sections and the team at Thwaites see it as their role to support the best musicians in travelling from one section to the next.

Firstly, there are the new musicians, students and part-time enthusiasts. Investing in instruments ranging from a few hundred pounds to over a thousand, these guys and girls are the songs that are yet to be written. The team at Thwaites love nothing more than to guide a keen beginner to the instrument that might set the tone for a lifetime of musical endeavour. The excitement is that anyone of these new arrivals could grow into a master...

Next, there are the amateurs and advanced players. These 'would be' virtuosos have progressed through music school, and now play in bands for fun or pocket money, rarely missing a day at the strings. They are unequivocally hooked

on a jazz or orchestral beat and, while often still looking for their big break, they are prepared to invest in a more unique sound – perhaps a reconditioned instrument for a few thousand pounds.

Finally, there are the professional musicians. Thwaites are proud to have many celebrated and supremely gifted musicians among their clients. Supplying beautifully and expertly restored stringed instruments, many of them hundreds of years old, the company is competing at the top end of the professional marketplace. Its customers range from The Russian Philharmonic Orchestra and the English National Opera to Mumford & Sons and Gregory Porter.

The modernisation of centuries of tradition.

When a business has been built upon a passion for orchestra and jazz, handed-down craftsmanship, and traditional family values it can lose sight of technological advances in business practice. So, in 2013 when Bill and Caroline Pamplin decided to review the direction of their father's company they quickly realised that they needed a little bit of help.

They were introduced to Paul Meades via their bank manager, as an accountant that looked far





deeper than just the numbers. Back then, the company's accounts and paperwork were done manually. (For younger readers, that means they didn't use a computer or any other digital device.) With a system of NCR carbon paper, Rolodex card files, handwritten sales ledgers and even an old typewriter, running the back office was like a nostalgic trip back to the 1970's. After an initial meeting and a clear crescendo of common sense, Paul was appointed the job of harmonising the business into the twenty-first century.

From that day onwards, Bill began to benefit from dedicated, professional financial support. He humbly recognised that the business was composed of musicians and technically brilliant craftspeople, but not business people. Before too long the output of Meades and Thwaites began to sound out a more profitable tune.

Going from the gramophone to Spotify...

Today, Thwaites enjoys instant answers or a rapid call-back from Paul or one of his team, every time he has a query or needs some advice. All of the accounts (with the occasional look back to the ledger for historical sales) are securely

managed, in real-time, in the cloud through Xero. Planned management meetings help to guide the business forward through financial efficiencies, sales strategies and plotting the direction of the business.

The company is coming into the fifth year of its ten-year plan and has already seen significant growth in turnover and profitability. This has included a new brand, an extended product range and various new business procedures and strategic marketing activities.

Looking back, Bill says that the last five years have been like switching from playing 78s on a gramophone to opening a Spotify account – missing out all the vinyl, reel-to-reel, cassette tapes, CDs, and digital downloads in between.

If you know any aspiring musicians, friends that play in an orchestra, or have a Strad sitting in the attic in need of repair, why not give Bill a call or visit the website to find out how:

www.thwaites.com



The Mysterious Case of The Missing Pound Coin!

Meades Goes 007...

This is a famous old mathematical quiz. If you don't already know the answer, it will drive you mad: but if you do, you can work it out, or you cheat and look it up on page 9, you can enjoy driving other people mad instead. Here goes:



Three friends go to a restaurant for a meal. After finishing up their food, they receive a bill for £30. Each of the diners puts £10 on the table, which the waiter collects, and he takes the cash to the till. The cashier then informs the waiter that the bill should only have been £25 and returns £5 to the waiter in £1 coins. Arriving back at the table just as the party is about to leave, the waiter explains the mistake and hands one of them the 5 pound coins. After a quick discussion, each of the friends takes a pound back and they leave £2 for the waiter as a tip.

The friends have now paid £9 each (£27 in total) and the waiter has £2. So where is the missing pound?

See page 9 for the answer...

It is day out time again this July at probably the most fun accountancy firm to work for in the UK. This time we are doing Spy Games at The Bedford Arms, Chenies, and it promises to be super exciting.

Designed to reveal the hidden 'spook' within each member of the team, we will learn how to draw, aim and shoot a pistol, as the secret agent's weapon of choice. Then, just in case any of us get disarmed in the course of a future bookkeeping project, we will be trained in close hand-to-hand combat. If things get really tricky then our spy instructors will have also imparted crossbow firing and axe throwing skills to help us sign off the ledger.

