

# Financial Accountant

www.ifa.org.uk

September/October 2015



## FUTURE STARS

THE IFA AND OTHERS ENCOURAGE TOMORROW'S ACCOUNTANTS AND ENTREPRENEURS

### BRAIN EXCHANGE

Obtain valuable know-how through professional networking and other social activities. p12

### FUTURE STARS

Educational establishments are proving to be fertile ground for growing businesses. p16

### ACCOUNTS SOFTWARE

As a business expands it should ensure that its software helps rather than hinders growth. p18

### PROFESSIONAL SHAPE

A successful entrepreneur must have personal skills as well as technical knowledge. p22

# BE FIRST OFF THE LINE

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**Thursday 22nd October 2015.**

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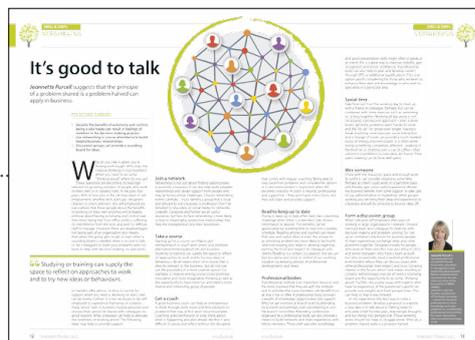
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**Patron** Sir Bryan Nicholson **Chairman of Advisory Council** Michael Colin **Chief Executive Officer** John Edwards  
**Marketing and Communications Director** Russell Clemence **Head Office** The Podium, 1 Eversholt Street, Euston, London NW1 2DN  
**Telephone:** +44(0)20 7554 0730 **Fax:** +44(0)20 7554 0731 **Email:** mail@ifa.org.uk **Website:** www.ifa.org.uk



**EDITORIAL Editor** Richard Curtis tel: 020 8212 1948 **ADVERTISING & MARKETING Advertising Account Manager** Charlotte Scott tel: 020 8212 1980  
**Marketing Manager** Rakhee Patel **PRODUCTION Production Manager** Angela Waterman **Advertisement Production** John Woffenden **Designer** Jo Jamieson  
**Offices** LexisNexis, Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS. Tel: 020 8686 9141 Fax: 02890 344215 **Editorial email:** richard.curtis@lexisnexis.co.uk



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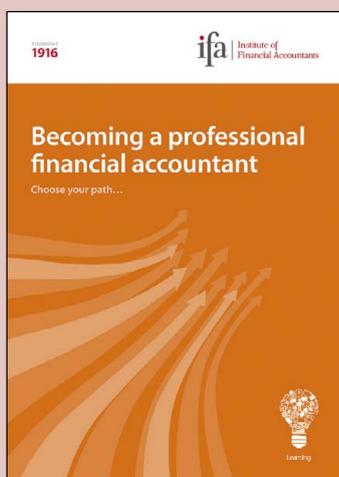
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# IFA Notice board

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## IFA 2015 Conferences



### IFA Midlands Conference

Thursday, 15th October, West Bromwich  
Worth 7 CPD hours

### IFA Southern Conference

Wednesday 11th November, London  
Worth 7 CPD hours

Visit [www.ifa.org.uk/events](http://www.ifa.org.uk/events)  
for more information and secure  
your place at an event today!

## 2016 IFA and FTA Member Renewals

*Renewals will be sent to you in October –  
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### How to renew

- Through the IFA website ([www.ifa.org.uk](http://www.ifa.org.uk))
- Direct debit (UK members only)
- Debit/credit card
- BACS

**31st December 2015 deadline**

Contact the membership team at  
[membership@ifa.org.uk](mailto:membership@ifa.org.uk) or +44 (0)20 7554  
0730 for more details

✉ I am always interested in the opinions and experiences of members, so if you have something to share, please don't hesitate to email: [john@ifa.org.uk](mailto:john@ifa.org.uk)

# What has been happening?

Since we amalgamated with the Institute of Public Accountants (IPA) of Australia in January 2015, a great deal of work has been completed behind the scenes by staff in our London and Melbourne offices. Our successful relocation to new offices in Euston, London has involved the recruitment and training of new staff to replace those who were not able to relocate. We have continued to build an excellent working relationship with our IPA colleagues and dual membership certificates have now been issued to IFA and IPA members. All IFA members now have access to the IPA website and this will be reciprocated in due course. On administrative matters, we have upgraded our desktop software to align with that of the IPA and continue to review and streamline key business processes to improve service to members, reduce unnecessary costs and increase growth across all areas of the business, as well as maintaining business as usual.

Our attention is now fully focused on the integration of our membership management and accounting information technology systems. This will provide us with stronger assurances regarding the integrity of member information, covering almost 35,000 members. As well as enabling us to gain greater understanding of where our members work, it will meet professional development and technical support needs more effectively.

We will continue to maintain websites for both bodies for the foreseeable future, while consideration will be given to how we might bring these together for a more efficient electronic platform. We will also be developing a range of additional member offerings. These include but will not be limited to:

- a technical helpline to access specialists in areas such as local taxation, accountancy, insolvency, commercial law and money laundering legislation;
- an online CPD platform to enable all members to complete training and development in their own time;
- guidance on accessing study material for IPA postgraduate qualifications;
- a fast-track route to expedite migration clearances for members seeking professional opportunities in Australia; and
- a broader range of commercial member benefits including accounting software, technical publications and human resource management support.

Team members from the IPA Group have visited the London offices on a number of occasions to meet IFA staff, branch chairs and members. These meetings have allowed us to interact and learn about different ways of working. These visits will continue, with the IPA hosting IFA team members in Australia. In November, Michael Colin FFA/FIPA, chair of the new IFA advisory council, UK (please see page 21) and I will meet the Australian team, attend the IPA board meeting, and be present at their national congress and annual general meeting in Queensland.

I will endeavour to keep you fully updated with progress in future issues of *Financial Accountant* and at local branch meetings.



“Our attention is now fully focused on the integration of our membership management and accounting information technology systems. This will provide us with stronger assurances regarding the integrity of member information.”

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## QUICK VIEW

### ✉ ALL TOGETHER NOW

Employee share plans can promote inclusivity and incentivise a workforce.

page 8

### ✉ MEAN STREETS

Practical advice on how to avoid your business and those of your clients becoming a victim of computer hacking.

page 10

### ✉ TERMS OF ENGAGEMENT

Make sure that you and your clients understand your respective responsibilities.

page 24

John.

John Edwards,  
IFA Chief Executive Officer.

## ANNUAL GENERAL MEETING

Notice is given of the 99th annual general meeting (AGM) of IFA (2014) Limited.

The AGM will be held at 11am on Wednesday, 16 December 2015 at The Wesley, 81–103 Euston Street, London NW1 2EZ to consider the following resolutions which will be proposed as ordinary resolutions:

1. To receive the report of council and the audited accounts for the year ended 31 December 2014.
2. To elect David Hunt, Rona O'Brien, Jeanette Purcell, John Sorby and David Woodgate as members of Council.
3. To reappoint Streets Audit LLP as auditors of IFA (2014) Limited and to authorise the council to determine their remuneration.

The formal notice and form of proxy for the AGM are on the reverse of the carrier sheet accompanying this issue of *Financial Accountant*. If you have not received this information or if it has been mislaid please contact the company secretary by emailing: proxies@lorraineyoung.co.uk or telephoning 01732 366561.

### TAXATION

## Allowance transfers

HMRC have updated form 575(T) which is used to transfer unused married couple's allowance or blind person's allowance to a spouse or civil partner.

<http://tinyurl.com/ifa-1033>

### REGULATORY

## Companies house

The 2014/15 annual report from Companies House shows that there are more limited companies in the UK than ever before. The report also covers the organisation's activities such as an accounts filing system with HMRC.

<http://tinyurl.com/ifa-1000>

### TAXATION

## Agent online

HMRC have published an overview of Agent Online Self Serve, which is being designed to improve online services. The service will enable agents to:

- register as an agent;
- confirm and update their client list;
- access services and view clients' records in one place;
- keep clients' tax affairs up to date;
- carry out the same online tasks as clients; reduce their costs; and
- reduce their need to contact HMRC.

<http://tinyurl.com/ifa-1017>

### IFAC GLOBAL SURVEY

The Global SMP Survey of the International Federation of Accountants (IFAC) will open soon. This helps IFAC and its members to better understand and serve its small and medium-sized practice constituents, and to raise awareness of their needs and challenges, as well as the role and value of SMPs globally.

<http://tinyurl.com/ifa-1070>

### EMPLOYMENT

## Tier 1 applicants

There is a new requirement for tier 1 applicants for immigration into the UK. Criminal records certificates will be required for each country that the applicant has lived in since they were 18.

<http://tinyurl.com/ifa-1004>

### TAXATION

## Tax receipts

According to HMRC, self assessment income tax receipts are increasing.

<http://tinyurl.com/ifa-1003>

### TAXATION

## PAYE end of year

A new guide from HMRC provides information on the design of substitute forms P60 – the end of year certificate – which employers may use instead of the official forms.

<http://tinyurl.com/ifa-1014>

### BUSINESS

## Export help

The government has announced a programme of expert advice and support to help companies expand into international markets for the first time.

<http://tinyurl.com/ifa-1040>

### BUSINESS

## Invoice assignment

Using powers under the Small Business, Employment and Enterprise Act 2015, the government plans to stop bans on invoice assignment clauses in business-to-business contracts.

<http://tinyurl.com/ifa-1065>

### REGULATORY

## Estate agents

Estate agents should read *Money Laundering Regulations: Estate Agency Business registration*, the new guidance from HMRC on how to register with them as an estate agency business for anti-money laundering supervision under the Money Laundering Regulations 2007.

<http://tinyurl.com/ifa-1013>

### TAXATION

## Personal tax account

HMRC have launched a test version of the personal tax account as a private beta. This has basic information about the taxpayer with an estimate of their PAYE liability and links to income tax online forms. New features will be added in the coming months.

<http://tinyurl.com/ifa-1007>

### BUSINESS

## Unhappy employees

The Royal Institution of Chartered Surveyors suggests that employers should make better use of their premises following a survey which showed that 47% of employees wanted their workplaces upgraded. The top issue was a desire for more natural light in the premises.

<http://tinyurl.com/ifa-1008>

## CHARITIES

**Charity Commission**

A report published by the Charity Commission suggests that many larger charities are understating their charitable expenditure in their public annual returns or their accounts.

The regulator scrutinised the annual reports and accounts of more than 180 charities whose annual returns suggested they had spent less than 10% of their income for the year on charitable activities. While the majority (57%) were able to provide reasonable explanations for the low expenditure the remaining 43% had made errors either in their annual returns or their trustees' annual reports and accounts, with the effect of significantly underreporting the level of their charitable expenditure

<http://tinyurl.com/ifa-1069>

Some charities spend less than **10%** on charitable activities

## TAXATION

**Repayment claims**

HMRC advise that agents' customised tax repayment claims for clients must meet specific formatting and information standards. Note that HMRC must be satisfied of the client's identity when a repayment is being made to someone else.

<http://tinyurl.com/ifa-1020>

## BUSINESS

**Improving landlords**

Following a survey showing that fewer than one in five office occupiers rated their property management service excellent or good, the British Council for Offices has launched a 10-point plan to improve the relationship between property owners, managers and occupiers.

<http://tinyurl.com/ifa-1006>

## TAXATION

**Avoidance schemes**

Advice on deciding whether arrangements to provide a tax and/or National Insurance contribution advantage must be disclosed has been published by HMRC.

<http://tinyurl.com/ifa-1030>

## HEALTH AND SAFETY

**Health and safety**

The Health and Safety at Work etc. Act 1974 (General Duties of Self-Employed Persons) (Prescribed Undertakings) Regulations 2015 (<http://tinyurl.com/ifa-1016>) come into force on 1 October.

These apply health and safety law only to a self-employed person who is listed in the accompanying schedule or "where not listed in the schedule, may pose a risk to the health and safety of another person (other than the self-employed person carrying it out or their employees)".

The Health and Safety Executive estimate that this will remove about 1.7m self-employed people – such as novelists, journalists, graphic designers, accountants, confectioners, financial advisers and online traders – from this legislation. Further guidance is available on the HSE website.

<http://tinyurl.com/ifa-1015>

## TAXATION

**Construction industry**

HMRC have published an updated booklet *CIS 340*, which explains the duties of contractors and sub-contractors within the construction industry scheme.

<http://tinyurl.com/ifa-1055>

## TAXATION

**Charitable marketing**

HMRC's *Revenue & Customs Brief 10* provides information on the department's approach to supplies of direct marketing that have been wrongly treated as zero-rated supplies of delivered goods.

<http://tinyurl.com/ifa-1073>

## TAXATION

**Small company profits**

HMRC have updated their guidance for tax advisers on the small profits rate and marginal relief in company tax returns. The "toolkit" deals with common errors and should be helpful to those completing company tax returns.

<http://tinyurl.com/ifa-1024>

## EMPLOYMENT

**Rugby World Cup**

Acas has published guidance for employers who receive requests for time off work to follow the Rugby World Cup. This takes place between Friday, 18 September and Saturday, 31 October 2015.

<http://tinyurl.com/ifa-1066>

## EMPLOYMENT

**Safe workplaces**

The Health and Safety Executive reports that the UK remains one of the safest places to work in Europe. There were 142 fatalities in the workplace in 2014/15. Although this is slightly higher than the previous year, it is still part of an overall decline over the past 20 years.

