



# Client matters

a newsletter from **pkffpm** accountants

## Vulture Funds Increase Irish Activity

The Irish Independent recently highlighted an increase in vulture fund activity in the Republic of Ireland noting that judgments amounting to €32.7m were entered in one eight-day period alone at the end of September. The judgments were registered by Irish-based affiliates of major funds CarVal, Goldman Sachs and Deutsche Bank. The registering of a judgment allows a fund to take steps to pursue the borrower's assets to clear or partially clear the debt.

Client Matters (Issue 44) previously reported that Permanent TSB and Ulster Bank plan to sell up to 25,000 mortgages to vulture funds in a move mainly driven by the requirements of the European Central Bank for lenders to reduce the number of loans and arrears on their balance sheet. PKF-FPM Director Gary Digney explained that vulture funds must appoint a regulated entity to service the loans they acquire which includes managing the process with borrowers in financial difficulties and said that vulture funds can present an opportunity for borrowers to achieve a long term, sustainable full and final settlement.

"The contractual position between the borrower and lender does not change when the loan is acquired by a vulture



**Gary Digney**  
Director & Personal Insolvency Practitioner

fund. Whatever rights the borrower had with the original bank they still have with the vulture fund. The legal process is also unchanged and the code on the mortgage arrears still applies. PKF-FPM experience is that judges in the Circuit and High Court tend to favour borrowers over vulture funds trying to repossess Irish citizens' principal residences," Gary wrote.

Gary says borrowers who are not in default should not be disadvantaged when their loans are transferred to a vulture fund.

"For borrowers who want to sell their property and reach compromising residual debt, dealing with a vulture fund means dealing with a motivated party who expects a debt write off. While it is true that for some mortgage holders whose situation is irretrievable dealing with a vulture fund may bring forward the day of reckoning, that day of reckoning was going to arrive sooner rather than later in any event," Gary says.

Gary will be speaking at an ICMSA seminar in Portlaoise on 12 December. For further details of the meeting, which is open to all farmers and advisors, contact ICMSA's Limerick office or email [info@icmsa.ie](mailto:info@icmsa.ie)

**ICMSA FREE SEMINAR**

Over 28,000ac of farmland controlled by vulture funds

Online land auctions on the rise

"The lands are my whole life and my family's" - Judge directs jailing of man over preventing fund's receiver take possession of land

### Farm Loan/Mortgage Sold to Vulture Funds? We Can Help...

DATE: 12th December 2018 at 8pm  
VENUE: Killeshin Hotel, Portlaoise

SPEAKERS:  
Gary Digney, Director, ACA, Insolvency Practitioner, PIP  
Keith Farry, Barrister-At-Law  
Pat McCormack, President of ICMSA, who will also chair the meeting.

The ICMSA invites all farmers and advisors to avail of this unique opportunity to hear experts answer issues that matter to all family farms in distress.

To book your **FREE** Place contact: Margaret at ICMSA on 061-314677 or [info@icmsa.ie](mailto:info@icmsa.ie)

ICMSA THE FAMILY FARM ORGANISATION | Resolve Mediation | PKF FPM Caring Business Advisors



### BREXIT BRIEFING & TAX MATTERS

FREE INSIDE

**Brexit: managing complexity**  
Pg2

**Entrepreneurs' relief changes**  
Pg4

**Ten ways to work smarter**  
Pg5

## Hat-trick for PKF-FPM at Prestigious British Accountancy Awards

PKF-FPM scooped three of the most sought-after honours at the British Accountancy Awards in London in September. The only Northern Ireland practice to be short-listed for the prestigious awards in 2018, PKF-FPM beat off strong competition to win both Mid-Tier Firm of the Year and Tax Team of the Year while Managing Partner Feargal McCormack was named Partner of the Year.

"Never before have three categories been awarded to one firm," commented the judging panel who said the surge and calibre of entries



Representing PKF-FPM at the BAA Awards were (from left) Caroline Preston, Paddy Harty, Teresa Campbell, Feargal McCormack, Malachy McLernon and Lauren Quinn.

made 2018 "the most hotly contested year to date" with a stronger shortlist than ever. Commenting on PKF-

FPM's success, Tax Director Paddy Harty said, "The British Accountancy Awards attract the very best in the industry and it is an honour to be selected as industry leaders in our respective fields and recognised for delivering excellence."

Director Teresa Campbell said the awards reflect the collective passion of Team PKF-FPM. "Indeed such accomplishments have further energised the team for continuous improvement to exceed client expectations, delivering excellence in our industry."

CONTINUED OVER >>



## HOW WILL BREXIT AFFECT YOU?

Brexit will have profound tax implications for individuals domiciled in Northern Ireland, the UK and Ireland.

