

# BUSINESS SUCCESS

Improving business owners lives

Carthy  
Accountants

OCTOBER 2023

## ARE YOU GOING TO NEED A BIGGER BOAT?

- SEASONAL CHANGES
- BUSINESS STRUCTURES
- DEFIB UPDATE
- BOOK CLUB
- GOLF & GALA

"You don't build a business, you build people, then people build the business." Zig Ziglar

**‘it significantly impacts how we operate our businesses and, ultimately, how much we retain in our pockets.’**

# WITH AUTUMN COMES CHANGE

**A**utumn, with its vibrant hues and falling leaves, serves as a powerful reminder that change is not only inevitable but can also be incredibly beautiful. This season mirrors the diverse challenges and triumphs encountered in the ever-shifting landscape of the business world. Just as trees gracefully shed their leaves, businesses adapt and thrive, showcasing resilience and innovation.

In this edition, we delve into the intricate world of company structures and shareholdings. From the simplicity of sole trading and partnerships to the protective shield offered by limited companies and corporations, each

structure caters to the diverse needs of individual circumstances. Understanding these complexities is paramount, as it significantly impacts how we operate our businesses and, ultimately, how much we retain in our pockets.

I would like to touch on what a fantastic time we had at our Golf and Gala event which we mentioned in our last edition! Despite the damp weather, we came together for an unforgettable day and evening filled with fun, laughter, and the spirit of giving, all in support of a crucial cause – raising funds for a publicly accessible defibrillator.

At Carthy Accountants one of our core beliefs is the importance of building strong foundations, not just for businesses but for our community too. The defibrillator we’ve raised funds for, and continue to do so, is a symbol of that commitment – a heartbeat of safety for everyone.

Once again thank you to each and every one of you who joined us on our

special day, your presence and support made the whole event a tremendous success. Let’s continue to embrace change and build a stronger, safer community together.



**Michael Carthy**  
Managing Director



## A GUIDE TO NAVIGATING THE VARIED VESSELS OF UK BUSINESS

In our ever-changing business environment, entrepreneurs are presented with a multitude of vessels through which they can operate. Akin to selecting different types of ships in which to set sail, they come with advantages and challenges, influencing the trajectory in unique ways.



### **Sole Trader: Setting Sail in a Nimble Canoe**

Just like a solitary paddler steering their canoe, sole traders enjoy full control over their business decisions. However, this freedom comes at a price: the sole trader is personally liable for all aspects of the business, including debts and legal obligations. *The canoe might navigate smoothly in serene waters, but it demands unwavering skill and resilience to handle unexpected waves.*

### **Partnership: Together in a Collaborative Rowboat**

Partnerships are akin to a sturdy rowboat, where individuals team up to paddle together towards shared goals.



Partners combine their skills, resources, and efforts, distributing both the workload and the rewards. However, much like rowers in a boat, partners share not only the responsibilities but also the liabilities. Effective communication and mutual trust are the oars that keep the rowboat moving steadily forward.

*While partnerships can navigate diverse waters, unity and cooperation are essential to avoid capsizing conflicts.*

### **Limited Liability Partnership (LLP): A Sturdy Sailboat**

Harnessing the wind's energy to navigate the business waters, the sailboat blends the simplicity of partnerships with the shield of limited liability, offering partners protection from most business debts. Lawyers and accountants can work together efficiently, leveraging collective expertise while minimising personal risk.



## Plain sailing?

Each vessel caters to different journeys and ambitions. In choosing the right craft, business owners must consider the nature of their business, risk tolerance, and growth aspirations, ensuring they are not just sailors but captains of their destinies, navigating the waters of business with wisdom and foresight.

Contact us for a complimentary business structure review. Let's make sure you are sailing in the right ship for you and your business success.

The sail, representing the business structure, catches the winds of opportunity, propelling the LLP towards success. *Understanding wind patterns and adjusting the sails is crucial to ensure a smooth voyage.*

### **Limited Company: Cruising in a Robust Cargo Ship**

Designed to carry substantial loads across vast oceans of commerce, and providing shareholders with limited liability, a limited company creates a formidable barrier between personal assets and business debts. It offers stability and structured governance, making it an attractive choice for businesses with growth ambitions, weathering rough seas and carrying valuable cargo that represent assets and intellectual property. *Navigating the intricate channels of corporate governance is essential to avoid the perils of mismanagement.*