A wonderful location...

One of our new customers, The Bedford Arms, has opened up their beautiful venue for us to play at being spies for the day. Not only is this one of the most luxurious country house hotels in Hertfordshire, with 18 superbly furnished bedrooms, but the food served in its fabulous oak-panelled restaurant is also famed throughout the area.

The grounds are equally stunning, and when not hosting a master spies training convention for accountants, they are available for civil weddings and receptions, christenings, and many other corporate or private events.

Visit the website here:
www.bedfordarms.co.uk



Featured Add-on

Designed To Make Your Life Easier

This month I want to encourage you to get into LinkedIn. And if you are already on the world's leading social networking site for business people, then I'd encourage you to be one of the small number of people who actually use it properly.

LinkedIn currently has just under 500 million members, so whatever work you do it is likely that people who would be good for your business are among its number. The reason most people don't recognise its value or think that it will work for them, however, is because they don't interact. No one is ever going to find you if they don't even know that you exist. The good news is that you only need to make a little bit of noise each day for the right people to start taking notice.

Here is my 10 minutes a day LinkedIn activity guide:

Keep in touch: on the 'notifications' tab you can engage with your contacts' current activities: anything from a happy birthday to sharing congratulations.

Messages and connection requests: it is so important to check this daily because you just never know when someone might be offering you some work or an opportunity.

Scan the newsfeed: on the 'home' tab, simply scroll through to see what your contacts have been posting and commenting on. This is a

great source of useful, informative, educational and insightful information, but it is also a key engagement opportunity. Perhaps set a goal of sharing one thing and commenting on another each day...

Read and share: this is the big tip – find someone you are not connected with, but who looks like your perfect customer (use the advanced search facility for this). Read their latest article or a post they have shared (it takes 3 minutes to read 500 words), then make a comment.

Once you have got into the habit of a strong daily LinkedIn routine and you are starting to see the return on your time investment, you can move on to stage two. This includes things like:

Write an original engagement post: there is nothing like proving and sharing your expertise to attract the right sort of attention.

Get into relevant groups: these are a great way to connect with the right people. Try looking for a few groups where your ideal customers might be hiding. You could even try our very own **Business Builder Forum LinkedIn Group**.

Update your profile: it is all well and good being found and seen on LinkedIn, but be careful what people do see when they find you. Regularly updating your profile, skills, recommendations and achievements is a good way to keep your connections interested.

Linked



You Are Assuming I Care About The Price!

Let me make my point with an extreme example, then bring it down to the more everyday. Imagine you are faced with a choice between a 12-month wait or a next Friday slot for the life-saving treatment that will cure a loved one's terminal condition. Would price be a deciding factor in that choice?

The answer is *'of course not'*; you would find the money, whatever the cost. The point I really want you to grasp here, however, is that no one would have expected price to be an issue in the first place. You would have said 'yes – do it now' without even checking the price, because it is life or death. People will always pay the going rate for the things they perceive that they need, regardless of cost. And sometimes they want nothing more than the thing that will make them feel better, make them more successful, make them look better, make them laugh, give them more time or, as in most cases, simply make them happier. It doesn't have to be life or death to be really important.

We've all had the scenario where an item didn't arrive in time, a product stopped working right out of the box, or a complaint took hours 'on hold' on the phone then weeks of waiting to get resolved. In the end, you often get a token voucher or 10% off, but what you really wanted was a good service or the thing you ordered. Most 'customer services' departments resort to 'money off' and usually misunderstand what customers want.

How does this help your pricing strategy?