Find out how you and your business will be affected and how to minimise your future tax liabilities.

Contact PKF-FPM's Brexit Centre of Excellence.

## about us

### PKF-FPM CORE VALUES

- Passionately believe in caring for our clients, colleagues and community.
- Listen, understand and solve, to make it happen.
- Invest in the Best!
- Pushing out boundaries and creating opportunities.
- A culture of ethical business and trust.
- An ethos of positivity, enthusiasm and fun!

### PKF-FPM CORE FOCUS

- Caring and proactivity are at the heart of everything we do;
- We commit to helping you maximise your wealth and lifestyle aspirations, through understanding you and your business; and
- We have a proven track record in delivering simple solutions to complex problems.

### PKF-FPM THREE UNIQUES

- (1) We 'get' you, and get things done. We foster a sense of urgency, with a bias towards passionate thoughtful action – (we're business owners ourselves).
- (2) We're different ("brave, bold and gutsy"), we tell you what we think, rather than what you would like to hear.
- (3) Acknowledged independently at local, regional and national level as "best in class" with unique Cross Border expertise.



**Newry Office:**  
Dromalane Mill,  
The Quays, Newry  
T 028 302 61010

**Belfast Office:**  
1 - 3 Arthur Street, Belfast  
T 028 9024 3131

**Dungannon Office:**  
30 Northland Row, Dungannon  
T 028 8775 0400

**Mallusk Office:**  
Unit 1, Building 10, Central Park,  
Mallusk Road  
T 028 9083 0801

**Balbriggan Dublin North Office:**  
Units 5B & 5H, Fingal Bay Business  
Park, Balbriggan, Co Dublin  
T 01 6913500

www.pkffpm.com  
info@pkffpm.com



All details and tax data correct at time of going to press. PKF-FPM cannot be held responsible for any errors, omissions or action taken as a result of the enclosed information. PKF-FPM always recommend that you seek professional advice and consultation.

# Brexit - An Exercise in Complexity Management

Brexit will be "an exercise in complexity management" for businesses on both sides of the border, tax expert Brian Keegan told attendees at the annual PKF-FPM post-Budget breakfast in October. The nuts and bolts of Philip Hammond's October Budget were dealt with by PKF-FPM directors Paddy Harty (income and capital tax budget outcomes), Malachy McLernon (business tax implications), and Lowry Grant (Making Tax Digital) while Mr Keegan concentrated on Brexit, offering up advice and answers for the 200-strong audience.

On the border, Mr Keegan pointed to Niagara Falls and its location at a major junction between the US and Canada.

"This is a border which, technologically, is the most sophisticated that exists anywhere in the world, between two of the most advanced economies in the world, and yet they have queues upon queues upon queues, notwithstanding that they have broad trade agreements. When you look at those queues you ask: how can anyone seriously suggest that digitalisation or IT is going to fix the border ills Brexit is going to bring for us, because it's not."

Mr Keegan said the withdrawal agreement being negotiated has nothing to do with withdrawal or extension, but is effectively to keep the UK de facto in the union until December 31 2020 for two reasons — firstly because EU operates seven-year budgets and the current one runs out on that date, so it keeps the bookkeeping simpler; and also because nobody is ready for the kind of checks and balances and controls that unwinding 43 years of cooperation have put in place.

Mr Keegan said that regardless of talk around Chequers and backstops "there has to be a border somewhere".

"Where's the border for the free movement of people? It's never going to be down the road from Newry or at the airport — it's going to be with employers, in recruitment agencies, with social security, in the health service.



Pictured at the PKF-FPM post-Budget breakfast were (from left) Brian Keegan, Paddy Harty, Irish News business editor Gary McDonald who chaired the event, Lowry Grant and Malachy McLernon.



"Free movement of people is not about individuals physically moving, but about their entitlement to access services and to access benefits and to access employment.

"And regarding the future arrangement around goods, there's going to have to be a border somewhere as well, and it might as well be in your warehouse or manufacturing plants, because somewhere there's going to have to be controls.

"Even if there are no customs tariffs, there must be controls somewhere, because the single market is about the movement of standards.

"For example, you might have a pallet of manufactured goods, where there's already an arrangement where there are no customs duties. But there'll still have to be a check. For instance, what if the pallet isn't up to safety standards?"

What if the pallet is containing some sort of infestation of malignant worm that will do damage? They're the kind of checks we're going to have to deal with, and that makes life very difficult.

"Indeed Brexit is going to be an exercise in complexity management, and every time we kick over a stone we'll find another serious problem — like the Open Skies Agreement looking at where planes can and can't fly, or Euratom, which impacts the transport of nuclear materials round health centres so that cancer can be treated."

