

A detailed architectural model of a modern building with multiple levels and a central tower, set on a white base. The model is surrounded by various architectural tools and materials, including a blue pen, a red pencil, a black ruler, and a red pushpin. The background is a soft, blue sky with white clouds.

LFA

Benefactor

Practical advice for Architects

Your potential, our expertise

 Kingston Smith

Practical advice for Architects

Getting the right advice

After two years of growth in the sector, many practices are approaching pre-recession staff levels. However, memories of the downturn remain fresh and there remains a good deal of uncertainty around the strength and length of recovery. Competition for work is greater than ever and clients continue to demand more for less, so both fees and profit margins remain under pressure. Practices need proactive, expert advice to help them face these continuing challenges and to ensure they can make the most of opportunities when they arise.

What we can offer you

Kingston Smith has built a strong reputation for working with dynamic, entrepreneurial businesses and has developed a comprehensive range of services tailored to the needs of an architectural practice. These include:

- Audit, accounting and tax compliance;
- Performance improvement and benchmarking;
- Team structuring and remuneration;
- Assessing and improving employee engagement;
- Succession planning;
- Taxation planning and investigations;
- LLP/Company status;
- Mergers and acquisitions;
- Capital structure;
- Partner reward;
- R&D tax credits;
- Personal tax planning and wealth management;
- Key strategic advice including business development workshops;
- Management information review.

Financial issues & benchmarking

Now more than ever, practices need to run as efficiently as possible. We benchmark your results against those of similar sized practices and the sector as a whole. We employ our expertise and experience to advise on ways to improve productivity, profitability and cash flow. The ultimate goal is to maximise engagement at all levels, leading to improved individual profit shares and drawings, dividends and salaries, as well as providing incentives for key employees.

Getting the best from your team

Practices are now hiring again, and the need to recruit and hold onto talented staff is key in a competitive market. However, there remains a strong focus on efficiency and flexibility of the workforce. Against this background, it is vital to ensure that you are motivating your staff, as they are key to the future success of your business. We work with you to design and implement a structure that is tailored to your needs, properly incentivising your employees whilst remaining cost effective for your business. We will help design tools to assess employee engagement and an improvement programme if needed.

Partnership & succession issues

For many established practices, a real concern is how to deal with the retirement of key individuals. For partnerships and Limited Liability Partnerships (LLPs), repaying practice capital can place a real strain on the finances, and new partners are finding it increasingly difficult to secure replacement funding. Buying share capital can be similarly onerous. Younger architects also need to be prepared for the transition to management roles if practices are to continue to experience high levels of success, as founder partners move away from the business. We discuss your goals with you on an ongoing basis and work with you to design schemes to offer key employees a path to ownership, while structuring tax efficient exit routes for the existing owners. By understanding your short to long term goals, we can provide proactive support to enable your success.

Tax planning and LLP conversion

Businesses change over time and, as they do, so do their needs. Practices should respond to this by keeping their business structure under review. We will discuss your commercial goals and advise on the most tax efficient structure to meet those goals. A number of practices have converted to LLP status over recent years, and we can help you through the process. Recent falls in the level of corporation tax and changes to the way certain partners in LLPs are taxed, have encouraged other firms to incorporate or to convert from LLP to limited company status. We can advise on the pros and cons of each of these and suggest the most practical arrangement for your business. Key issues tend to range from the implications on cash flow, if not all profits are drawn to the ease with which you can manage incoming/retiring partners, to many other points requiring careful consideration before any decision is made.

Mergers & acquisitions

Reflecting the recent trend within the professional firms sector, our corporate finance team has advised on many successful mergers, maximising synergistic savings and minimising staff disruption.

R&D tax credits

R&D tax credits have provided a key source of funding for many architectural practices over the last few years as they look to use innovative build and design methods. While this can only be achieved in a company structure, we have seen a substantial increase in the number of practices that have qualified and achieved a significant reduction in their corporation tax bill. Our dedicated tax team have a wealth of experience in advising on the eligibility of qualifying expenditure and have highlighted potential claims to many clients that were not aware that their expenditure would qualify.

Connections into the property sector

New business is vital to the success of any practice. At Kingston Smith, we provide you with regular opportunities to network with other entrepreneurs, including developers and investors, as well as other professionals, including surveyors and agents. We hold regular seminars addressing topics relevant to the sector and are regular attendees at industry events, including MIPIM.

How we can help you

We believe in helping clients succeed and achieving their goals. That is why we provide each client, irrespective of size, with a dedicated client service team, headed by a partner and a manager who are genuinely accessible and who have experience of working with architects. We are committed to fully understanding your business needs and we ensure that the advice we give is both commercially focused and clear, no matter how technical the issue.

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"We have been working with Kingston Smith for over five years and have always been impressed by the level of service and pro-active approach that Jamie and the team apply. Their knowledge of our business is second to none and they are always able to provide sound business advice that is tailored to our firm.

Their expertise and experience within the sector mean that we receive useful insights into upcoming legislative changes and the pro-active approach is evident all year round with regular communication. We are always happy to recommend them to any other firms looking for pro-active, tailored advisory services."

– David Morley Architects

About Kingston Smith's Professional Firms team

Kingston Smith's specialist Professional Firms team has a wealth of experience providing sound advice to architects, property agents, property & construction consultants, lawyers and patent attorneys. As a top 20 firm of Chartered Accountants with 60 partners in six UK offices, and a founding member of Morison KSi, we can meet your UK and international business needs.



www.ks.co.uk/architects

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