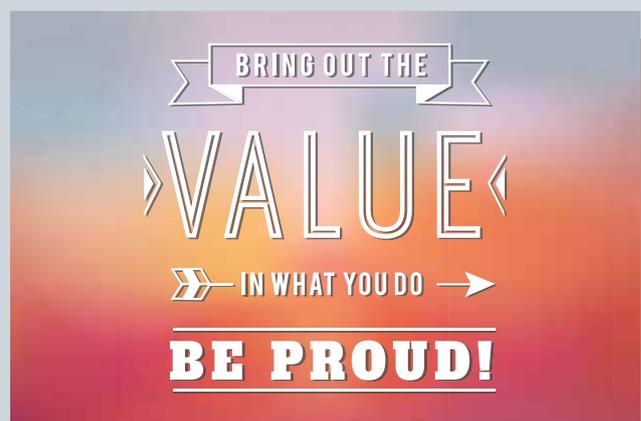
Think! Ask yourself, 'What is the benefit that I give to my customers?' Or, 'How do I make people's lives better, more successful, or happier?' Or, 'What is the real value that I give?' Then put all of your efforts into telling that story and demonstrating the reason people should use your services. I'll give

you a clue: 10% OFF is the worst reason you could ever give, because all that says is, *'My normal margin is much higher than this and I can afford to make less money this time round.'*

And it does not matter if you are selling gardening tools, window cleaning services, computer software or baby clothes. If you can find the right customer and identify what they really want (i.e. how what you are offering will make their life better) then the price will always be lower down the decision-making process than you initially thought – ALWAYS. I'm not saying price never matters at all, of course it does, but if you assume that it is always the most important thing then you will never do justice to your customers' true needs. And what's more, you will only ever attract those people who want a cheap service, not a great one.

I am proud of the fact that there are cheaper accountants out there than me... I am also proud of the fact that my clients get a dedicated, personal, hassle-free service that delivers them the difference in tax savings many times over.

Get in touch if you want some help bringing out the true value in what you do and pushing price down to the bottom of your customers' buying considerations.



A Yorkshire Lass With An Italian Flare!

We've been recruiting again, this time for another Senior Client Manager to look after some of our larger clients and start to bring on some of her own. Debbie Maurantonio joined the team in May and her experience and personality have already blended well with ours.

A Yorkshire girl with an Italian father, she has a wide variety of interests; from cooking and sport to classic literature and cinema (we won't mention the reality TV addiction).

One of her major passions is tennis, and she is the vice chairman of the Chesham Bois Lawn Tennis Club – as well as the current doubles champion. She is also a member of a netball team and enjoys a whole range of other sports. When not chasing around a sports court or cooking up Mamma's secret family bolognese sauce, Debbie likes to relax with a good book. Her tastes stretch from Shakespeare and Oscar Wilde to the Brontës, and she says that she owes this passion to an old teacher back in Yorkshire who lit a lifelong fuse for literature with her enthusiasm. Thank you, Mrs Flannery...

A proactive approach to accountancy.

Having previously worked for a large top twenty accountancy firm in the city, Debbie feels that her step down to a smaller firm has been a step up in her ability to deliver. Where the departmental approach of her previous employer meant a specialist dealt with each area of the business (which sounds good in theory), she is now able to view each client's bigger picture (which is so much better in practice).

Debbie's clients are also enjoying this proactive approach to accounting, where together they can plan a more efficient and profitable future instead of making hopeful judgements based on last year's figures. Having a real-time view

means being able to share advice that will make a difference today and help clients to move forward.

Other highlights for Debbie during her first month and a half include: working in a genuinely paperless office for the first time, using the GoProposal software so that everyone gets a fair price, being part of a great team who all help each other out, and being able to spend more quality time on each client account.



The Mysterious Case of the Missing Pound Coin ANSWER!

The answer is found by focusing on what really happened, not the misleading narrative. The meal cost £25, which is what went into the cashier's till. If you add the £2 tip, the cost to the friends is £27, leaving £3 each as change from the £10 each they originally handed over (£30 in total).

INTRODUCING ...



PROPITEER

Maximising profit through property

Propiteer is an exclusive members only club providing joint ventures in exceptional property opportunities. Membership is exclusively by invitation for high net worth, commercially aware and sophisticated investors.

Members are receiving a return of at least 36% over two years, dependent on which asset they invest in.

What makes Propiteer different?

They invest in all of their projects alongside their members, meaning their asset team is yours. Having shares together in each business means the rewards and risks are in the same place.



How to join the Propiteer Club

Membership is exclusively by invitation. As a Meades & Co client we can introduce you to the club. There's no obligation to invest and you'll be kept informed of new opportunities. You can invest as little as £5,000 and monitor projects as they progress.

Want to know more?

Just call Paul on 01923 800444 – he'll be happy to discuss the benefits for your specific circumstances.

The asset team – who's looking after your investment?