"Inevitably there will have to be some form of extension and some form of future deal, but that will also mean that every single person in this room, whether you are an adviser or a businessperson, is going to have to deal with much more complexity," Mr Keegan concluded.

## Hat-trick for PKF-FPM at British Accountancy Awards



### PAGE 1 CONTINUED...

Consistently at the top of its game and recognised as Best in Class by its peers in both Britain and Ireland, 2018 has been a phenomenal year for PKF-FPM. The recent success at the BAA awards comes on top of earlier successes this

year where the practice won Tax Team of the Year at the Irish Accountancy Awards and was included on the Sunday Times list of the Top 100 companies to work for in the UK.

Award Winning Advice

## CAI President's Dinner



In his capacity as Chartered Accountants Ireland President, Feargal McCormack was honoured to host a President's Dinner in Newry recently. Pictured at the gathering, which was attended by CAI Council members and senior representatives of the accounting profession across Ireland, were PKF-FPM directors (back row) Gary Digney, Seamas Keating, Lowry Grant, Paddy Harty, Malachy McLernon and Michael Farrell, and (front row) Teresa Campbell, Michelle Hawkins, Feargal McCormack, Alison Burnside and Ruari Martin.



Also attending the CAI President's dinner were PKF-FPM's Paula Kearney and Lauren Quinn.



## PM Visits N Ireland

In July, British Prime Minister Theresa May visited Belleek, County Fermanagh on her first visit to the Irish border since the Brexit referendum. Pictured with the Prime Minister is Gerard Keenan, Parian Craftsman at PKF-FPM client Belleek Pottery. As well as meeting political leaders, the Prime Minister took the opportunity to speak to businesses in the border region.

## RoI Charities

A recently published compliance report by the Charities Regulator lists a number of common issues that affect the ability of charity trustees to manage and control their charities. According to this report, issues identified which relate directly to trustee duties and responsibilities included charity trustees not aware of their legal duties and responsibilities, trustees lacking knowledge of the requirements and conditions in their charity's governing document, decisions being made without seeking specialist advice and decisions not being documented in Board minutes.

Other concerns raised in the report include administrative failings and issues related to managing conflicts of interest, internal financial controls, transparency, fundraising, and unregistered charitable organisations. Worryingly, the report also suggests some charities are allowing one trustee, or a group of trustees, to control the charity. The report, published in August 2018, covers the Charities Regulator's compliance activities in 2017.

To support our clients working in the charities sector, PKF-FPM organises regular seminars and briefings providing updates on best practice and regulatory developments. If you are not already on our mailing list and would like to be notified of forthcoming events, please contact a member of our team.

## Best Practice Advice for NI Charities

Earlier this year (March 2018), the Charity Commission for Northern Ireland published guidance to help charity trustees comply with their legal obligations and best practice.

"Running your Charity" provides useful advice in five key areas - duties and responsibilities of charity trustees; the public benefit requirement (a legal requirement under the Charities Act (Northern Ireland) 2008 that all charities must have charitable purposes that are for the public benefit); finance, funding, reporting and accountability; governance; and risk and insurance. The purpose of the guidance is to provide general information for existing trustees and/or individuals who may be thinking of becoming trustees of charities in Northern Ireland.

## Ulster University Honours Feargal McCormack

PKF-FPM's Feargal McCormack has received an honorary degree of Doctor of Science (DSc) from Ulster University in recognition of his civic contributions to business and society in NI and Ireland over many years and his highly significant contribution to the development of Ulster University's Business School where Feargal has fostered links with leading business figures.

Of particular note is the role that Feargal has played in facilitating the now annual PKF-FPM Ulster University Business School Leadership Talk which, over recent years, has brought addresses by Denis O'Brien, Dr Martin Naughton, Sir John Parker, Willie Walsh, Anne Heraty and Pdraig McManus to more than 2,000 members of the business community in Northern Ireland.

In an encomium, Ulster University praised Feargal's commitment to enabling the lives of others and being a role model who extols the virtue of kindness.

"In an industry often perceived as hard-edged, highly commercial and advocating a very 'black and white' business model, Feargal



Feargal at Graduation Ceremony with wife Anne and son Ruari

McCormack confounds these perceptions with his warmth, generosity of spirit and a counter-balancing emotional intelligence. His life-long mantra is 'I don't care how much you know until I know how much you care.'

Ulster University also acknowledged Feargal's very prominent roles as the President of Chartered Accountants Ireland, (the leading professional body for Chartered Accountants in Ireland), his membership of the Management Committee of Ireland's Gaelic Athletic Association (GAA), his

role as Non-Executive Director of the all island body InterTrade Ireland, past member of Council of the CBI (NI), and Patron of Special Olympics Ireland — all of which reflect the esteem in which Feargal is held personally and professionally, and the breadth and depth of his influence, skill and achievement nationally.