### **Public Limited Company (PLC): Embarking on a Majestic Cruise Liner**

The majestic cruise liners of the business world, setting sail on the vast open sea of public trading, they are listed on the stock exchange, allowing them to raise capital by selling shares to the public. While they offer unparalleled funding opportunities, they also face the challenges of navigating treacherous seas, with stringent regulations and public scrutiny akin to the watchful eyes of many passengers. *Just like a cruise liner, PLCs offer luxurious amenities, promising a grand voyage for investors, but the captain must be astute in steering through regulatory waters to ensure plain sailing.*



## **FEEL THE FEAR AND DO IT ANYWAY** **SUSAN JEFFERS**

DYNAMIC TECHNIQUES FOR TURNING FEAR, INDECISION AND ANGER INTO POWER ACTION AND LOVE.



We have a few copies of *Feel the Fear and do it Anyway*. If you would like a copy, contact [info@carthyaccountants.co.uk](mailto:info@carthyaccountants.co.uk). Once they're gone, they're gone!

What are you afraid of? How is it holding you back?

Can you give an honest answer to these two questions?

'*Feel the Fear and Do It Anyway*' by Susan Jeffers is a 30-year-old self-help classic that uses simple, understandable language to help the reader tackle their fears and push forward positively in life.

Jeffers plays the idea that fear is a part of every journey and that it can actually be a good companion when we learn to accept and rise

above it. Using relatable stories and straightforward strategies, she teaches how to turn negativity and anxiety into action, decisions, and happiness.

The message is clear: fear shouldn't stop us. Instead, understanding and embracing it can lead us to experience life fully and achieve our goals.

The mantra throughout reassures us that we can "handle it" - whatever 'it' might be. A recommended read for anyone stuck at a crossroads, feeling afraid, or simply seeking to empower themselves.

## **A NEW DIRECTOR!**

**T**essa Foy, a familiar and dedicated member of our team, has recently achieved a significant milestone. In recognition of her unwavering dedication and exceptional commitment, we are thrilled to announce her promotion to the esteemed position of director at Carthy Accountants Limited, effective from October 1st, 2023.

Tessa's journey with us began in June 2012 when she came to do some work experience. From the outset, her passion for excellence was evident, leading to her rapid transition into a full-time role as an accounting technician. Her determination was further showcased as she started studying for her AAT exams and was swiftly promoted to senior accounting technician, a role where she excelled,

particularly in training other team members.

In 2020, Tessa made a strategic move to our client services team, where her expertise significantly enhanced our operational efficiency. Her valuable contributions did not go unnoticed, leading to her appointment as the Head of Client Services in 2021, following Sally Carthy's retirement.

Tessa's promotion to the role of director is a testament to her outstanding achievements and the substantial impact she has made on our firm. Her wealth of experience and profound understanding of our client's needs make her an invaluable asset to our organisation. The entire board eagerly anticipates the fresh perspectives and innovative ideas she will bring to our table.



We have full confidence that Tessa's vision and creativity will play a pivotal role in shaping the future growth and strategic plans of Carthy Accountants. With her expertise on the board, we are poised to continue thriving and reaching new heights.

Please join us in extending our warmest congratulations to Tessa on her well-deserved promotion. We eagerly look forward to a future marked by continued success, innovation, and unwavering excellence.

*'They are different because you can get to know the people behind the names.'*

Andrew Dean owns AD Catering Consultants. He has found that as his accountants we give him advise that is personalised to his industry. He doesn't have to worry on a day-to-day basis about his tax or VAT requirements. He collates everything we need and we let him know what he needs to pay!

**“ They are small enough to care, big enough to cope. ”**

Andrew Dean of AD Catering Consultants

Find out more about AD Catering Consultants:  
[www.adcatering.co.uk](http://www.adcatering.co.uk)

Discover how Carthy Accountants can help you:  
[info@carthyaccountants.co.uk](mailto:info@carthyaccountants.co.uk)



## Team News

This month we welcome Natalie Campbell to the team. Natalie will work alongside Lorna and our new Director of Operations Tessa in our Client Services department.



## TOWN CENTRE HEARTBEAT

**A** lack of publicly accessible defibrillators in Stafford is now being addressed as our fundraising campaign could lead to four new machines being installed in the next year.

We set out to buy one defibrillator but surpassed a £1,500 fundraising target within three months. Our MD, Michael praised the generosity of clients and business friends.

“We're now on course to be able to buy four machines over the next twelve months, and plan to buy what are known as publicly accessible defibrillators as these are sited in places where they can be used by the public at any time of the day or night.”