Dave Marshall

Specialist in helping companies grow their business, one of Dave's clients grew their business by £50m in just 12 months. Founder and owner of the Never What If Group, a £40m turnover company ranked within the top 100 most successful businesses in Essex.

Colin Sandy

A highly qualified tax adviser, Colin's career spans working for the Treasury and The Inland Revenue, as well as Deloitte. As FD and Company Secretary for AMShold Group he controlled 30 companies owned by Lord Sugar as well as providing FD support for Tottenham Hotspur FC plc.

Richard Irwin

A former Director for Northern Ireland Property Team at PwC. After 6 years, Richard moved on to specialise in investment funds and fund management at Schrodgers. He is a founding partner of both the Black Pearl Group and Redbrae as well as a Director of Propiteer.

Stephen Symington

A Director of Propiteer and Redbrae private equity group, with over 10 years' experience in real estate investment and development. Stephen's experience spans banking with Ulster Bank (RBS) in the large corporate and property team as well as 5 years at PwC in the Northern Ireland property team.

Tom Dalton

Over forty years' experience in construction and development. Former chairman of Laing O'Rourke (Ireland) Ltd 2005-2008, delivering major residential, retail and infrastructure projects, including the redevelopment of Dublin Airport, Euro Disney Paris, Dubai Airport, and Manchester United's Old Trafford additional 20,000 seats whilst the stadium continued to operate.

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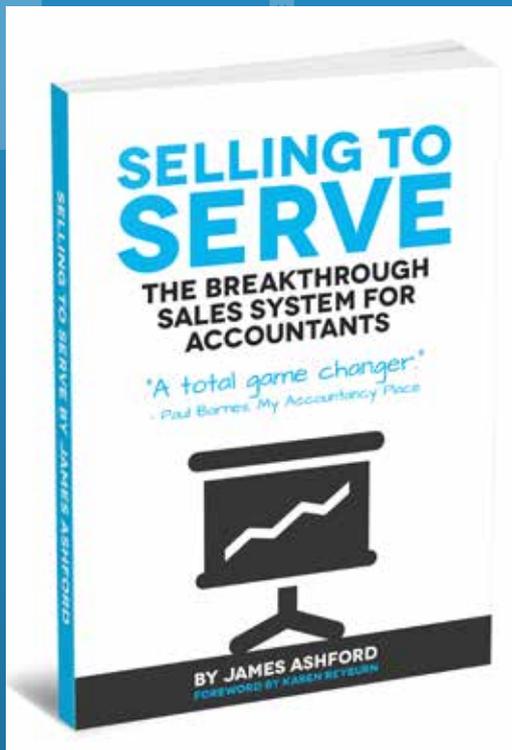
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Our newsletter is distributed to all our current clients by post and reaches even more people electronically. Would you like to feature your business here? Simply get in touch with Paul Meades for full details paul@meadesandco.co.uk

Business Book Review

Selling to Serve by James Ashford



This book is primarily aimed at accountants, although in reality you could apply the same concept to any service-based consultancy business. It gives an outline set of processes for your business, from the initial attraction of clients through to sign up, delivery and ongoing work that, if you follow, should result in you dealing with the sort of client that you want in a more time and cost-efficient way.

Is it worth reading?

This is a simple and well-written book that is easy to read in one sitting and which could then be used as a reference book as you start to implement the different processes into your business. It does not give you all the answers, but it does give what I think is a good outline for your service business. Don't be fooled by the simplicity of the book – what Ashford is suggesting will take a lot of effort and time to implement, but will, if you do it properly, make a big difference to your business. The subtitle of the book is 'The breakthrough sales system for cloud accountants'. I think this is rather generous as there is little that is

groundbreaking in the book, especially on the sales side of things. Having said that, I know that there are a lot of accountants (and other service-based businesses) out there for whom this would be groundbreaking compared to the way they currently work. So, is it worth reading? If you are a firm of accountants or other service-based business and you are looking to fundamentally change your business model, then I would say that yes, this book is a good resource for you.

Key useful points:

- Have a clear understanding of your client profile/niche
- Set up processes for the main parts of your customer journey
- Use technology where suitable to automate, fitting in with your processes
- Have a simple and easy to understand charging structure for your clients
- Use video to engage with your clients and deliver information that is standard
- Consider what services your client wants from you
- Set up clear credit control/upfront payment for clients
- Give clients the opportunity to buy on a regular basis

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