Responding, Feargal McCormack said it was a great honour to receive the degree and spoke of his pride in being a visiting professor at the business school.



## Family Business Seminar

Pictured at a PKF-FPM breakfast seminar for family businesses at the Grand Hotel Malahide in October were Fingal Business Chamber's Vice President Bill Kearney and David Brannigan with Feargal McCormack. At the event, Feargal shared PKF-FPM's experience of working with family businesses to implement best business practice and plan for future business succession.

## Removing the Corporate Veil

In the recent Budget the Government confirmed its intention to introduce new legislation in 2019-2020 to further protect the position of HMRC in insolvency. This follows on from an HMRC April 2018 paper which outlined concerns about the abuse of insolvency procedures to avoid or evade taxes and the repeated accumulation of tax debts without payment by running them through successive corporate entities (phoenixism). The new legislation will ensure that Directors and other persons involved in tax avoidance, evasion or phoenixism will be jointly and severally liable for company tax liabilities where there is a risk that the company may deliberately enter insolvency.

## HMRC Returns to (Partial) Preferential Status at Expense of Unsecured Creditors

A significant change to the status of HMRC debts in insolvency was announced in the recent Budget. From April 2020, when a business enters insolvency, funds will be paid to HMRC in their new 'secondary' preferential status rather than to other unsecured creditors. This will apply only to taxes collected and held in trust by a business (i.e. VAT, PAYE, EE NIC, CIS). Corporate Tax and ER NICS will continue as unsecured creditors. This will significantly reduce the return from liquidations to the usual trade creditors in the event of insolvency.

## Ireland - PAYE Modernisation

Revenue's new PAYE regime comes into operation on 1 January 2019. PAYE Modernisation is the biggest change to the PAYE system since the 1960s yet only around 11,000 employers have engaged with Revenue so far which means there is a real risk of some employees suffering harsh emergency tax in the January payroll.

Employers need to prepare now. PKF-FPM recommends that employers review payroll processes, ensure all employees are registered with Revenue, check that they have correct PPS numbers for employees and are using up to date tax credit certificates. P45s should be issued for employees who no longer work for the employer. Revenue has asked employers to submit a list of employees through ROS if they have not already done so.

The new system introduces real time reporting which requires employers to report to Revenue each time the payroll is run. The information to be provided is pay (including Benefits-in-Kind), tax and other deductions, as well as details of any employees leaving or commencing



By Caroline Murphy  
Senior Manager, PKF-FPM

employment. The reports must be submitted to Revenue on or before the wages/salaries are paid. This means no more P30's, P60's, P45's or P35's. At the year end, employees can access their certificate of earnings and deductions from Revenue via MyAccount.

PAYE Modernisation introduces some new terminology which employers will need to become familiar with. This includes the Revenue Payroll Notification (RPN) which will replace the current tax credit certificate (P2C) and should be available from mid-December and the Payroll Submission Request

(PSR) which will be used to submit payroll information to Revenue for each pay period.

The RPN can be requested from ROS or most payroll software will do it automatically for each payroll run. The PSR needs to be submitted to Revenue on or before each pay period.

There should be no changes to payment dates under the new PAYE regime. Revenue will issue employers with a monthly statement on the fifth day of the month after each PSR is submitted and employers will have until the fourteenth of the month to make any necessary adjustments.

Revenue have an extensive programme of engagement in place and are encouraging all employers to make contact as early as possible if they have any issues. They have indicated that they will be supportive in the early days of the new regime and will have additional staff on their Employer Helpdesk.

PKF-FPM's payroll team is on hand to provide further information and support for clients. Email payroll.roi@pkffpm.com or call (01) 6913500.



## Joint Presidents' Luncheon

Pictured at a Joint Presidents' Luncheon at Titanic Centre in Belfast recently were Tracy Easman, President, Association of Taxation Technicians; Feargal McCormack, President, Chartered Accountants Ireland; Ray McCann, President, Chartered Institute of Taxation; and Malachy McLernon, Chairman of the Northern Ireland Branch of CIOT/ATT.

## Changes to Entrepreneurs' Relief

In the recent Budget, Chancellor Philip Hammond set out plans for a number of significant changes to Entrepreneurs' relief. This relief allows a reduced tax rate of 10% to be applied to profits arising on the disposal by an individual or trustee of a qualifying business asset.