<http://tinyurl.com/ifa-1005>

## TAXATION

**Fuel rates**

HMRC have announced new fuel rates for company cars. These came into effect from 1 September 2015.

<http://tinyurl.com/ifa-1002>

## CHARITIES

**Donor benefits**

The government is consulting on the gift aid donor benefit rules. The deadline for responses is 9 October 2015.

<http://tinyurl.com/ifa-1071>

## TAXATION

**Accelerated payment**

HMRC have published *Ten things about accelerated payment notices*.

The document explains the factors to be considered if an accelerated payment notice (see FA 2014, Pt 4) is received.

<http://tinyurl.com/ifa-1019>

## TAXATION

**Tax avoidance schemes**

HMRC have published guidance on FA 2014, Pt 5, which deals with promoters of tax avoidance schemes.

<http://tinyurl.com/ifa-1028>

## BUSINESS

**Productive time?**

Research carried out for the British Insurance Brokers' Association (BIBA) shows that many SME proprietors perform tasks outside their job descriptions instead of outsourcing these to insurance brokers, recruiters or IT specialists. Tasks range from fixing IT issues (26%) to dealing with HR (23%).

<http://tinyurl.com/ifa-1029>

## BUSINESS

**Carrier bags**

From 5 October 2015, all retailers with 250 or more full-time equivalent employees and who sell goods in England must charge 5p for a carrier bag.

<http://tinyurl.com/ifa-1060>

## TAXATION

**Travel expenses**

HMRC's pamphlet *490: Employee travel – a tax and National Insurance contributions guide*, which deals with the tax and National Insurance contributions treatment of business travel by employees has been updated.

<http://tinyurl.com/ifa-1074>

## FINANCE

**Mortgages**

The Association of Independent Professionals and the Self-Employed (IPSE) has found that many self-employed people are concerned at their ability to obtain a mortgage. The association has published tips that should be useful for those in such circumstances.

<http://tinyurl.com/ifa-1057>

**MEMBERSHIP BODIES RESEARCH**

How do professional accountancy membership bodies measure up? GAAPweb, the UK's leading specialist job site for accountancy and finance roles, is analysing perceptions of professional accountancy membership bodies among finance professionals from PQ (part-qualified) to CFO (chief finance officer) level. The research will take place during September and October, with the findings to be reported in the first quarter of 2016. By participating, entrants will receive a free copy of the report and be entered into a draw to win an Amazon Kindle Fire tablet.

Visit: <http://tinyurl.com/ifa-1080>

## EMPLOYMENT

**Workplace bullying**

Research by solicitors Slater and Gordon has found that 37% of employees have been bullied at work and bullying has been witnessed by another 21%.

Bullying has been experienced by **37%** of employees

The solicitors suggest that if speaking directly to the bully has no effect, the victim should keep a diary of the time and form of the abuse. This and witnesses can be important when raising the matter with an employer.

<http://tinyurl.com/ifa-1022>

## EMPLOYMENT

**Tipping**

The Department for Business, Innovation and Skills is launching an investigation into tipping. This follows reports on how restaurants treat tips left by customers and whether government intervention is necessary to strengthen the voluntary code of practice run by the industry.

<http://tinyurl.com/ifa-1064>

## TAXATION

**Employer Bulletin**

HMRC have published *Employer Bulletin 55*. Among other items, this contains information on:

- the summer Budget announcements;
- the expenses exemption to replace dispensations from 6 April 2016;
- PAYE payments;
- workers employed through an employment intermediary;
- a new webinar for growing businesses from HSE and HMRC; and
- student loans.

<http://tinyurl.com/ifa-1042>

## BUSINESS

**Van safety**

The Society of Motor Manufacturers and Traders reports that there are more than 3.2m vans on UK roads. However, of the 10,800 vans stopped each year:

- 63% have serious mechanical defects;
- 93% are overloaded; and
- 50% fail their MOT.

The SMMT has published guidance on van safety warning that unroadworthy or overloaded vans can result in fines of up to £5,000 or its prohibition or immobilisation.

<http://tinyurl.com/ifa-1031>

## EMPLOYMENT

**Minimum wage**

Business Secretary Sajid Javid has announced further measures to ensure that employees receive the pay they are entitled to. The measures include:

- doubling the penalties for non-payment of the national minimum wage and the new national living wage;
- increasing the enforcement budget;
- setting up a new team in HMRC to take forward criminal prosecutions for those who deliberately do not comply; and
- ensuring that anyone found guilty will be considered for disqualification from being a company director for up to 15 years.

<http://tinyurl.com/ifa-1062>

## TAXATION

**HMRC settlements**

HMRC have compiled a page providing details of avoidance schemes that are included for settlement opportunities.

- Film production and sideways loss relief.
- Sole traders and sideways loss relief.
- UK GAAP corporates and sideways relief.
- UK GAAP partnerships and sideways loss relief.
- Tax on contractor loans.

<http://tinyurl.com/ifa-1047>

## BUSINESS

**Search engines**

Google has announced that its search results will favour mobile-friendly websites and it includes guidance on how these can be created.

<http://tinyurl.com/ifa-1038>

## EMPLOYMENT

**Working time**

The Court of Justice of the European Union has ruled that if a worker does not have a fixed or habitual place of work, the time spent travelling between work appointments is working time and cannot be treated as a rest period.

<http://tinyurl.com/ifa-1061>

## TAXATION

**Dividend allowance**

Information on the replacement of the dividend tax credit by the new tax-free dividend allowance from April 2016 has been published.

The first £5,000 of dividend income will be exempt. Dividends received over that limit will be taxed at:

- 7.5% on dividend income within the basic rate band;
- 32.5% on dividend income within the higher rate band; and
- 38.1% on dividend income within the additional rate band.

<http://tinyurl.com/ifa-1044>

## TAXATION

**Advance clearance**

HMRC have published detailed guidance on applications for advance clearance or approval to some transactions.

<http://tinyurl.com/ifa-1051>

## TAXATION

**Salary sacrifice**

The Court of Appeal ruled in favour of HMRC in the *Reed Employment* case. The employer sought to make tax and National Insurance free travel and subsistence payments to employees in exchange for a reduction in their salaries.

<http://tinyurl.com/ifa-1046>

## TAXATION

**Genuine contact**

HMRC have updated their guidance on how to recognise when a contact from HMRC is genuine and when an email is bogus.

<http://tinyurl.com/ifa-1043>

## TAXATION

**Professional fees**

HMRC's list of the fees to professional bodies and learned societies that are tax-deductible has been updated.

<http://tinyurl.com/ifa-1037>

## BUSINESS

**Freelancing guide**

A free *Guide to Freelancing* is available from the Association of Independent Professionals and the Self-Employed.

- The guide covers:
- setting up your freelance business;
  - managing the books;
  - paying the taxman;
  - handling the workload; and
  - risk prevention.

<http://tinyurl.com/ifa-1059>

## TAXATION

**Accelerated payments**

In *Nigel Rowe, Alec David Worrall & Others v CRC*, the High Court has comprehensively rejected a challenge to the legality of accelerated payment notices.

<http://tinyurl.com/ifa-1048>

## EMPLOYMENT

**Fit for work**

The government has updated its "fit for work" guidance for employers. This is designed to help employees stay in or return to work.

<http://tinyurl.com/ifa-1035>

## TAXATION

**Charities guidance**

HMRC have brought together in one place their guidance on how various aspects of the tax system operates for charities.

<http://tinyurl.com/ifa-1056>

## EMPLOYMENT

**Staff recruitment**

Acas has launched two new free practical guides today to help employers and managers recruit and settle in staff.

<http://tinyurl.com/ifa-1068>

**IFA DISCIPLINARY CONDUCT COMMITTEES – CHAIR AND MEMBERS WANTED**

If an organisation is to have credibility in the mind of the public, then it must have independent and transparent regulation of its members. The IFA has effective systems in place through its three conduct committees to ensure there is a proper balance between protecting the public interest and the support of IFA members.

We are now looking to appoint a chair and members (both IFA and lay) who understand our commitment to excellence, fairness both to the public and to members, and who are passionate about raising the standards of self-regulation.

The IFA is seeking to appoint a chair for the Appeal Committee who will be responsible for chairing hearings as detailed in the disciplinary regulations. The chair will be legally qualified and have at least five years' experience in professional regulation.

The IFA is seeking to appoint members – both IFA/FTA and lay – to the Investigations and Disciplinary Conduct Committees. IFA and FTA members will be required to have practice/business experience and lay members will have experience of professional regulation.

To be successful, candidates will be expected to have a thorough understanding of the principles of self-regulation within the professions and a commitment to upholding the high standards of excellence within the IFA. They are also expected to be familiar with the current IFA disciplinary regulations, bye-laws and code of ethics, all of which are on the IFA's website: <http://www.ifa.org.uk/members/new-members/regulations/>.

The Conduct Committees are held in Euston and Holborn, London. There is no guaranteed minimum number of sitting days for either the chair or members appointments, but it is anticipated that there will be a meeting of the Investigations and Disciplinary Committees approximately four times a year, and of the Appeal Committee as and when required. Chairs and members receive a daily fee per meeting and travel and subsistence costs.

To apply or for further details, please email Athene Heynes at: [atheneh@ifa.org.uk](mailto:atheneh@ifa.org.uk).

The closing date for applications is Friday 16 October 2015.



# All together now

*Barbara Onuonga and Lynette Jacobs* suggest share plans as a means of ensuring inclusivity.



## TEN SECOND SUMMARY

- 1 Share plans can incentivise and encourage employee participation.
- 2 Practical difficulties on eligibility can arise from changing employment circumstances.
- 3 The growing use of self-employed consultants can affect ability to participate in share plans.

The use of share plans has increased and companies recognise the benefit of offering such incentives to employees. One of the main purposes of these arrangements is to provide remuneration that is linked to an organisation's goals and values. Share plans should increase employee productivity and commitment. However, the benefits associated with them will not be fully realised unless employees participate and engage in them. Further, in a constantly evolving working landscape, companies must consider how to involve a broader workforce in their incentive arrangements.

## An evolving workplace

The working landscape has changed over the past decade – more flexible working arrangements are in place and there is increased use of consultants and advisers instead of traditional employees.

There is also an increasing drive for employers to consider flexible working applications from employees including part-time working, job-sharing, staggered working hours and flexi-days. This has been bolstered by government support for more flexible working arrangements such as shared parental leave.

All these changes affect the way share plans are communicated to the modern workforce and the eligibility of individuals to participate in share plans – particularly if they are tax-advantaged.

Listed companies offer “all-employee” plans and/or “discretionary” plans, both of which can be tax advantaged. All-employee tax advantaged plans include sharesave (SAYE) plans and share incentive plans (SIPs). Discretionary tax advantaged plans include enterprise management incentive (EMI) plans and company share option plans (CSOPs). Under a tax advantaged plan, as long as certain requirements are met, there will be no income tax and National Insurance contributions liability on the exercise of an option or other acquisition of shares. Non tax-advantaged plans, such as long-term incentive plans (LTIPs), are a valuable incentive but will not provide tax efficiencies.

Share plan rules specify eligibility criteria for participants and practical difficulties may arise in circumstances such as:

- parental leave;
- part-time employees;
- retirement; and
- non-employees.

For example, a woman on maternity leave with a right to return to work remains an employee. She must be therefore be invited to participate in a SAYE plan, which allow employees to save between £5 and £500 a month for three or five years.

In this context, the main issue to consider is how the savings contributions will be made. The monthly savings are usually taken as a deduction from net pay, but an employee on maternity leave may have insufficient pay for a deduction in a particular month. HMRC recognise this issue and, to the extent that they have sufficient funds to do so, allow employees on maternity leave to make their monthly contributions directly to the savings operator. However, this flexibility has not been extended to employees on shared parental leave.

Another issue to consider for employees on maternity leave is that SAYE participants are permitted to take a maximum contribution payment “holiday” of up to six months, which eventually must be made up. However, the legislation has not been updated to allow for a holiday of up to 12 months in line with the maximum maternity leave entitlement. Accordingly, if an employee misses more than six monthly contributions, their SAYE option will lapse.

In relation to discretionary plans, companies may invite an employee on maternity/paternity leave to participate. If awards are based on pre-maternity (full time) salary and an employee returns to work



Dr Lynette Jacobs is a partner in the share plans and incentives team at Pinsent Masons LLP and has long-term experience of equity incentives. Lynette advises private and listed UK and international companies on alternative forms of employee equity plans and incentive arrangements. She advises clients on all aspects of the design and ongoing use of all forms of plans. She is a member of the Global Equity Organisation (GEO) and The Share Plan Lawyers' Group. Lynette can be contacted by phone on 0161 250 0198 or by email at: [lynette.jacobs@pinsentmasons.com](mailto:lynette.jacobs@pinsentmasons.com).



part-time, a company will have to consider whether to scale back the award in proportion to a reduced salary. Any discretion applied should be non-discriminatory.

### Part-time employees

It is appropriate that companies allow part-time employees to participate in share plans on the same basis as full-time employees. However, part-time employees may be prohibited from participating in certain share plans due to minimum working time requirements. For example, to participate in an EMI plan, an employee must spend at least 25 hours a week or 75% of their working time (if less) on the business of the company or its group. Consequently, part-time employees who have more than one job (including self-employment) may not qualify. It will be a "disqualifying event" if an employee drops below the working time requirements while holding an EMI option and the (full) tax advantages will be lost unless the option is exercised within 90 days.

CSOPs and SAYE plans also specify minimum working time requirements for director participation. Accordingly, some part-time directors will not be able to participate in such plans.