“If someone dials 999, they are directed to the nearest public access defibrillator, these are scarce and the evidence shows, public access saves lives.”

It's believed the nearest defib to Stafford town centre is at the town's leisure centre, but this cannot be accessed outside opening hours.



The first £1,500 raised has now been used to install a public access defib on the firm's car park, off Eastgate Street. Many thanks to Oliver Hadley of local firm CE&PS, who donated his time to install the new life-saving equipment.

Fundraising has now passed £3,200 after our Golf and Gala event at Stafford Castle Golf and Leisure (see pp 6-7).

To support the fundraising drive, please visit [www.justgiving.com/crowdfunding/carthy-accountants](http://www.justgiving.com/crowdfunding/carthy-accountants).





# Carthy Club

CONNECT COLLABORATE COMMUNITY

# Golf & Gala



It was our privilege to host the first Carthy Club Golf & Gala at Castle Golf and Leisure last month. Five teams hit the course and enjoyed 18 holes of Texas Scramble with spirits undampened by the unpredictable British weather. Steve Dufresne of Logic Resourcing was the worthy winner and took home some great prizes donated by the golf club.

The evening Gala guests were entertained by Tina Ribena, fed by GGs Noshbox, and fleeced of all their spare cash by a fun casino. Jack of Taylormade Landscapes won the first-prize whiskey hamper in the raffle and Lindsay of Press Creative won the second-prize gin hamper.

The whole event was to raise funds for a defibrillator near the Carthy Accountants offices on Eastgate Street (see p5). We smashed the required total and are now well on the way to more defibrillators in the town centre.

Thank you to everyone who came and supported us, and to all the local businesses who sponsored a hole or two!

The next Carthy Club will be our Christmas event on Thursday 14th December. If you would like an invitation please contact [clientservices@carthyaccountants.co.uk](mailto:clientservices@carthyaccountants.co.uk)

We are looking for raffle prizes for the Christmas event. If you can donate please let us know! We hope to see you very soon.

**£3,295  
raised  
so far!**



**FUNDRAISING FOR A  
DEFIBRILLATOR  
ON EASTGATE ST.**



# STRATEGIC SHARE DISTRIBUTION

**Businesses navigate a challenging arena, where managing financial decisions and profit distribution is critical. Alphabet Shares are a strategic tool, enabling businesses to skillfully manage financial planning and shareholder relationships.**

## EXPLORING ALPHABET SHARES

Alphabet shares involve different classes of shares (Class A, Class B, etc.), each with unique rights. They allow companies to modify their profit-sharing and decision-making processes to align with strategic objectives and stakeholder management strategies by allocating different dividend, voting, and capital rights to each share class and issuing them to various shareholders as needed.

## ADDRESSING THE DIVIDEND CHALLENGE

Alphabet shares facilitate varied dividend distributions among shareholders. Imagine a scenario where some shareholders desire a consistent dividend, while others choose re-investment to exploit company growth. Alphabet shares accommodate these preferences by assigning different share classes to each shareholder group, addressing their financial strategies without conflict.

## BALANCING SHAREHOLDER INFLUENCE

In the realm of voting rights, alphabet shares provide a solution to equalise shareholder influence, particularly in family businesses or startups with external investors. Some share classes may be given more or fewer voting rights, controlling the influence a shareholder has over company decisions, and ensuring strategic control is maintained without diluting ownership.

## NAVIGATING LEGAL & ETHICAL BOUNDARIES

Using alphabet shares requires strict adherence to legal and ethical guidelines. Transparent communication, clear share rights delineation, and adherence to the Companies Act 2006 are crucial to avoid legal issues. Detailed documentation of rights for each share class in the company's articles of association and thorough reporting ensure that the use of alphabet shares remains legal and ethical.

When used wisely, alphabet shares become a powerful tool, allowing businesses to align shareholder expectations with the company's financial and strategic path. They forge a structured approach to dividend distribution and decision-making influence among shareholders, bolstering the company's ability to meet the varied needs of diverse stakeholders. Alphabet shares, when managed with legal and ethical care, can propel a company towards enhanced shareholder relations and sound financial planning.

**If you need a review of your financial strategies or company structure, contact us and arrange a meeting: [clientservices@carthyaccountants.co.uk](mailto:clientservices@carthyaccountants.co.uk)**

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Carthy  
Accountants

Every client matters