Business owners and advisors breathed a collective sigh of relief as Hammond extolled the virtues of Entrepreneurs' relief and made it clear that the Government intends to continue to encourage business investment by retaining this relief for the private investment sector of the economy. With the reduced tax rate of 10% and a lifetime limit of £10 million remaining intact after the Budget announcements, this relief continues to be very attractive, despite three important changes to the current rules.

The first change affects the disposal of shares in a trading company or the holding company of a trading group. Up to now, a shareholder disposing of shares was



By Janette Burns  
Associate Director

required to hold at least 5% of the voting rights and to have been an employee or office holder of the company. The individual was only required to own 5% of the ordinary share capital, tested by nominal value of shares, with an entitlement to 5% of the voting rights. This definition has now been expanded so that the shareholder must also have a 5% interest in the distributable profits and assets of the company at the time of the disposal of shares. The change applies from 29 October 2018.

A second change affects the period for which the qualifying conditions must be met. In future, the conditions for Entrepreneur's relief must be met for at least two

years prior to the date of the disposal, rather than the current requirement for one year. This change will apply to disposals on or after 6 April 2019. An exception to this rule is where a business ceased to trade before 29 October 2018 — in this situation, the one-year period will continue to apply.

The third and final change applies in situations where a shareholding is diluted to below the 5% shareholding test as a result of genuine commercial reasons, such as the exercise of share options or the acquisition of shares by third parties. If this occurs, Entrepreneurs' relief will be retained on the growth of the shares up to the point of dilution. The shareholder can then elect, if desired, for the notional gain arising at the date their shareholding fell below 5% to be deferred until such time as the shares are sold. This effectively locks in and protects the 10% tax charge. This change is due to apply to disposals of qualifying shares taking place on or after 6 April 2019.

An interesting point to note regarding the uplift to a two-year ownership requirement

is that where an individual holds enterprise management incentive share options in their employing company the two-year rule applies from the 'date of grant' of the options, not the 'date of acquisition' of the shares. EMI options are not subject to the 5% restriction rule so, in certain circumstances, awarding shares via share options might give individuals an incremental benefit compared to if they were to own shares directly. This could make share option schemes an attractive option for many companies.

The new legislation will mean that shareholders need to continuously monitor their equity ownership and pay particular attention to special classes of shares currently in issue such as employee shares, preference shares and growth shares. Also, equity arrangements will now need to be reviewed well in advance of a potential sale to determine if Entrepreneurs' relief is available under the new rules.

For more information, email j.burns@pkffpm.com



## Ten Ways to Work Smarter

It's all too easy to 'fire-fight' your way through the day, rushing from one crisis to the next. We call this spending too much time working 'in' the business and not enough time working 'on' it.

It's a common problem and, unfortunately, it's bad for your business and can adversely affect your health as well as your personal and financial wellbeing. The question is, how do you break the cycle?



**By  
Teresa  
Campbell  
Director  
PKF-FPM**

### 10 ways to work smarter, not harder...

- 1: Know your strengths and weaknesses and learn to delegate. No one is a master of all trades. Recognise that there are some tasks which others can carry out more effectively or efficiently than you can. Where possible, you should delegate these tasks.
- 2: Seek independent feedback to sense-check your decision making. This could be as simple as seeking advice from your accountant or it could mean appointing an independent board member with experience and knowledge of your sector.
- 3: Eliminate distractions. Learn to manage demands on your time including limiting social media and email interruptions.
- 4: Consider outsourcing functions such as HR, payroll and accounts so that you can invest your time in more profitable activities.
- 5: Be open to learning. Look for new ways to innovate and become more efficient.

- 6: Prioritise customer care. A happy customer is easier to manage than a dissatisfied one and repeat business is easier to find than new customers.
- 7: Discourage gossip. Office politics creates disharmony and is time consuming and expensive if it culminates in disciplinary problems.
- 8: Use technology to make life easier but choose your systems wisely keeping in mind that third party suppliers bring with them risks that could impact your reputation if things go wrong.
- 9: Optimise your work processes, eliminating duplication and time wasting.
- 10: Foster a culture of continuous improvement and trust where people are comfortable owning up to their mistakes and learning from them.

To find out more about PKF-FPM's leadership advisory and mentoring services, please contact a member of our team.

## Flat rate Expenses (RoI)

Following a review carried out by Revenue earlier this year, the flat rate allowance for many PAYE workers is to be cut with effect from 1 January 2020. This means that for many employees, any benefits provided in the 2019 Budget will be wiped out.

Up to now, flat rate expenses allowances have been available

for over 150 categories of employments and more than half a million workers. The allowances contribute towards the cost of tools, uniforms and stationery for PAYE workers. From 1 January 2020, shop assistants, agricultural advisers, cardiac technicians, journalists, professional values and freelance actors will no longer be able to claim flat rate expenses. Both

the trade union Mandate and Chartered Accountants Ireland have criticised the changes.