### Retirement

Many share plans include retirement as a "good leaver" circumstance and allow vesting or exercise if an employee retires. Favourable tax treatment also applies to SIP and SAYE participants on retirement.

However where legislation does not require inclusion of any particular terms regarding retirement, companies should consider whether they wish to protect employees' rights if they retire in the context of age discrimination legislation.

### Non-employees

Increasingly, companies are recruiting consultants rather than employees to undertake some projects and to provide flexibility in their workforce. If an individual is a self-employed consultant, this can have a significant impact on their ability to take part in share plans because they are not employees.

For tax-advantaged plans, participant eligibility is determined by legislation and it is unlikely that non-employees would be eligible to participate. Non tax-advantaged awards may be made to non-employees. For company law reasons, these will generally be by way of a stand-alone non-employee share incentive agreement.

### Ensuring inclusivity

The above is a snapshot of how modern working practices may affect (or hinder) the operation of share plans in a company. Share plans can help engage employees by aligning employee interests with that of management and shareholders. However, these plans must be inclusive if they are to achieve their aim of motivation and employee engagement.

It may sound fairly obvious to state that share plans must be communicated effectively. However, because each company will have a varied workforce, it is worth considering what is effective in different circumstances. For example, will employees receive information regarding share plans electronically, in hard copy or as an oral presentation? There are myriad different ways in which information can be communicated. There is no "right way" because that is a matter to be considered by each company, but a communication strategy is essential.

The main practical point in ensuring inclusivity in the operation of share plans is effective communication. Some of the limitations outlined above are legislative in nature, such as working time requirements or a six-month maximum suspension of saving contributions. A company cannot change such limitations, but it can mitigate any negative impact by implementing some practical measures as follows.

- Ensure that employees who are not based in the office (due to, for example, maternity/paternity leave or compressed hours) receive information regarding the launch of all employee plans and/or discretionary plans.
- Explain suspension of contribution provisions in relation to SAYE plans and clarify that savings can only be suspended for six months and not for 12 months.
- In relation to discretionary plans, consider whether to pro-rate awards based on reduced salary. If performance targets apply, think about whether the rules should allow targets to be reset if an employee is on reduced hours.
- Unless there are any statutory restrictions, part-time employees should be able to participate in share plans on the same basis as full-time employees.
- If there are statutory working time restrictions prohibiting such participation, communicate the issue to the part-time employees and include them in non-tax advantaged plans.
- Ensure that any legislative restrictions contained in tax advantaged plans are not replicated in non-tax-advantaged plans.
- Where legislation does not require inclusion of any particular terms regarding retirement, consider removing specific reference to retirement to avoid age discrimination claims.
- Establish a stand-alone share plan/agreement for awards to non-employees.

### Conclusion

The examples provided above of the modern workplace environment illustrate that this is a dynamic and evolving issue. While the central message will be to ensure inclusivity, the circumstances in which companies apply that message will change in the coming years.

Companies should periodically re-evaluate their share plans to ensure that they operate in line with modern working practices and achieve their aim of employee engagement.

### WOMEN IN TAX

The Women in Tax group aims to increase the visibility of women who work in tax and to support and mentor those joining and re-joining the profession. The launch event for Women in Tax will take place on 2 November 2015 and further details will be made available on the website <http://womenintax.com>. Please register for updates, or follow @WomenInTax on Twitter.



Barbara Onuonga is a solicitor in the share plans and incentives team at Pinsent Masons LLP. She advises on share plans and other incentive arrangements in the UK and internationally. She also advises on tax advantaged and non-tax advantaged all-employee plans and executive incentive structures. Barbara advises companies on incentive arrangements in corporate transactions and aspects of international share plans. She is also a member of the recently established Women in Tax group. Barbara can be contacted by phone on 020 7418 8092 or by email at [barbara.onuonga@pinsentmasons.com](mailto:barbara.onuonga@pinsentmasons.com).



# Mean streets

Cyber crime is a potential threat to all SMEs. *Paul Harrison* provides advice to business proprietors to ensure that they do not fall prey to computer hackers.

## TEN SECOND SUMMARY

- 1 Small and fast-growing businesses may be at particular risk of computer hacking.
- 2 EU data protection legislation may result in a growing demand for cyber insurance.
- 3 SMEs should be taking active steps to minimise the threat of cyber crime.

**E**very small business knows that its trading reputation is important, but for many an online presence is the main way that they interact with their customer base. Consequently, businesses are now exposed to different threats that would not have existed just a few years ago. The use of the internet and mobile technology is common place and so-called cyber crime – such as identity theft, loss of personal data or records – is becoming a threat to all sizes of businesses.

“There are now a new breed of insurance products designed to cater for these new cyber threats but, so far, the take up has been limited.

Even more traditional businesses, which often feel that they are not as exposed to the risks of the cyber age, are likely to use the internet. Data may be stored or backed up in the “cloud” or the business might access third-party websites to provide data about their clients. We have already seen an incident with an IFA member where a client’s HMRC online record was hacked. The hacker used the client’s identity to create a fake tax return which was submitted. This return showed that a refund was due, HMRC sent the repayment to the hacker, and the account was then shut down.

Small businesses represent a sweet spot for hackers because they are entrepreneurial and likely to be growing rapidly. This means that customer data is probably accumulating rapidly, but the business may have not found time to ensure that their computer systems have been keeping up with that growth.



Larger companies do, typically, have more sophisticated cyber protection, but even they are not immune to hackers, as the recent incident with Carphone Warehouse has shown. But smaller companies should not think that they are immune. They may equally be a target, because criminal hackers are not necessarily looking to secure large sums of money or large quantities of data.

## Insurance protection

There are now a new breed of insurance products designed to cater for these new cyber threats but, so far, the take up has been limited. The EU is currently reviewing data protection legislation and with these changes it is expected that the demand for cyber insurance will grow hugely. In the US, where there is a mandatory legal requirement for companies large or small to disclose that they have had a data breach, the premium spend for such insurance now runs into many millions of dollars.

## What is cyber risk?

Cyber risk is the likelihood of an incident resulting from the use of computers and the internet. This could be the loss or theft of personal data, the theft of trade secrets and commercially sensitive information, business interruption, intellectual property infringement, defamation and extortion.



Despite the possibly appalling financial consequences of a such an incident, cyber risk management is often ignored because it is perceived to be complex and inevitably expensive for an SME. However, cyber security can be achieved by implementing some practical and inexpensive measures.

- **The board and senior management.** Cyber incidents have both technical and human causes. Cyber risk management should not therefore be delegated wholesale to the IT manager or consultant – only the board and senior management have the authority and influence to oversee cyber risk management within an organisation.
- **Cyber risk manager.** Too many cooks spoil the broth, so an organisation should make one person the “cyber risk manager”. They will be responsible for managing cyber risks and incidents, liaising with other managers and staff and reporting to the board or business owner.
- **Cyber risk profile.** To implement the right security measures and persuade staff to take them seriously, it is necessary to identify the particular cyber risks to which a business is exposed. For example, a web retailer’s concerns will be very different from those of a research and development company.
- **Technical security.** The cyber risk manager should know enough about common technical network

security defences such as firewalls, intrusion detection systems and anti-virus software to enable them to discuss the issues with, and direct, the IT manager or consultant. Laptops and other mobile devices should be encrypted, as should portable storage devices.

- **Physical security.** Sophisticated computer network defences provide no protection against ordinary physical entry to premises by thieves and hackers. Good physical security measures such as high quality doors, locks and alarm systems are as important in a cyber context as they are for the business more generally.
- **Data management.** Sensitive, confidential and important information must be protected in electronic form for the same reasons that paper documents have historically been secured. The type (such as personal data, confidential information, trade secrets and commercially sensitive information), owner (client, employee or business partner), location and value of the different categories of data held on a business’ network must be ascertained. Access to sensitive and confidential data on a business’ network should be restricted to those who are authorised to see it. Important data of every type should be regularly backed up so that, in the event of a physical disaster or cyber incident, the business can continue.
- **Staff procedures.** Employees are the most common catalyst for cyber incidents. They therefore need to understand their role in maintaining cyber security. Written computer, internet and email use policies and staff training – dealing with issues such as remote working, strong passwords, clean desks and social engineering – are essential and relatively inexpensive.
- **The cloud and web-hosting services.** There is little point in making a computer network secure without checking that the business’s cloud service provider, web hosting company and other businesses with which data is shared are also safe. Well-known cloud service providers include Google Cloud Platform, Microsoft’s Sky Drive and S3 from Amazon.
- **Contracts with third parties.** These should include terms requiring them to implement effective information security measures. Checks should be made to ensure that they have actually done so.

## Be prepared

Even the very best risk management regime may not prevent a cyber incident at a business. Internal response and business continuity plans are essential to ensure that such occurrences are promptly detected and reported so that adverse business consequences can be minimised.

An organisation may not have the expertise to deal with a cyber incident by itself. In such cases, an external cyber incident response team should be identified and appointed so that it is ready to assist when one occurs. This is often provided as part of the cover afforded by many cyber insurance policies.

## FURTHER INFORMATION

If you have any queries or would like further information regarding cyber crime and how this can affect you please contact Arthur J Gallagher on 01732 744700.



**Paul Harrison** is regional director, private clients for Arthur J. Gallagher Insurance Brokers Limited, which is authorised and regulated by the Financial Conduct Authority. Visit: [www.ajginternational.com](http://www.ajginternational.com). Paul can be contacted by telephone on 01732 744745 or email: [Paul\\_Harrison@ajg.com](mailto:Paul_Harrison@ajg.com).



# It's good to talk

*Jeannette Purcell* suggests that the principle of a problem shared is a problem halved can apply in business.

## TEN SECOND SUMMARY

- 1 Despite the benefits of autonomy and control, being a sole trader can result in feelings of isolation in the decision-making process.
- 2 Use networking or course attendance to build helpful business relationships.
- 3 Discussion groups can provide a sounding board for ideas.

**W**ho do you talk to when you're finding work tough? Who does the creative thinking in your business? When you need to do some "thinking aloud" where do you go?

These questions are becoming increasingly relevant for growing numbers of people who work on their own or in isolated roles. In the past four years, 40% of new jobs in the UK have been in self-employment: whether tech start-ups, designers, cleaners or event planners, the self-employed are everywhere. Ask these people about the benefits of working on their own and they will probably enthuse about having autonomy and control over their time, being free from office politics, suffering no interference from the boss and with no difficult staff to manage. However, there are disadvantages: not being part of an organisation also means that, when the going gets tough or even when a sounding board is needed, there is no one to talk to. No colleagues to share your problems with, no team to help with decision-making, no specialists

“Studying or training can supply the space to reflect on approaches to work and to try new ideas or behaviours.”

on hand to offer advice, no boss to turn to for support when you need it. Working on one's own can be lonely. Further, it is not necessary to be self-employed to experience that sense of isolation – many senior roles in business involve pressures and stresses that cannot be shared with colleagues for good reasons. What strategies can help to alleviate the loneliness of working alone? The following ideas may help to provide support.



## Join a network

Networking is not just about finding opportunities to promote a business. It can also help build valuable relationships and obtain support from people who may be facing similar challenges. Choose networking events carefully – try to identify a group that is local and relevant to one's business or profession. Don't be tempted to rely solely on social media for networks. LinkedIn, Facebook and Twitter are all useful resources, but face-to-face networking is more likely to lead to meaningful, productive relationships that help the entrepreneurs and their businesses.

## Take a course

Signing up for a course can help to put entrepreneurs in touch with others and promote alternative thinking about life and business. Studying or training can supply the space to reflect on approaches to work and to try new ideas or behaviours. By all means enrol on a course that is directly relevant to the business, but do not rule out the possibility of a more creative option. For example, a creative writing course could promote innovative and more imaginative thinking as well as the opportunity to have more fun and meet a more diverse and interesting group of people.

## Get a coach

A good business coach can help an entrepreneur to think through work issues and find solutions to problems that may at first seem insurmountable. Coaching gives permission to stop, think about what is happening and plan ahead. We find it very difficult to pause and reflect without the discipline



that comes with regular coaching. Being able to step back from problems and consider the options in a calm environment is important when life becomes stressful. A coach is neutral, professional and supportive – they won't give instructions, but they will listen and provide support.

### Read to keep up to date

Trying to keep up to date often feels like a daunting challenge when there is a relentless tide of new information to absorb. The benefits can be appreciated by building time to read into a weekly schedule. Reading articles and journals can mean that new and useful ideas or even the answer to an annoying problem are more likely to be found. Selective reading also helps to develop expertise, earning the trust and respect of colleagues and clients. Reading is a solitary occupation, but we can feel less alone and more in control of our working situation by keeping abreast of professional developments and news.

### Professional bodies

A professional institute is an important resource, and the more involved that they are with the institute and its activities the more members will benefit from all that it has to offer. A professional body provides a wealth of knowledge, opportunities and support. Why not get involved at branch level by attending local events and perhaps even volunteering to join the branch committee. Attending conferences organised by a professional body can also provide a means to build networks and share experiences with fellow members. Those with specialist knowledge

and good presentation skills might offer to speak at an event; this is a great way to improve visibility, gain recognition and boost confidence. A professional body can also help to plan and develop careers through CPD or additional qualifications. This is an option worth considering for those who are keen to enhance their skills and knowledge or who wish to specialise in a particular area.