Note that employees can submit a claim to Revenue for tax relief on expenses incurred wholly, exclusively and necessarily in the performance of the duties of their employment, where these expenses are not reimbursed by their employer.



### Dublin Charity Seminar

Chief Executives from Dublin's top charities recently attended a highly engaging event in the City North Hotel hosted by PKF-FPM in conjunction with the Charities Regulator. Pictured above at the event were Tom Malone, Charities Regulator (left) with Joe Saxton, CEO, nfpSynergy (centre) and PKF-FPM's Lowry Grant.



### World Congress of Accountants

Feargal McCormack attending the World Congress of Accountants in Sydney along with Barry Dempsey, Chartered Accountants Ireland Chief Executive.



### PKF Sydney Meeting

Kym Reilly and Scott Tobutt from PKFSydney hosted a meeting with Sandy Manson, Managing Partner PKF Johnston Carmichael and President of the Institute of Chartered Accountants of Scotland and Feargal McCormack.



### PKF Melbourne

Timothy Bow, Managing Partner of PKF Melbourne tells Feargal how well PKF Melbourne and PKF Australia are doing during a recent visit to Melbourne.



## Managing Talent Award

Members of TEAM PKF-FPM celebrating at the Irish News Awards in June where PKF-FPM won the Managing Talent award.



## 237 New Jobs at Statsports

PKF-FPM client Statsports recently announced plans to create 237 new jobs in Newry over the next five years with the support of InvestNI. This investment will generate over £7 million in additional annual salaries for the local economy.



## Award for Kukoon

PKF-FPM client Kukoon Rugs, who ship thousands of rugs worldwide every week to around 30 countries, won the Small Business of the Year award at this year's National Family Business Awards in July. Pictured collecting the award is Head of Customer Service, Roisin Molloy.



## Community Store Award

PKF-FPM client Mulkerns Eurospar Newry celebrate winning the Community Store of the Year award at the Neighbourhood Retail Awards in October.

# Tax Relief for Employers Assigned to Work in Ireland

Ireland's Special Assignee Relief Programme (SARP) provides income tax relief for certain people who are assigned to work in Ireland from abroad.

The programme, which aims to encourage the relocation of key personnel within organisations into Ireland, has been extended to include those arriving in Ireland during the 2018, 2019 and 2020 tax years. The relief is available for up to five consecutive tax years from first arrival in Ireland subject to meeting certain conditions (see panel).

Employees who qualify for the relief may also be entitled to receive, free of tax, certain travel expenses and costs associated with their children's education.

### APPLYING FOR SARP RELIEF

Employers should send a Form SARP 1A for each employee to their Revenue Office within 30 days of the



By Caroline Butler  
Senior Manager, PKF-FPM

employee arriving in Ireland to take up duties.

In recent times, Revenue have applied a strict approach to this 30-day deadline and will only approve applications after this deadline in very exceptional circumstances. Both employers and their employees who wish to avail of SARP relief should be mindful of Revenue's updated practice and put in place measures to ensure that SARP relief is claimed on time.

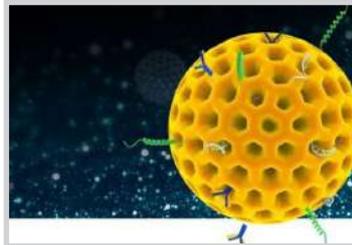
For more information, contact [c.butler@pkffpm.com](mailto:c.butler@pkffpm.com)

### SARP - Employee Requirements

You may be eligible to claim SARP relief if:

- You arrive in Ireland in any of the tax years 2012 – 2020 at the request of your employer, to perform duties in Ireland for that employer (or with an associated company of that employer).
- Immediately before being assigned to work in Ireland you worked outside Ireland for a minimum of six months for the employer who assigned you to work in Ireland.
- You perform duties for a minimum of 12 consecutive months from the date you are first assigned to Ireland.
- You were not tax resident in Ireland for the five tax years immediately preceding the year you arrive in Ireland to take up employment.
- You are tax resident in Ireland for all years for which you claim the relief.
- You earn a minimum basic salary of €75,000 per annum. This amount excludes all bonuses, commissions or other similar payments, benefits or share-based remuneration.

If you are entitled to the SARP relief, you can make a claim to have a proportion of your earnings from the employment disregarded for income tax. The proportion is 30% of your income over €75,000. However, you will still be due to pay Universal Social Charge (USC) on this amount.



## SiSaf in Partnership with Croda

PKF-FPM client SiSaf Ltd, a commercial stage bio-pharmaceutical company pioneering bio-courier technology which is a novel method of drug delivery offering exceptional safety and versatility, has increased its interim funding to \$6.8 million following a new strategic partnership with FTSE-100 listed company Croda.