### Social time

Take time out from the working day to meet up with a friend or colleague. Perhaps this can be combined with some exercise such as swimming or cycling together. Working all day alone is not necessarily a productive approach – after a while brains get tired, problems seem harder to solve and the “to-do” list grows ever longer. Having a break involving some exercise, social interaction and a change of scene can provide a much needed boost of energy and enthusiasm. It is often while doing something completely different – walking in the fresh air or chatting over a cup of coffee – that solutions to problems or new ideas are found. Time spent relaxing can be time well spent.

### Hire someone

Those with the resources, space and enough work to justify it, can consider obtaining some help. Perhaps an intern could work on a part-time basis and thereby gain some useful experience. Would the business benefit from some support to take care of, say, administration or marketing? Other people working also will bring fresh ideas and experiences to a business and will be someone to bounce ideas off.

### Form a discussion group

When I became self-employed after years of working in large organisations I realised I missed having a team and colleagues to help me with decision-making and problem-solving. So I set up an invitation-only forum for business people to share experiences, exchange ideas and solve problems together. Designed initially for people who work on their own, this now also attracts CEOs and senior managers who have a team at work, but who occasionally need a neutral, professional environment where they can discuss issues with other professionals they respect and trust. Growing interest in the forum, which now meets monthly in London, demonstrates that we all need a sounding board and the opportunity to do some “thinking aloud”. Further, discussing issues with experts who have no experience of the questioner’s world can provide new insights and fresh perspectives. This can help to map a way forward.

In my experience, the best way to solve a business problem, develop a proposal or explore a new idea is to talk about it. Talking helps to articulate a half-formed plan, disentangle thoughts and put things into perspective. Those working alone should not have to struggle alone. After all, a problem shared really is a problem halved.



**Jeanette Purcell** is managing director of Jeanette Purcell Associates, specialists in management and leadership development. Before establishing her own business she was chief executive of the Association of MBAs (AMBA). Jeanette is also the founder and director of The Brain Exchange – a forum for business professionals to share knowledge and solve problems in a confidential, professional environment. For more information visit: [www.brainexchange.co.uk](http://www.brainexchange.co.uk).



# Restricted access

*Justine Riccomini* discusses the new immigration laws and explains why employers must understand and comply with them.

## TEN SECOND SUMMARY

- 1 New legislation will target illegal immigration.
- 2 Employers have a joint obligation with the employee to comply with the legislation.
- 3 Compliance with the codes of practice is important.

In August, the government announced that the forthcoming Immigration Bill will contain additional clauses targeting illegal immigration. To reduce net migration, a new points-based system (PBS), similar to that in Australia, will be introduced for non-European workers. First announced in 2006, this aims to highlight individuals who can add the most value to the UK economy and labour market, while simplifying the applications to live and work here and reducing abuse and non-compliance.

The PBS covers most non-EU nationals with some exceptions, including EEA nationals, family reunifications, ancestry connections and short-term visitors (business and non-business), who will be dealt with under the old scheme. There are five categories of applicants under the PBS, but most employers will be concerned with levels 1 and 2: “highly skilled individuals and entrepreneurs” and “skilled workers with a job offer”. These workers represent the skills and experience that the government considers are required by the UK economy and are unavailable within the existing UK labour market. The skills gaps and PBS are to be reviewed in line with labour market changes.

### SMEs and workers from abroad

Tier 2 applicants are most likely to be used by the SME market and include:

- those coming to fill jobs advertised under the resident labour market test (RLMT);
- those taking up jobs on the government’s shortage occupation list;
- intra-company transfers;
- ministers of religion; and
- sportspersons.

The primary condition is that the individual must have a job offer from an employer who has a certificate of sponsorship (COS). Points are then awarded to the individual for the categories of age,



earnings, work experience, qualifications, personal funds, English language proficiency and previous compliance with UK immigration regulations.

The COS is only valid for the sponsor. If an applicant wishes to change employers or their role “changes significantly” the process must be repeated. To what extent it is necessary to deem that the role has changed has yet to be determined and may be the subject of tribunal or court action where employers and the Immigration Service have different opinions.

It is vital that employers understand their joint obligation with the employee to comply with the legislation, which is underpinned by no less than 19 different codes of practice.

### The employer’s duties

The sponsoring employer must qualify under all aspects of the scheme, be registered with the Home Office and accept responsibility for aspects of the employee’s immigration status. A form of contract is set up between the sponsor and the Home Office whereby the employer must carry out specific duties, categorised as “generic” and “tier-specific”. The former include record-keeping, reporting, complying with UK law and co-operating with the Home Office. The latter are set out in the codes of practice.

Sponsors will be rated by the Home Office as “A” or “B”. Model compliant employers will receive an A classification and can reasonably expect their applications to be accepted. Class B employers will require improvement and their applications will be more likely to be rejected. Failing sponsors may be de-registered, penalised or prosecuted.

While it is acknowledged that the Home Office does not have the resources to inspect every applicant, significant numbers of inspections are anticipated. Under the UK Borders Act 2007, inspectors can review files and interview staff, including the migrant workers themselves. Discrepancies may result in the application being refused or withdrawn and a “B” rating applied, followed by further action as necessary.



Two consultation documents have been issued by the Migration Advisory Committee on certain aspects of tier 2 workers, and employers would be advised to read and comment on these if they are affected by the changes.

### Other implications

To mitigate liabilities and control the recruitment/immigration process locally, employers with numerous sites and subsidiary companies may be independently licensed sponsors. This separates events and it places responsibility for absorbing costs, inspections and potential penalties to one area of the business without affecting others. Note that sponsors must inform the Home Office of any “significant change” in ownership or structure. Further, the Home Office has clarified the position on TUPE transfers (Transfer of Undertakings (Protection of Employment) Regulations) because sponsor licences are non-transferrable.

The following points should be noted.

- If a sponsor (or part of a sponsor) organisation transfers to another organisation and this includes sponsored workers, the new organisation must obtain a sponsor licence for those employees. The transferring business must notify the Home Office of the transfer within 20 working days.
- Where a licensed sponsor is taken over by an unregistered organisation, the existing sponsor must notify the Home Office within 20 working days. The new organisation must make a valid application for a sponsor licence within 20 working days. If it fails to do this, the Home Office will restrict the leave to remain in the UK of all sponsored migrants to 60 calendar days.
- If an unregistered business is taken over by a company that is registered, the licensed sponsor must notify the Home Office of the takeover within 20 working days.
- Where both organisations are licensed, each organisation must notify the Home Office within 20 working days.

### KEY PROVISIONS

- An increased maximum employer fine of £20,000.
- Fast-track recovery of civil penalties from employers.
- Reduction of the number of appealable immigration decisions from 17 to four.
- Facilitation of pre-hearing expulsion from the UK of individuals the government considers especially dangerous.
- Clarification of Article 8 of the European Convention on Human Rights (“right to a family life”) in immigration/migrant worker cases.
- Employers must make a payment to NHS funds for migrants with time-limited status.
- Private landlords must check the immigration status of tenants.
- Immigration officers have increased powers to access and search premises.
- Mandatory use of biometric documents.

### Enforcement

Under the old legislation, enforcement was poor and resulted in cases being stuck in the court system due to weaknesses in the clarity of legislation around the principles of negligence and wilful and persistent default. A statutory defence was also easy to establish if the employer could prove he had examined all records prescribed by the Home Office before employing the individual, even if these records turned out to be false.

The Immigration, Asylum and Nationality Act 2006, s 15 to s 25, as amended, sets out the new law on illegal working. There are two discrete breaches – civil and criminal – and they apply only to employments that commenced on or after 29 February 2008.

By clarifying the acts of negligence and wilful default and by setting out provisions requiring employers to be continuously vigilant, the new regime also offers less opportunity for employers to claim the statutory defence.

Section 15 imposes a maximum fine of £20,000 for each illegal worker as a civil penalty and s 21 imposes criminal penalties of an unlimited fine or up to two years’ imprisonment for knowing that a worker is employed illegally. The statutory defence at s 19 is quashed where s 21 can be proven. Employers should be aware of **Key Provisions**.

### Summary

The new Immigration Bill was introduced in the Queen’s Speech of 2015, but this has yet to be introduced as legislation.

Finally, on the subject of employment generally, employers should note that a revised code of practice was issued in 2014 to assist employers with the avoidance of discriminatory recruitment practices. The code is regarded with gravitas by the Employment Tribunal and employers should be aware of its content.

### FURTHER INFORMATION

Immigration, Asylum and Nationality Act 2006: <http://tinyurl.com/cj8ua6w>  
 UK Borders Act 2007: <http://tinyurl.com/pczzurf>  
 Immigration Act 2014: <http://tinyurl.com/qhkra77>  
 Home Office. Tier 2 guidance: <http://tinyurl.com/o9cfqyq>  
 Migration Advisory Committee: <http://tinyurl.com/pyzglbl>  
 Code of practice for employers avoiding unlawful discrimination while preventing illegal working (May 2014): <http://tinyurl.com/p9mqd5d>



**Justine Riccomini** is an employment taxation and human resources expert and can be contacted on 01422 611 780 or via [www.employmenttax.com](http://www.employmenttax.com), LinkedIn or Twitter @justinericco. Justine is chair of the IFA’s Scotland branch.



# Future stars

*Philip Ely* suggests that accountants need to get inside the minds of millennial entrepreneurs and their business start-ups.

## TEN SECOND SUMMARY

- 1 Universities are fostering a healthy ecosystem for a new breed of entrepreneur.
- 2 These new start-up businesses will need to make useful connections in their local area for business services.
- 3 Don't fear failure – this can be a sign of success as serial entrepreneurs go on to develop new businesses.

In August 2015, work and pensions secretary Iain Duncan Smith announced the appointment of Michelle Mone, founder of lingerie brand Ultimo, as the government's new entrepreneurship tsar. She has been given the task of helping entrepreneurs from deprived areas of the UK turn their ideas into thriving businesses. Her task will be made much easier by the presence of a healthy "ecosystem" for entrepreneurship developed by universities across the country. Incubator spaces, development programmes, competitions and funding have all been created to support emergent student and graduate entrepreneurs.

## Statistical background

That universities provide a rich heartland for new businesses is evidenced by information from the Higher Education Statistics Agency. In 2011/12, within six months of graduation, as many as 16,454 graduates from the UK chose to move into self-employment or start-up. In 2012/13 this increased to 18,462 and still further to 19,255 in 2013/14.

Many of these graduates are from universities in the London area and decide to set up there. This is inevitable, perhaps, given the cultural and economic draw of London: it attracts high-growth (technology) companies, is the location of many angel and seed-investment firms, and offers quick routes to market through its transport infrastructure. Statistically, there is a higher chance of start-ups staying in London after graduation, but this bias ignores the still significant population of graduates starting up in rural and metropolitan areas in the regions. Further research that I have conducted with colleagues reveals that the long-term survival rates of start-ups from universities in the East Midlands, South East, South West, Wales, and Yorkshire and Humberside are greater than those in London. Furthermore, it is start-ups in the East Midlands, South West or Welsh universities that are more likely to create new jobs for other graduates.

## A diverse ecosystem

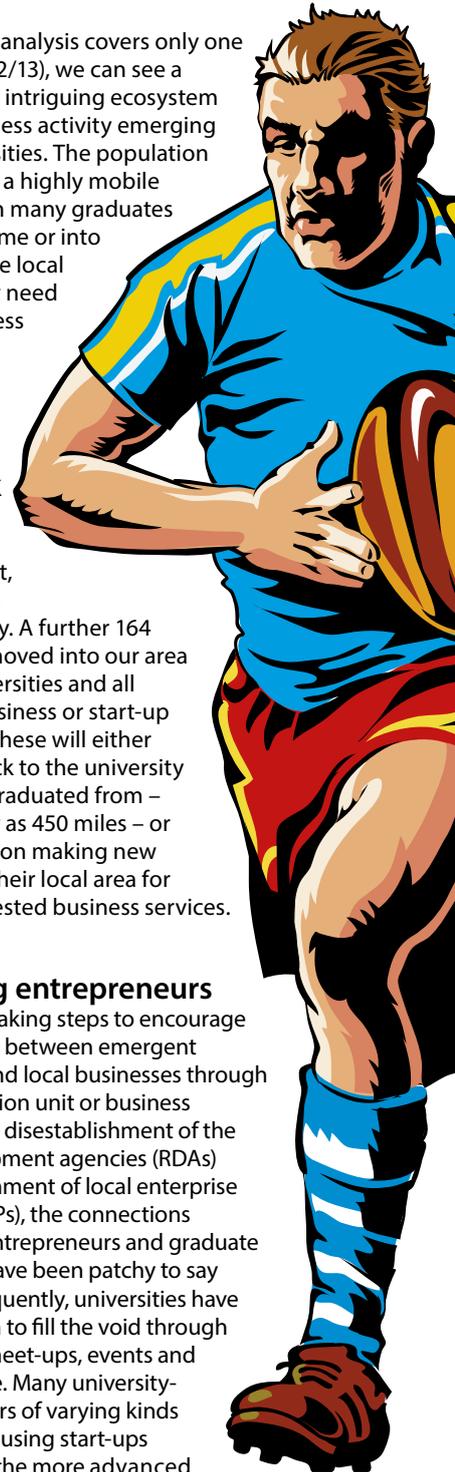
A closer look at the data on start-ups and self-employment challenges some of the assumptions about the type of businesses that graduates establish and their growth potential. Although start-ups are less likely in the arts and humanities disciplines, these nevertheless attract more external investment than others. Start-ups in the physical sciences such as engineering and technology are less likely to hire employees, while those in the life sciences and biomedicine domain generate more turnover than any other sector.

Although my analysis covers only one cohort year (2012/13), we can see a very diverse and intriguing ecosystem of start-up business activity emerging from our universities. The population of self-starters is a highly mobile community, with many graduates moving back home or into areas offering the local community they need to launch to access investment or customers.

In 2012/13, Portsmouth University spawned 146 UK entrepreneurs in start-up or self-employment, of which only 40 remain in the city. A further 164 entrepreneurs moved into our area from other universities and all require small business or start-up advice. Most of these will either have to refer back to the university that they have graduated from – in our case as far as 450 miles – or will need to rely on making new connections in their local area for untried and untested business services.

## Encouraging entrepreneurs

Universities are taking steps to encourage more interaction between emergent entrepreneurs and local businesses through a central incubation unit or business school. Since the disestablishment of the regional development agencies (RDAs) and the establishment of local enterprise partnerships (LEPs), the connections between local entrepreneurs and graduate entrepreneurs have been patchy to say the least. Consequently, universities have been stepping in to fill the void through the creation of meet-ups, events and incubation space. Many university-backed incubators of varying kinds can be found, housing start-ups that range from the more advanced





technology and bioscience spin-outs from academic staff or research students to the less fast-growth student-led arts-based ventures; from the meaningful graduate social enterprise to the “me-too” social media app developer.

Student and graduate start-ups will not only be found in “incubators”. Indeed, many students shy away from sharing their ideas with university staff in the misguided belief that the university will exploit their ideas. The reverse is true. Support for students trying to turn the seed of an idea into a financially sustainable one can be found not only in formal incubator settings, but also through support from university enterprise teams, careers services, student-led societies or even course teams. Universities are organisations with thousands of students and staff and therefore exhibit the attributes of large towns. Connections to expertise both within

and beyond this population will be varied and multitudinous. Those thinking of offering expertise should consider more than one way to connect with those entrepreneurs.

### Student surprises

Be prepared for some surprises when it comes to working with student or graduate start-ups. So-called “millennial entrepreneurs” are better equipped for starting up, with a wealth of tools, methods and technologies that have emerged only in the past decade – some in the past few days.

The vibrant start-up scene commonly associated with the US west coast has fuelled the emergence of quicker, “leaner”, creative tools for getting a business off the ground. Methods that have come from the world of computing (“agile” software development) are being applied to the process of building a business and are finding their way into university start-up programmes, “bootcamps”, competitions and lecture theatres. The dotcom era disrupted traditional business development processes back in the late 1990s and laid the foundation to an altogether more innovative

and rapid new venturing culture in the 21st century. Although business plans are still widely used by banks and investors to make investment decisions, this century’s entrepreneurs are using more creative approaches. Start-ups are focussing on rapid iterations of their business model as they develop prototypes (or minimum viable products – MVPs) to test on potential customers. They then refine their products or services based on (sometimes) instant customer feedback. The university start-up is looking for new ways of pricing, costing, partnering and delivering value

to customers through “disruptive” means. For example, exploring subscription-based models for products that, in the past, might have been bought outright or outsourcing key activities through remote fulfilment services available online. A cursory glance at ProductHunt.com reveals myriad digital and physical products (with discounts) available to the lean entrepreneur.

### New resources

New emergent resources such as downloadable worksheets, checklists, planners (see **Further Information**) are evidence of a growing demand for curated business-planning content and millennials hunger for the “stash” of useful downloads and tools. These resources are now widely used in university settings – both within and outside of the curriculum – and make for a quicker validation and iteration of a business idea towards launch and (hopefully) financial success.

The market for supporting start-ups and self-employed or freelance workers is itself becoming competitive and disrupted by new entrants. Wave Accounting, Xero and UK-based Mazuma are companies that provide time-saving accounting services to entrepreneurs. These allow them to manage their finances with greater flexibility and at an affordable cost and there are many more disruptors out there in the market who are using creative ways to acquire customers.

Accountants (and accounting start-ups) should consider methods of engaging with this new population of entrepreneurs in ways that provide the necessary value that they seek. For example, one local accounting firm hosts entrepreneur events and provides a useful “sales pipeline calculator” as a free download for new enquiries. This “value-add” from an accounting firm allows it to build early relationships with a new pipeline of business leaders through a focus on customer needs – something entrepreneurs themselves are busy exploring.

### Fast forward to the future

Start-ups are a risky business for established financial professionals, with 90% widely touted as the failure rate. However, it is worth reflecting that, in the start-up world, failure is fast becoming an essential pre-requisite for future success. Many emerging entrepreneurs will go on to create new ventures that *do* survive or thrive or they will become valued employees in other fast-growing and well-established businesses. In the same way that relationships with banks used to be, the relationship with an entrepreneurially-minded individual can last a lifetime. Remember, if setting up and running a business doesn’t work as a twenty-something, there is always the possibility that the time could be right again when they are a forty-something. Student and graduate entrepreneurs are the next generation of customers – find creative new ways to work with them and for them.

### FURTHER INFORMATION

Business Model Canvas:  
[www.businessmodelgeneration.com/canvas/bmc](http://www.businessmodelgeneration.com/canvas/bmc)  
 Value Proposition Canvas:  
<https://strategyzer.com/canvas>  
 Super Hunch Sketchpad:  
<http://theinnographer.com/toolkit/super-hunch>

Wave Accounting:  
[www.waveapps.com](http://www.waveapps.com)  
 Xero:  
[www.xero.com](http://www.xero.com)  
 The Wow Company (sales pipeline calculator):  
[www.thewowcompany.com/blog/cashflow/](http://www.thewowcompany.com/blog/cashflow/)



Dr Philip Ely is student enterprise manager at the University of Portsmouth and visiting fellow at the University of Surrey’s Digital World Research Centre. He has a background in the design, music and TV industries, where he led the creation of new ventures, products and services for brands such as IBM, Telstar Records plc, Granada Media and international branding agency Design Bridge. He has designed and delivered start-up development programmes *Route To Start-up*, *Into The Cell Block* and *Social Start-up Portsmouth* and was voted one of Britain’s Top 50 business advisers by Enterprise Nation in 2014.



# Grow that business

**Georgina Lonsdale** provides a guide for businesses outgrowing their basic accounting software.

## TEN SECOND SUMMARY

- 1 A business needs dependable software.
- 2 Is software holding back business growth?
- 3 Some suggestions for new solutions.

**W**hatever a business does, it depends on people – and people depend on the tools to manage key processes. Many companies reach a tipping point where the very tools and systems that supported their initial growth begin to hinder their ability to act with agility and insight. As a business diversifies and grows in complexity, it needs more than basic bookkeeping, inventory management and backward-looking reporting. A complete business management solution uses the latest innovations – from cloud computing to mobility and social connectivity – without being a burden on employees and a risk to cash flow.

Evaluating new business management solutions may seem daunting, but the options and resources available for small to mid-sized businesses have never been better or more affordable.

### Is software preventing growth?

There are five signs that a firm's basic accounting software may be hindering growth.

- **Inability to scale operations.** If a business is stifled by the number of people who can access information, transaction limits, or database size restrictions, it is time to find a solution that can scale to support growth. As product lines expand and new markets are found, business processes become more complex. Using basic accounting software, even simple processes, like invoicing and month-end closing, can take hours – even days – to complete. Businesses need process automation to handle growth without adding to payroll costs.
- **Lack of control.** Perhaps there used to be a one-to-one correspondence between employees and the business functions they managed, but now controls are not in place to ensure a detailed and accurate audit trail. If multiple users can make changes to financial entries without proper tracking can the person responsible be traced? The business must be protected with a solution that supports and enforces well-defined roles and processes and provides tighter control over critical functions like payments, purchasing, and inventory management.

- 
- **Reactive not proactive.** Basic accounting software can supply a snapshot of the past quarter's sales performance, but which products produce the highest margins and which customers are likely to purchase the highest volume of those products? Instead of reports of past performance, a business needs insight into current activities and developing trends to move forward. The right business management solution can provide full visibility into what drives profitability. Turning profits into cash flow will support future growth.
  - **Lack of mobility.** The traditional workplace is no longer so traditional and business does not stop because employees are on the road or working from home. Businesses need systems that keep people connected, productive and happy, as well as supporting mobility and flexibility.
  - **Meeting customer expectations.** Basic accounting software may manage finances, but are other systems needed to track customer interactions or manage delivery? If those systems don't talk to each other, it may be difficult to meet customer expectations. To succeed in an increasingly competitive economy, a well-tuned supply chain and the ability to manage customer and vendor requirements are all a "must have".

The signs are clear. Now what?

### Option evaluation

There are many enterprise resource planning (ERP) or business management systems to consider. In fact, from a functionality perspective it may even be hard to tell them apart. Most offer financial management and reporting, supply chain management, and some level of project, service, and customer relationship management capabilities. Some vendors also offer advanced analytic capabilities and functionality targeted for specific industries.



The level of basic functionality required must be determined. But if 90% of this is consistent across vendor systems, think beyond the basics. Consider key differentiators such as user experience, collaborative capabilities, deployment options, and the trustworthiness and stability of the provider.

### Questions to ask

During the evaluation process, five questions can help to push past the basics.

- *How easy is the system to learn and use?*  
Employees probably know how to use the basic accounting software so it is preferable not to lose momentum training them on a new system while business is booming. Select a vendor who offers a solution with a simple, intuitive user experience. The software should also have built-in productivity tools. Managing a business is much easier when calendar, email, and business management software work together and are delivered from one trusted source. A solution that can connect and integrate the system used to manage finances, supply chain and operations with one single sign-on will simplify tasks and increase efficiency.
- *Does the solution support the new ways people want to work?* The consumerisation of technology has blurred the line between personal and work computing. Users expect software, whether for business or fun, to be intuitive, accessible from any type of device, and always available. Inventory the devices – desktops and laptops, tablets, and smartphones – employees use to be productive, and then ascertain how the solutions being evaluated can support those devices and the key applications used by them. A best-in-class solution will be accessible on the most-used devices, whether in the office, at home, or working from a remote location.
- *Does the vendor offer deployment options that fit the business?* As a new business management solution is evaluated, consider the IT model

needed to support it. If running an online version of an entry-level accounting solution, is there a plan to invest in the infrastructure to maintain the new solution in-house? Or would maintaining a cloud-based solution be preferable? If using an outdated legacy system, is an outsourced or a cloud-based deployment preferred? For example, a cloud-based solution can eliminate large, upfront hardware investments and reduce staffing needs, while an on-premises deployment may provide greater control of where data resides and future upgrades. The best solutions provide choice for cloud-based, on-premises, and hybrid deployments to accommodate the business's unique needs and demands.

- *What is the vendor's service model after the sale?*  
Most companies don't fly solo through the deployment process. To ensure the operational consistency and predictability, implementation assistance, system integration or ongoing support may be required. Does the vendor have a service and implementation ecosystem with local providers? And will the vendor provide innovative solutions to help the business adapt to new market complexities? Business owners understand the importance of delivering value to customers. Does the vendor demonstrate an ongoing commitment to technology advancement? Finally, don't forget pricing fluctuations beyond the first year. Providers can offer low monthly payments that dramatically increase after the first contract expires. If data is held hostage in a long-term contract, the business could be put at risk.
- *Does the vendor understand and focus on the needs of small and mid-sized businesses?*  
Ideally, when a business management system is deployed, benefits that go beyond the mere automation of manual processes will be achieved. New business management software can help an organisation to: increase sales with fewer sales discounts; improve sales-force efficacy and average order size; increase inventory turns while reducing stock-outs; and reduce production costs.

As vendors are evaluated, consider their track records for helping similar businesses achieve the required results. Ask for case studies that represent customers of similar size and industry focus and be sure to verify references. It's a big decision. The homework must be done.

### Growth without growing pains

Running a business should not feel complicated. It should be possible to connect people, processes and systems. Control the financials, simplify the supply chain and streamline business operations. All this should seamlessly link with calendars, emails, files, and spreadsheets. Up-to-date information should be accessible anywhere, on any device at any time. As the business grows, its technology should continue to offer support and grow alongside.

### FURTHER INFORMATION

To find out how a business solution from Microsoft can help to achieve growth ambitions, visit: [Microsoft.com/Dynamics/NAV](http://Microsoft.com/Dynamics/NAV)



Georgina Lonsdale is product marketing manager at Microsoft UK. She has a wealth of experience in marketing and marketing consultancy, gained primarily in the pharmaceutical industry and is now bringing the benefits of this experience to the world of technology. Georgina's role is to help small and medium-sized businesses manage their financials, inventory, and operations so that they can achieve their growth ambitions. Working with a network of talented Microsoft Dynamics partners, her mission is to unlock the true productivity of SMBs. Georgina has a proven ability to develop and implement practical customer-orientated solutions which have real business impact.



# Sharing solutions

Practical hints and tips on accountancy, tax and general business matters.

## CHOOSING A PENSION SCHEME



Research by The Pensions Regulator shows that one in 10 employers do not know how to choose a pension scheme or think it will be difficult. The Regulator recommends that employers should have a scheme in place six months before their staging date and should start planning for automatic enrolment 12 months ahead.

The regulator has updated the information and tools on its website to make it as straightforward as possible for smaller employers, who may not have experience of pensions, to identify a suitable scheme for their staff. This includes a quick guide to choosing a scheme (at <http://tinyurl.com/nzdvrl>).

To help employers make this choice, the regulator has also published a list of master trust schemes that are suitable for automatic enrolment. These providers will accept employers of all sizes and have achieved master trust assurance, which gives employers confidence that the scheme they have chosen will run to a high standard. Employers do not have to use a scheme from this list, but can choose any scheme suitable for automatic enrolment which meets their requirements and the needs of their staff. The regulator also publishes information about the NEST scheme set up by the government (at <http://tinyurl.com/c6mmuko>) and schemes listed by industry bodies.