In May, SiSaf closed a \$4.3million interim funding round led by Vickers Venture Partners with additional capital injections by Invest NI and Innovation Ulster Limited.



## CGDM £500k Investment

Work is due to start shortly on new offices at Carbane Business Park, Newry for PKF-FPM client, CGDM Construction who are investing more than £500,000 and creating 10 new jobs.

Invest NI has offered £74,000 of support towards the creation of these jobs and marketing activities. Founder and Managing Director Cathal Grant, who set up CGDM in 2010, was recently named Businessperson of the Year in the Aer Lingus TakeOff Foundation Business Awards in London.



## Around Noon Expansion

PKF-FPM client Around Noon, who employ over 300 people across manufacturing facilities in Newry and London, have launched an innovative new food-to-go range as part of a multi-million-pound per annum partnership with Henderson Wholesale.

Pictured are Gareth McAnlis from Henderson Wholesale with Around Noon Sales Director Philip Morgan.



## New Kit for Kellys

Warrenpoint company Kellys Plant Hire has recently invested in more new machinery with the purchase of six Manitou forklifts from Northern Lift Trucks NI Ltd. The latest purchase takes PKF-FPM client Kellys Plant Hire investment to over £1m in the last two years.



# IVAs Rely on Debtor Honesty

In January 2018, a private prosecution of an IVA debtor by a creditor resulted in the debtor's conviction for making false representations in an IVA proposal, contrary to section 262A of the Insolvency Act 1986.

The debtor had advised that he had no assets of any value for the benefit of the unsecured creditors and that a family member would lend him £100,000 in order to offer a projected dividend of approximately 1.29p in £.

The IVA proposal was not accepted. The debtor's liabilities were found to be significantly



**By Alison Burnside,  
PKF-FPM Business Recovery  
& Insolvency Director**

higher than those reported to the IVA as were the assets of a company where the debtor purported to be the 100% shareholder and which he had

alleged were only of nominal value.

In reality, the company had considerable value, however the debtor did not own the shares.

The debtor absconded on the last day of the trial and, in his absence, received a custodial sentence of 12 months suspended for 12 months and a fine of £10,000.

IVAs should always be fit, fair and feasible to both the creditors and debtor. If you have any concerns about an IVA proposal that you have received, then please do not hesitate to contact a.burnside@pkffpm.com.



**Invest NI Chief Executive, Alastair Hamilton with Patrick McAliskey, Managing Director of Novosco**

## Novosco Announces New Jobs in 20m Expansion

Up to 150 new jobs are to be created by PKF-FPM client, Novosco, as part of a £20 million expansion project. Invest Northern Ireland is contributing over £1.2m towards the creation of 114 of the new roles which will be based at Novosco's Belfast headquarters.

Danske Bank is providing finance for the capital investment required to support the company's expansion and continued growth. The new jobs will include IT infrastructure engineers, service delivery roles, project managers, cloud experts and cyber security specialists.

## Gecko Launches Compliance Solution

Following approval by the Isle of Man Financial Services Authority, PKF-FPM client GECKO

Governance has launched a new compliance solution, GECKO Crypto1 which will offer enhanced levels of transparency and accountability to platform-users within the blockchain industry. Co-founder and CEO Shane Brett has said the current lack of governance standards within the ICO market is a barrier to the continued growth of the global blockchain ecosystem and may even become a point of failure. GECKO aims to bring transparency, accountability, and reliability to the ICO market – facilitating its maturation into a scalable and secure industry in which to do business.



## Milestone Success

PKF-FPM client Milestone Rathfriland picked up an impressive four awards including the headline award for Retailer Of The Year at the NI Retailer Awards. Ann and Tom McAvoy, Milestone Rathfriland pictured with Paul Hoy, Managing Director, Quick Cash (second from left), Adrian Logan (left) and Meagan Green.

## MJM Raises £160k for Local Charities



Cruise ship fit-out specialists MJM Group, a PKF-FPM client, turned the historic refit of the Azamara Pursuit into a fundraising extravaganza by partnering with ship owners Azamara Club Cruises and EY Entrepreneur Of The Year to organise a mini-cruise and auction on board the newly-refurbished cruise liner.

MJM Group Chairman, Brian McConville, who is an Alumnus of the EY Entrepreneur Of The Year programme, joined forces with EY and Azamara Club Cruises to host the once-in-a-lifetime mini-cruise which raised £160,000 for local and national charities nominated by the three partners.



## Women in Industry

PKF-FPM Director Teresa Campbell pictured with students and staff of St Marys High School, Newry during a recent Women in Industry & Business Insight event organised as part of an Area Learning Community Careers Event involving seven schools.