To be used for automatic enrolment, the pension scheme must meet certain criteria. This includes not requiring staff to do anything to become active members or make investment choices. It will need to be an occupational or personal pension scheme and be tax registered. There are also minimum requirements regarding the level of contributions that must be paid into the scheme.

If an employer has an existing scheme for their staff, they will need to check whether it is suitable for automatic enrolment. The pension regulator's website has a tool to help such employers decide whether their scheme is suitable. (See <http://tinyurl.com/76c7kbv>.) Employers with an unsuitable scheme will need to identify a new one.

When choosing a pension scheme, employers should check whether it will be compatible with payroll software and will generate letters to staff to tell them about automatic enrolment. Employers should also decide the level of service they require; for example, some schemes will assess workers and manage opt-ins. They should weigh up costs and charges against the level of services offered.

Finally, employers will also need to consider whether the scheme offers investment options that suit their particular staff needs – such as ethical or sharia law compliant funds.

*Jonathan Barber.*

## EXCEL TIPS



Flash Fill is an Excel tool that acts intelligently to help complete a set of data. Whereas the fill handle uses information in a single column, Flash Fill – which is a new feature in Excel 2013 – uses information from a table of data where there is a relationship between columns.

For example, our spreadsheet of names may have two columns as follows:

H	I
Mr Kester Bosk	Mr Bosk
Mr Tomas Kien	Mr Kien
Ms Paula Wiagnar	Ms Wiagnar
Mr Abe Capadon	Mr Capadon
Mrs Den Devise	Mrs Devise
Mrs Karen Kel	Mrs Kel
Miss Teresa Falc	Miss Falc
Miss Joanna Coda	Miss Coda

We want to reproduce the name information held in column H alongside in column I, but without the first names (so retaining just the titles and family names).

As we start to complete this task manually, typing "Mr Bosk" and "Mr Kien" in column I, Flash Fill guesses the contents of the remaining cells in the table based on the contents of column H.

Hitting return in the screenshot above will populate the column I cells as suggested by Flash Fill. Instead of waiting for Excel to make the suggestion, the tool can be actively forced from the "Home" tab of the ribbon – go to "Fill", "Flash Fill".

This tip is from the institute's Microsoft Excel online course: "Section 2 'Orientation & Efficiency' > Unit 1 'Editing' > Module 4 'Fill Handle & Flash Fill'".

More information on this course can be found online at: <http://tinyurl.com/qfsg59>.

*Sophie Clemence.*



# Notice board

## THE IFA BOARD OF DIRECTORS AND ADVISORY COUNCIL

The IFA is now a wholly owned subsidiary of the Institute of Public Accountants (IPA) of Australia. It is governed by its articles of association and strategy adopted by the UK board of directors.

The IFA's brand and operational autonomy remain unchanged and member engagement continues through the branch network and the IFA advisory council. We remain a self-regulating professional body with responsibility for: overseeing ongoing member conduct through the conduct committees; issuing practising certificates and tax practising certificates; and regulating members for anti-money laundering purposes under HM Treasury regulations.

The strategy is delivered by the UK team headed by John Edwards, the IFA's chief executive officer (CEO). The IFA board has three directors:

- Michael Colin FFA/FIPA (chair, IFA advisory council, UK and ex officio member of the IPA board).
- Wendy Leegal FFA/FIPA (president and chair of IPA board, Australia)
- Damian Moore FFA/FIPA (deputy president and member of the IPA board, Australia).

The IFA board is authorised by the articles of association to appoint (and remove) members of an IFA advisory council, to give informed input to the IFA board and the CEO into the development of strategy and execution of areas of the IFA activities.

The IFA advisory council is made up of six members:

- Michael Colin FFA/FIPA (chair, IFA advisory council, UK).
- David Hunt FFA/FIPA.
- Rona O'Brien FFA/FIPA.
- Jeanette Purcell FFA/FIPA.
- Nick Rawlins FFA/FIPA.
- John Sorby FFA/FIPA.

Members of the IFA advisory council are not statutory directors (with the exception of Michael Colin) but are expected to exercise the same degree of skill, care and diligence in carrying out their role as if they were statutory directors. The IFA CEO has the absolute authority to manage the IFA operations in which the IFA advisory council will not be involved.

The IFA advisory council will meet sufficiently regularly to discharge its duties. It is expected that it will meet three times a year.

## NEW ADVISORY COUNCIL CHAIR – MICHAEL COLIN

Michael Colin has been appointed chair of the new IFA advisory council, UK.

Michael started his professional life as a practising chartered accountant from which he retired when his first wife became terminally ill. In his practice, Michael specialised in advising smaller businesses and so understands, and has views based on experience, about the differences between small, medium and large organisations.

He then spent 10 years as a senior lecturer at Manchester Metropolitan University moving on to work as an independent non-executive director, first in commerce and then in the voluntary sector. Initially, this was in accounting functions and subsequently in management and the design of appropriate governance structures for smaller charities.

Having been president of the Manchester Society of Chartered Accountants, Michael was elected to the council of ICAEW and sat on the member services board and the ethics standards committees.

Michael was co-opted in 2012 and subsequently elected to the "old" IFA council. As well as having been appointed a director by the IPA holding company, he is chairing the new advisory council. His previous managerial and non-executive experience, as well as his work on appropriate governance, will help steer the new wider organisation.

He is currently chief executive of a charity working mainly in the field of education in Sierra Leone. He is also chair of the Diane Modahl Sports Foundation.

Michael hopes to be active in supporting the IFA chief executive and ensuring that the needs of members are addressed wherever possible. He also hopes that the professional status of members will be enhanced by appropriate developments within the IFA and by representation and appropriate publicity.





# Time for ...

Think that being an accountant is all about technical know-how? Think again. *Alan Nelson* introduces us to the “T-shaped professional”.

## TEN SECOND SUMMARY

- 1 Being a professional accountant is not simply about running an error-free and technically proficient and compliant practice.
- 2 Interpersonal and commercial skills are an essential part of understanding clients' requirements and their business needs.
- 3 The complete professional accountant can add real value to the SME client's business.

**A**ccountancy has always been regarded as one of the professions, but what does that really mean? The in-depth knowledge that professionals have always been assumed to have is increasingly easily discoverable online; perhaps that is to the good because it forces us to define professionalism more carefully.

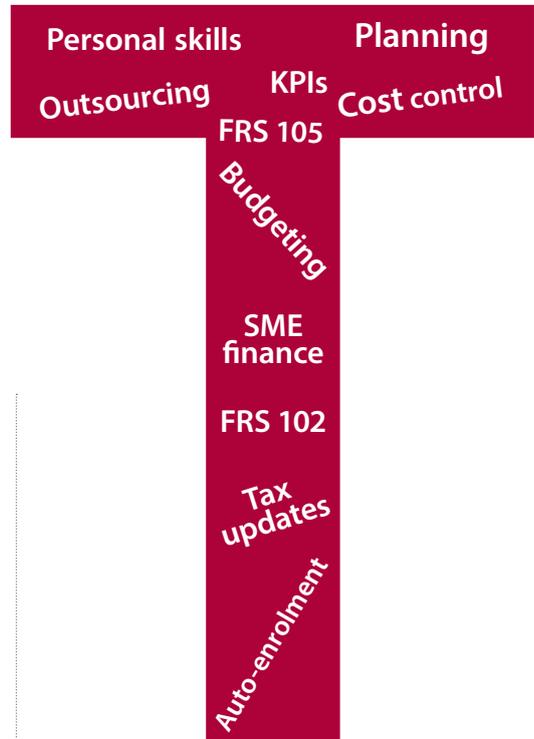
For the past four years I have sat on the ICAEW's practice assurance committee. So I see the case files of many errant accountants who are unable or unprepared to put their house in order. Further, I have learnt that there are certain things an accountant in practice should do to run an effective risk-free practice. In the main, these are compliance tasks: professional indemnity insurance, client engagement letters, anti-money laundering checks, client money procedures – the list goes on.

Important though these are, they really only qualify the accountant to be in practice. They do not distinguish them as an excellent professional. Certainly, as an owner manager of an SME – and a consumer of accounting services – I assume that these things have been taken care of. They do not form the basis of my decision who to hire. Neither does the depth of knowledge of the accountant concerned. I don't have very sophisticated requirements. I don't need a rocket scientist.

So what do I want? I'll come back to that.

## Recent research

For some time, my practice has been working with a professional engineering body and they recently carried out an interesting piece of research. They approached the major employers in their sector and asked them what they wanted from their professional body. They expected to receive



responses such as “better engineers” or “faster and cheaper routes to qualification”, but they did not. What the employers said was that the engineers achieving the professional qualification were great technically, but that at least two years was required to turn them into real human beings – the sort of people who could work with others. The criticism was that interpersonal and commercial skills were lacking.

The organisation went away and thought about this. Naturally, they decided that this issue needed to be addressed and in response they adopted the concept of the “T-shaped professional”.

## The component parts

The idea is that the vertical part of the capital letter “T” represents specialist knowledge and skills – the individual's training and experience as a professional. The upper horizontal part of the letter “T” represents a range of commercial and personal skills that broaden out the professional and make them more valuable to clients and colleagues.

It is not an idea that is restricted to engineers. The Chartered Institute of Management Accountants (CIMA) have adopted the concept too, describing it as follows.

“T-shaped accountants are ones that have, on top of their core accounting skills, a span of commercial skills from business understanding to strategic thinking and soft people skills from influencing to leadership.”

The CIMA list four main areas of skills that accountants should have to go with their technical knowledge:



*Alan Nelson* is managing director of Nelson Croom, the publisher of [accountingcpd.net](http://accountingcpd.net), IFA's online CPD partner. He sits on the ICAEW practice assurance committee and the ACCA SME committee. His company, Nelson Croom, has twice been named *Elearning Development Company of the Year*, and is currently the holder of the awards for *Excellence in the Production of Elearning* and *Best Use of Social Media for Learning*. Alan can be contacted by email at: [Alan.nelson@nelsoncroom.co.uk](mailto:Alan.nelson@nelsoncroom.co.uk).



- Business and commercial skills.
- Management skills.
- Leadership skills.
- Interpersonal skills.

### What does the customer want?

This is not simply a theoretical model. Using my own requirements as an example, let's return to the question of what I want from an accountant. It all comes down to two things:

- I need someone whose advice I can trust. I want to believe that they are going to advise me to do what's best for my business, even if at times that might not be the best thing for them.
- I want a person I can relate to. That means they need interpersonal skills and are able to understand my business, or at least be interested in doing so.

What I do not need is someone who is confined only to producing my accounts and self-assessment tax returns and making sure that the right pieces of paper go to the right place. Important though this is, it is of low value to my business and I expect these aspects to become cheaper as technology makes it easier to process this work. I want someone who can add real value to my business – someone who knows that my margin is a percentage point lower than the average for my sector and can spot that and ask me why. Ideally this adviser will even be able to work with me to raise my business margins. I want an accountant who can suggest the right key performance indicators (KPIs) for my business. Someone who will help me achieve my medium-term goals as well as managing the business in the short term.

Further, I am prepared to pay for these services – more than I would pay for filing my annual accounts. So we can see that there are huge benefits to be had from becoming a "T-shaped accountant". In practice, such advisers should be able to add more value to their clients and, as a result, their own business and career prospects are transformed.

### Changing shape

Having set out the issues and ideal situation, this brings us to the question of how one becomes a T-shaped accountant. The answer is continuing professional development (CPD). Too often, we think of CPD as a necessary chore, but that should not be the case. Let's have a look at how it is defined by the experts at the Chartered Institute of Personnel and Development:

"Continuing professional development is a process by which individuals *take control* of their own learning and development, by engaging in an *ongoing process of reflection and action* ... This process is *empowering and exciting* and can stimulate people to *achieve their aspirations and move towards their dreams*."

Sounds pretty exciting doesn't it? Quite motivational even. If CPD does not feel very much

like this description, perhaps too much time and effort is being spent on the supporting vertical part of the T – the technical updates – and not enough on the broad personal skills that are represented by the horizontal bar.

### Getting the balance right

Of course, there must be a balance. If my accountant was able to come up with the great set of KPIs I describe above, but had never heard of FRS 102 or pensions auto-enrolment, I would not be very impressed.

So what might a T-shaped accountant's CPD look like? I spoke to my accountant and he came up with something that looked like the T-shaped illustration that I have used in my headline.

Everyone's CPD will be different, depending on their own needs and those of their clients. However, one thing is for sure: it should not be just about keeping up to date with tax and standards – at least, it shouldn't be for those who really do want to become a T-shaped accountant.

### CPD ADVICE FROM THE IFA

Continuing professional development (CPD) is designed to maintain and develop knowledge and skills throughout your career to ensure that clients, employers and other individuals/organisations receive competent professional services and advice. However, CPD is not just about professional competence; it is also about career development and life-long learning.

IFA and FTA members are responsible for their own learning and continuing professional development. The IFA requires all members, whether in public practice or business, to undertake CPD and confirm in their annual renewal subscriptions that they have done so.

The number of hours for CPD is no longer prescribed. As a guide, the IFA strongly recommends that members should aim for approximately 30 hours CPD as a minimum, to include at least 20 hours of structured CPD a year. However, this is just a guide – not a mandatory requirement.

The IFA's view is that structured CPD aims to achieve a specific learning outcome and is capable of being independently verified.

Examples of structured CPD activities include participating in courses, seminars, lectures, conferences, workshops, web-based seminars or e-learning which require a contribution of thirty minutes or more. Structured CPD does not have to include an examination or test. The most common examples of unstructured CPD include reading, researching, watching videos, discussion with colleagues regarding areas that are relevant to the member's role.

The member must choose how many hours of CPD are undertaken. The crucial point about CPD is that it should be relevant to current or future roles and should enhance knowledge, experience and/or progress career aspirations.

The IFA has a wide range of resources to help with CPD, including *Financial Accountant* magazine, email updates, conferences and also award-winning online CPD courses by our strategic partner, [accountingcpd.net](http://accountingcpd.net).

The IFA has been working closely with [accountingcpd.net](http://accountingcpd.net) to identify a range of courses that are particularly suited to the needs of the SME/SMP sector.

Go to the CPD area of the IFA and FTA websites and follow the links through to [accountingcpd.net](http://accountingcpd.net); the triangular icon alongside appears next to the courses we have highlighted.

The offers page has a range of "pick and mix" bundles that we have put together and are available to IFA and FTA members at an exclusive discounted price.

IFA LIKES



# Terms of engagement

The relationship between accountants and clients is very important. *Martyn Durbidge* explains why the letter of engagement should be an integral part of this.

## TEN SECOND SUMMARY

- 1 An engagement letter complies with the institute's best practice guidelines.
- 2 The letter helps both the client and the accountant to understand what each is expected to do.
- 3 Accountants should not overlook their responsibilities with regards to ethics, money laundering and insurance requirements.

It is most important that IFA and FTA members remember that issuing an engagement letter is a requirement under the institute's code of best practice? The code can be found on page 16 of the *Members Handbook* (at [www.lexisurl.com/ifaregs](http://www.lexisurl.com/ifaregs)) and point 13 says:

"Practising members must issue terms of engagement (usually an engagement letter) to clients at the commencement of their engagement".

Point 5 of the code echoes this by emphasising that "the terms of reference for any work should be agreed before the work commences, and members should adhere to those terms".

Members might think that this is common sense – and it is – but when clients complain to head office that their IFA accountant failed to carry out some work, we see, all too frequently, that there is no engagement letter and no clear indication of the work that the accountant has undertaken to perform. Not only does this make any complaint difficult for the member to controvert, but the absence of an engagement letter immediately opens the IFA member to criticism from the conduct committees who will hear the complaint.

## Helpful letters

Engagement letters help both sides. The client needs to know and understand what they have agreed to in an area they might not be completely familiar with. For the accountant, it confirms their obligations and gives some protection in the event of any dispute. Indeed, one of the main aims of the engagement letter is to avoid disputes arising in the first place.



Appendix I to the *Members Handbook* ("Dealing with clients") sets out some of the areas an engagement letter should cover:

- the services to be carried out;
- the fees to be charged or the basis upon which fees are to be charged; and
- the terms of the engagement.

Appendix II to the handbook includes a suggested and detailed letter of engagement. Of course, this will always need to be tailored to the circumstances, but it provides a useful starting point.

So what does the suggested engagement letter do and why is it so important?

- It identifies the client. Is it an individual, a business, a partnership or something else? If a member is to have a contractual relationship with a client it is important to know who the contract is with.
- It explains that it forms the basis of the contractual arrangement between client and accountant.
- It sets out the various services to be carried out, whether they are accountancy, tax or other services.
- It details who is going to be responsible for the various aspects of those tasks. For example, will the client or the accountant be responsible for filing VAT returns? Who will deal with employees' PAYE? Who will keep sales and nominal ledgers posted and balanced? It explains that if there are accounts to be produced by the accountant, the client will be asked to confirm that all relevant records and information have been provided. And if tax returns are to be prepared, the suggested engagement letter sets out the timetable requirements and reminds the client that they sign and retain responsibility for those returns.



© iStockphoto/andongob

## Exclusions

It is important that the engagement letter also mentions things that are not part of the engagement. Clients sometimes expect certain services to be provided as a matter of course, even though they are not mentioned in the engagement letter. If such areas are not in the engagement letter the IFA member may well be protected from successful complaint. However, as mentioned above, part of the role of the engagement letter is to prevent complaints in the first place and if mentioning things that the member will not undertake helps to achieve this, it will be time well spent.

For example, if the client is going to appeal against a tax liability will they expect the member to take that on as a matter of course? Will they expect their accountant not only to submit tax returns and accounts, but also to suggest more tax-efficient ways to arrange their affairs? And will they complain if that does not happen? An accountant might recognise a separation between tax compliance and tax advice, but that is not always obvious to the client. The engagement letter is where this can be clarified before it becomes a problem.

## An ethical approach

Beyond the scope of the work and the respective responsibilities for it, there are other issues to be covered in the engagement letter. It is important that the client understands that our members operate under the IFA's code of ethics. Members will also need to satisfy the UK legislation arising from the EU Services Directive, which requires accountants and others to provide information about their professional indemnity insurers. This usually comprises the

insurer's name, address and territorial coverage – but this information should first be checked with the accountant's insurers.

Members also need to explain to clients their identification obligations under the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002.

## Other matters

We have covered quite a lot already and the reasons that engagement letters can be quite long should now be evident. So what else needs to be included? Well, if we go back to appendix 1 of the *Members Handbook*, we can see that fees still have not been set out. And if the engagement letter is to avoid arguments, what could be more important than clarifying the basis on which fees are to be charged?

If the accountant has agreed a fixed fee, make sure that the engagement letter is clear as to the services covered and the time period for which the fee relates. If a payment by instalments plan has been agreed, ensure that the client understands whether this is in advance or in arrears. If an estimate of fees to be charged has been provided, make sure that the client can see it is no more than that. If charges are to be levied by reference to the time spent and hourly rates, then the accountant should give an indication of these and explain when and how the client will be advised of rate changes.

## Complaints process

Talking of misunderstandings or arguments, every professional firm is well advised to have a complaints process in place. Although our members will, of course, be providing a first-rate service, one can never rule out the possibility of something going wrong – or at least the perception that something has gone wrong. Clients should be told who they can complain to and of their right to complain to the IFA if their accountant is unable to resolve the matter.

Sometimes it is not the accountant and client who are in dispute; it is the client(s) themselves and this can be a fertile ground for problems. What should be done if a couple who run a business split up acrimoniously and one does not want the accountant to release business information to the other? There are many variations on this scenario, but members are well-advised to deal with this in advance, before it happens.

## Conclusion

Covering all these areas in a letter of engagement will stand an accountant in good stead, although there is no limit to the number of areas that it could cover if this was really necessary. Many of the points will form the basis of a standard engagement letter that can be tailored to the individual client/instruction. Practitioners should look at the example in the appendix to the *Members Handbook* and make sure that their practice sends out something like it at the start of each engagement. Doing the right thing will always pay for itself.

## FURTHER INFORMATION

Further information on the IFA's complaints process is available at:  
[www.lexisurl.com/IFAcamp](http://www.lexisurl.com/IFAcamp)



**Martyn Durbidge** is IFA's disciplinary case manager. He previously worked in the ICAEW's professional conduct department for many years as a complaints assessor. Martyn can be contacted by email: [martynd@ifa.org.uk](mailto:martynd@ifa.org.uk)



# Taking flight

Active engagement with a local branch can enable IFA and FTA members to achieve greater professional heights, says *Ian Hornsey*.

## TEN SECOND SUMMARY

- 1 The need for a local branch in Essex.
- 2 A committed team is essential for ongoing success and the engagement of members.
- 3 Local branches provide an excellent opportunity to network, gain knowledge and obtain CPD credits.

It was in 2012, after meeting David Woodgate at an IFA event, that the idea of an Essex branch first took flight. Branches were already established in the east of England and, of course, in London and I attended these when possible. Being a large county, it seemed strange that nothing was in place for institute members in this area. As we know, time is important and having to travel hours to a meeting can discourage attendance. The ability to attend a meeting at a more convenient and closer location would facilitate and hopefully encourage more members to become involved.

Following several discussions with David, he invited me to chair the Essex Branch and I was very happy to accept. I have long felt that small practices in Essex needed the opportunity for their voice to be heard and having our own branch would allow this to happen.

“Over the years in practice, many of us have built up good relationships, not only in the accountancy field, but also outside of it.

Why take on this role? Having been an IFA member for some years, I wanted to give something back to the institute. And having been in practice for almost 20 years, I felt that I would be able to impart some of my gained knowledge and experience to other IFA members and encourage other more senior members to do the same.

Over the years in practice, many of us have built up good relationships, not only in the accountancy field, but also among other professionals. This, I believe, has been key to some of the success that the Essex branch has achieved.

## First steps

My first task was to appoint a deputy chair and I was delighted that Tim Howard of LAS Partnership in Chelmsford agreed to take on the role. Having a deputy to bounce ideas off and who is equally as passionate about the profession is vital and has helped to create a good foundation for the branch.

Finding a suitable venue in the right location was paramount and I was very fortunate that FRP Advisory were able to assist the branch by allowing us to hold our meetings at their offices in Brentwood. This has enabled members to attend the meetings from a wide area due to the good public transport links from the surrounding area and London. We are helped by the close proximity of the M25 and the A12 if travelling by car.

## Welcome refreshments

My next suggestion may seem a little strange, but we make a point of offering refreshments as, no doubt, do many other branch meetings. This has been a principle since the outset – a finger buffet with drinks.

Remember that most of our members come to the meeting direct from their offices and after a long day at work. I believe that it is important to provide something a little more substantial for them. This is well received and many conversations are started over a plate of food and a drink.





### Knowledgeable speakers

As we all know, a presentation can make or break a seminar and we have been very fortunate in being able to welcome first-class speakers to our events. Where our members have requested that certain topics should be covered, our aim is always to ensure that we have found the right expert.

For example, our members had been requesting advice on the subject of IR35 and we were very pleased that Paula Tallon of Gabelle Tax was able to attend our last meeting and update members on this topic.

Listening to members and finding out what it is they need is vital for any chair.

### Member participation

IFA and FTA members are always encouraged to participate fully in the meetings and some of our most successful events are those where we hold workshops and simply allow members the opportunity to ask questions. Because some members are sole traders, this provides an invaluable opportunity to talk through the issues they are facing. Hopefully, the answers they receive will help them in their day-to-day work. I am always happy for members to contact me to discuss issues and even, by prior engagement, to visit my offices.

Invitations to students and apprentices to attend the branch meetings provides them with the opportunity to learn outside of the classroom. It also imparts information relating to the Institute itself, especially if they are considering joining a professional body in the future. It certainly makes them feel "part of something" and shows that professional life can continue outside of the office.

### Past and present

I have previously made the comment in *Financial Accountant* that "being a good accountant is not about being one dimensional, it involves giving the best advice, keeping up to date with legislation, continuing learning and providing a professional and personal service." I hope that over the past few years – and underpinned by our speakers and the topics covered – we have carried this principle over into the Essex branch meetings, especially in the areas of continued learning and providing a professional service.

Looking back over the past two years I can see that our numbers have continued to grow and that each month new members attend for the first time. It is not always easy to explain exactly why certain approaches work, but I hope that some of the above suggestions may provide members with helpful insights into what works for us in Essex. Perhaps some of these can be of use to other branches around the country as they encourage like-minded members to take flight together.

Finally, for any IFA or FTA members who have not attended a local branch meeting recently, please do take the time to come along. A lot has been happening in the institute's branch structure and I am sure that this will be of great benefit to us all.



**Ian Hornsey** joined a local accountancy firm after leaving school, gaining knowledge in all areas of accountancy before starting his own practice, Devonports Accountants, in December 1994. Devonports continues to expand and now acts on behalf of more than 1,200 clients. The practice currently employs 13 members of staff and undertakes a range of services for SME clients. Ian became chair of the Essex Branch of the Institute of Financial Accountants in 2012. Outside of the office he enjoys cars, travelling and fine wines. Ian can be contacted by phone on 01702 433313 or email: [ian@devonports.co.uk](mailto:ian@devonports.co.uk).

### Networking opportunities

Providing IFA members the opportunity to network with other professionals is an important part of the meeting and colleagues from the banking and finance industry are often invited, together with others who may find the talks useful.

For example, when we have looked at the area of pensions or auto enrolment we have also invited colleagues involved in human resources so that they can provide additional information to assist members. The opportunities for members to network with other professions opens new doors for their own clients, especially in the area of banking and finance.



# Pastures old and new

*Nicola Mumford* provides details of local branch meetings.

## TEN SECOND SUMMARY

- 1 Forthcoming local branch meetings.
- 2 Two national conferences.
- 3 A call for volunteers in Kent and Sussex.

**A**s Adam Lizzimore, the current marketing and communications manager, moves onto pastures new, Nicola Mumford, the events and communications assistant will be taking over the updates on branch meetings for each edition of *Financial Accountant*.

Nicola is heavily involved in the local branch network, taking responsibility for liaising with the IFA branch chairs. She assists with the organisation of meetings and ensures that all information is communicated to members. This involves managing the emails and social media for all 19 branches to ensure members are up to date on what is happening at their local branch ahead of the meetings.

## SOS message

We would like to send an "SOS" to all members in the Kent and Sussex areas. As vacant local branches, we wish to identify volunteers in the locality who are prepared to support their local branch. Volunteers are a vital cog in the wheel for the local branch network. From assistance in organising speakers to arranging dates and venues for meetings, the branch network would be none existent without them.