**PKF-FPM Director Malachy McLernon pictured with TEAM PKF-FPM staff members at the CIOT dinner.**

## CIOT Annual Dinner

The Chartered Institute of Taxation's Annual Dinner on 9 November 2018 saw 150 tax professionals from across Northern Ireland gather to celebrate another successful year. Speaking at the dinner, PKF-FPM's Malachy McLernon, Chair of CIOT's Northern Ireland Branch, welcomed the Chancellor's Budget which he said brought a boost for business against the backdrop of continuing Brexit talks.

"The Budget announcements to encourage investment, including the raising of the Annual Investment Allowance from £200,000 to £1m, are particularly welcome. The Chancellor recognised the enormous contribution enterprise has made to balancing the UK's books through jobs, pay and tax and responded to many of the recommendations that businesses have made. However, there is no hiding from the dark clouds of Brexit uncertainty," Malachy said.



## Australian Alumni

Pictured with Feargal McCormack recently at a Chartered Accountants Ireland networking event in Sydney, Australia were PKF-FPM Alumni Deborah Hansen (nee McKernan) and Katie McBurney (nee Dunbar).



# STAFF FOCUS



## Challenge Island

Currently ranked 1 in Northern Ireland and 64 in the UK by the Sunday Times Top 100 Companies to Work For, PKF-FPM places significant emphasis on fostering a positive working culture and rewarding the team for a job well done.

We strive to achieve a family atmosphere through a range of team experiences that promote camaraderie, health and

interaction. Events centre around four main themes — Fun, Family, Giving and Awareness.

In our most recent outing, TEAM PKF-FPM took on 'Challenge Island' wearing their new O'Neills sportswear, an event similar to the famous Crystal Maze only bigger, more fun and with 24 activities taking place over 16 acres in Carlingford Adventure's Skypark.

Not even a yellow weather warning could hold back the

team's enthusiasm as they took on a mix of physical, mental and skill activities designed to provoke self-analysis within groups, discovering how to work and grow together to achieve better results — skills easily transferable into the workplace where the Team are achieving 'Best-In-Class' client solutions. The day concluded with a celebratory meal and the winning team members were presented with PKF-FPM crystals.



## First Class

Feargal McCormack congratulates PKF-FPM's Kathryn Mussen on achieving a First Class Honours degree at the University of Ulster.



## Spooky Fun...

Team PKF-FPM fundraising for NI Children's Hospice and having fun in the process!



## Master Stroke

PKF-FPM's Patrick McKenna won the overall competition for the Derrick W Pratt Memorial Cup at this year's Chartered Accountants Ireland Golf Society outing at County Sligo Golf Club in RosSES Point. This was the 65th consecutive year that the annual outing has been held at the club.



## Succeeding with Tommy Bowe

TEAM PKF-FPM members pictured with Tommy Bowe and Gavin Kennedy at a Bank of Ireland "Succeeding In Your Game" event in October.



## Welcome!

PKF-FPM has recently welcomed new staff members on our 2018 Trainee and Placement Student intake. Pictured (from back) are Caoimhe McCourt, Shea Duffy, Ciara McFerran, Amanda Crozier, Emma Maginn, Alex McKee, Ciara McKee, Gemma Goan, Nathan Magee, Seana Harley-Moyes, Kathryn Mussen, Ciara McCullagh and Lee McClelland.



## 300 miles for Action Cancer

PKF-FPM Director, Lowry Grant, took on the challenge of a lifetime in July cycling 300 miles from London to Paris for local charities, Action Cancer and Women's Aid Armagh Down.

The challenge involved 4 intense days of cycling in heat of up to 32°C and climbs of up to

3,600ft. The team experienced many ups and downs (literally too many hills to count) in addition to numerous cramps and mechanical issues, but their spirits remained high thanks to the generosity and support of clients, colleagues, family and friends.

Team PKF-FPM lent additional support with their own 'Tour de

Newry', mounting their saddles for a 30-mile cycle led by Directors Feargal McCormack and Paddy Harty.

Action Cancer presented Lowry with a special 'Hero on a Mission' award at their 2018 Shop Challenge Gala in November where it was revealed that the Store Challenge 2018 raised a superb £68k total.



## Best Team

Congratulations to PKF-FPM client Rory Best who captained Ireland to a historic 16-9 victory over the All Blacks on Saturday 17 November at the Aviva Stadium. Rory was recently honoured by Queens University with an honorary doctorate recognising his contribution to sport. He is the only Ulsterman to have 100 caps for Ireland and has captained them to their highest ever world ranking. Rory also received an OBE in November.