Would any member who is interested in helping to run the branch, please contact [nicolam@ifa.org.uk](mailto:nicolam@ifa.org.uk).

### THURSDAY, 15 OCTOBER 2015 (8:30AM – 4:15PM)

#### IFA Midlands Conference

See IFA website for programme  
[West Bromwich Albion Football Club](#)  
The Hawthorns, West Bromwich, West Midlands  
B71 4LF  
Visit: [www.ifa.org.uk/event/3371/ifa-midlands-2015-conference/](http://www.ifa.org.uk/event/3371/ifa-midlands-2015-conference/)

### WEDNESDAY, 11 NOVEMBER 2015 (8:30AM – 4:15PM)

#### IFA Southern Conference

See IFA website for programme  
[London South Bank University](#)  
Keyworth Centre, 103 Borough Road, London SE1 0AA  
Visit: [www.ifa.org.uk/event/3372/ifa-southern-2015-conference/](http://www.ifa.org.uk/event/3372/ifa-southern-2015-conference/)

### WEDNESDAY, 18 NOVEMBER 2015 (5:00PM – 8:00PM)

#### Scotland Branch

Provisional date, programme to be confirmed  
[Glasgow Caledonian University](#)  
Cowcaddens Road, Britannia Building, Glasgow, Lanarkshire  
G4 0BA

### THURSDAY, 15 OCTOBER 2015 (7:30PM – 9:30PM)

#### North & West Yorkshire Branch

**Gareth Patrick**, Brown Butler Chartered Accountants:  
Tax investigations update  
[Weetwood Hall Conference Centre and Hotel](#)  
Otley Road, Leeds, West Yorkshire LS16 5PS

### WEDNESDAY, 30 SEPTEMBER 2015 (5:30PM – 9:00PM)

#### North West Midlands Branch

**David Gibson**, Veritas Advisory: Capital allowances  
**Nick Johal**, Bright Wealth.  
[University of Wolverhampton](#)  
Aspen Suite, Building SC, Telford Campus, Telford TF2 9NN

### WEDNESDAY, 18 NOVEMBER 2015 (5:30PM – 9:00PM)

#### North West Midlands Branch

Provisional date, programme to be confirmed  
[University of Wolverhampton](#)  
Walsall Campus, Gorway Road, Walsall WS1 3BD

### TUESDAY, 3 NOVEMBER 2015 (4:00PM – 7:00PM)

#### West of England & South Wales Branch

Provisional date, programme to be confirmed  
[The Bristol Golf Club](#)  
St Swithins Park, Blackhorse Hill, Almondsbury, Bristol  
BS10 7TP

### WEDNESDAY, 11 NOVEMBER 2015 (5:00PM – 9:00PM)

#### Devon & Cornwall Branch

**Frank Mukahanana**, Quid Cycle  
**Rob Guy**, Close Brothers Asset Finance  
[Plymouth Albion Rugby Club](#)  
Brickfields Recreation Ground, 25 Damerel Close, Plymouth  
PL1 4NE



**TUESDAY, 3 NOVEMBER 2015  
(7:00PM – 9:00PM)**

**Northern Counties Branch**

Provisional date, programme to be confirmed  
**UNW LLP Chartered Accountants**  
1st Floor, Citygate, St James Boulevard,  
Newcastle upon Tyne NE1 4JE

**WEDNESDAY, 21 OCTOBER 2015 (6:00PM – 9:00PM)**

**East Midlands Branch**

Long term care and wills and probate  
**Stoney Croft Hotel**  
Elmfield Avenue, Leicester LE2 1RB

**MONDAY, 5 OCTOBER 2015 (5:30PM – 9:00PM)**

**East Anglia Branch**

Provisional date, programme to be confirmed  
**Cameo Hotel**  
Old London Road, Copdock, Ipswich IP8 3TD

**MONDAY, 9 NOVEMBER 2015 (5:30PM – 9:00PM)**

**East Anglia Branch**

Provisional date, programme to be confirmed  
**Cameo Hotel**  
Old London Road, Copdock, Ipswich IP8 3TD

**MONDAY, 2 NOVEMBER 2015 (6:00PM–9:00PM)**

**Essex Branch**

Provisional date, programme to be confirmed  
**Jupiter House**  
Warley Hill Business Park, The Drive, Brentwood CM13 3BE

**MONDAY, 30 NOVEMBER 2015 (6:00PM – 9:00PM)**

**London Branch**

Provisional date, programme to be confirmed  
**The Wesley**  
81-103 Euston Street, Euston, London NW1 2EZ

**TUESDAY, 24 NOVEMBER 2015 (6:00PM – 9:00PM)**

**Sussex Branch**

Provisional date, programme to be confirmed  
**Hollingbury Golf Club**  
Ditchling Road, Brighton, West Sussex BN1 7HS

**WEDNESDAY, 21 OCTOBER 2015 (4:00PM – 9:00PM)**

**Hampshire & Dorset Branch**

Provisional date, programme to be confirmed  
**Marwell Hotel**  
Ashstead Suite, Thompson Lane, Colden Common, Winchester,  
Hampshire SO21 1JY

**WEDNESDAY, 18 NOVEMBER 2015 (4:00PM – 9:00PM)**

**Hampshire & Dorset Branch**

Provisional date, programme to be confirmed  
**Marwell Hotel**  
Ashstead Suite, Thompson Lane, Colden Common,  
Winchester, Hampshire SO21 1JY



# Branch growth

*Russell Clemence* advertises forthcoming local branch events.

## FURTHER INFORMATION

### IFA Midlands Conference

Date: 15 October 2015

Location: West Bromwich

### IFA Southern Conference

Date: 11 November 2015

Location: London

## TEN SECOND SUMMARY

- 1 Why not encourage accountancy colleagues to attend local branch meetings.
- 2 Forthcoming IFA conferences and how to book for these.
- 3 Are there opportunities for students in your branch or business?

Summer. The season that has yet to arrive in the UK is already coming to an end. With it brings a list of "things to do" for the hardworking professional: taking the children back to school; renewing membership; gaining new clients; chasing current clients for details to start putting together the end of year tax returns; and so on. While we hope an Indian summer will materialise during September and October, the list remains and each item still needs to be ticked off.

Finding support can sometimes be the most challenging aspect within micro and small businesses. This is why a great benefit of the IFA local branches is to put like-minded people in touch with each other. Through the IFA branch network our members can liaise with their peers. They will have experienced similar challenges, so much can be learned from them including new approaches to the way we work. It's also an opportunity to bring knowledge to the table by advising others and thereby building contacts.

Through the year and behind the scenes of the transition between the IFA and IPA, everyone has been working hard to put together an end-of-year event programme to help accountants and tax advisers working in micro and small business.

## 2015 conferences

All attendees will be able to network with peers, meet exhibitors providing products and services to those in micro and small business and hear from speakers discussing relevant topics. The conferences are open for anyone, but IFA and FTA members can take advantage of favourable discounts while obtaining the same number of CPD hours.

Conference dates, programme details and prices are all on the IFA website at [www.ifa.org.uk/events/national-events/](http://www.ifa.org.uk/events/national-events/). Payment can be made online through the IFA website or phone 020 7554 0730. For further information please email: [marketing@ifa.org.uk](mailto:marketing@ifa.org.uk).



## IFA centenary membership

Institute members can ensure that they are part of IFA history by renewing their membership with the IFA for 2016. This can be done from October 2015 and fees can be paid:

- through the IFA website;
- by direct debit (UK members only);
- by debit/credit card; or
- by BACS.

For more information on fees and payment options please contact: [membership@ifa.org.uk](mailto:membership@ifa.org.uk).

## IFA students

The results for the June 2015 examinations will be distributed to IFA students during September. We wish everyone the best of luck on their way to qualifying as a professional financial accountant.

We would also like to encourage students to attend their IFA local branch meetings, which are completely free of charge. It is a great opportunity to meet those who have already qualified and who understand the challenges of working in micro and small business. To find the closest local branch, look for the branch map on pages 28 and 29 or go to [www.ifa.org.uk/branches/map/](http://www.ifa.org.uk/branches/map/) for the complete listing.

IFA and FTA members are also encouraged to invite anyone considering a career in accountancy or finance to an IFA local branch meeting and/or put them in touch with the IFA education team at [education@ifa.org.uk](mailto:education@ifa.org.uk). They may already be studying or working and considering whether to take that next step to professional qualification; no matter which, they will always be welcome at the IFA.

At a London branch meeting earlier this year students from London South Bank University were invited to pitch to IFA and FTA members to gain an internship. This proved to be very successful and we will be reporting on this in a future issue of *Financial Accountant*.



*Russell Clemence* is the marketing and communications director of the Institute of Financial Accountants. He directs the marketing, communications, event management and public relations team. Russell can be contacted by email at: [russellc@ifa.org.uk](mailto:russellc@ifa.org.uk) or telephone: 07876 390 530.



# Lifestyle benefits

Mandeep Bains explains the lifestyle benefits of IFA and FTA membership.



## TEN SECOND SUMMARY

- 1 Institute members receive two levels of price promise.
- 2 Membership benefits can be received across a wide range of products and services.
- 3 Small savings on individual items can add up over the year.

All UK members of the Institute of Financial Accountants and the Federation of Tax Advisors have access to IFA/FTA Privileges. This is an exclusive portfolio containing money-saving discounts and is designed to support members personally and professionally. There is no sign-up process or any extra charge to access these benefits: members are automatically eligible by virtue of their membership. All that is required for UK members to access IFA/FTA Privileges is to log-in to the IFA or FTA website.

IFA/FTA Privileges is managed on behalf of the institute by Parliament Hill Ltd, a benefit management specialist that works with more than 60 clients. Parliament Hill helps organisations strengthen their membership offering by saving members time and money in their personal and professional lives. This is done by offering fantastic deals on many products and services that are relevant and of benefit to members.

It is becoming increasingly easy to find competitive deals and offers through work or on the internet and for that reason, many of the Privileges benefits carry a "price promise" stamp.

### The price promise

There are two types of price promise stamp under the Privileges scheme.

- *The National Price Promise.* This stamp means that members should receive the best possible price or deal in the UK, for this product or service\*.
- *The Provider Price Promise.* This stamp means that members should receive the best possible price or deal that the providing company makes available\*.

Look out for these stamps when browsing the IFA/FTA Privileges website. Institute members will be safe in the knowledge that they should be receiving the best price available from that provider or the best price available in the country. In this way, members do not need to shop around and can save themselves valuable time. If members find a deal that appears to be better than that on offer, they should contact Parliament Hill who will take action to investigate.

## FURTHER INFORMATION

For further enquiries regarding IFA/FTA Privileges, please do not hesitate to contact Mandeep Bains at [IFA@parliament-hill.co.uk](mailto:IFA@parliament-hill.co.uk) or alternatively, please call IFA/FTA Privileges on 0333 003 2981.

\*Terms and conditions apply to all benefits. See website for details. Offers and prices subject to change without notice. Correct at time of print. All insurance is subject to underwriting. Benefits are designed for UK residents only. IFA/FTA Privileges is managed on behalf of IFA and FTA by Parliament Hill Ltd of 3rd Floor, 127 Cheapside, London, EC2V 6BT who are authorised and regulated by the Financial Conduct Authority for non-investment insurance mediation only. See this on the Financial Services register under reference 308448 by visiting the FCA's website at <http://www.fsa.gov.uk/register/home.do>. Neither are part of the same group as a provider.



## OTHER BENEFITS

### Continuing professional development support

- Easy to use search facility to find webinars, conferences, seminars and training courses for CPD needs from Industry Events Online.
- Online CPD from cpdaccounting.net.
- *Financial Accountant* magazine from the IFA.

### Supporting IFA and FTA members in practice

- Tax intelligence from Tolley.
- The online tax portal (exclusively for FTA members) from Gabelle LLP.
- Career management and talent acquisition from GAAP web.
- Business rescue and insolvency support from FA Simms.
- Invoice finance from Bibby.
- Professional indemnity insurance from AJ Gallagher.
- Fee protection insurance from Taxwise.
- Hospitality from The Wesley.

### Small business support

- Practice consultancy and planning from the Goldsmiths Group.
- Legal documentation from Net Lawman.
- Borrowing and lending from Quid Cycle.
- Capital allowances advice from Veritas Advisory.
- Business management software from Ascarii.
- Medical health-related products from Medical Health Care Association.
- Mobile communications from Voice Mobile.

### Compliance and Regulation

- Anti-money laundering compliance from FA Simms.
- Bespoke auto-enrolment solution from Intrinsic.
- Feedback your voice through responses to HMRC consultation documents.

## Membership benefits

The benefits that IFA Privileges offer fall under a series of categories. Some of the benefits are described below to enable members obtain an idea of what is on offer.

- **Lifestyle.** Benefits include: discounted cinema tickets at many of the major cinema chains; retail cashback at more than 50 major retailers; savings on a wide range of Apple products; the best tariffs available from EE that are not available direct; corporate gym memberships at more than 2,500 gyms and leisure centres; discounted restaurant dining; discounts across a number of car brands including Audi, VW, Fiat and Chrysler; TM Lewin corporate discount; less than half price membership at Middlesex County Cricket Club; and discounts on worldwide attractions.
- **Travel.** Package holidays for many of the major tour operators; hotel accommodation at more than 80,000 hotels worldwide; cottages; airport parking and lounges; hotels; foreign currency; and car hire.



**Mandeep Bains** is an account executive at Parliament Hill. Parliament Hill is a benefit management specialist that helps members save money and time in both professional and personal aspects of life. Mandeep can be contacted by email at: [info@parliament-hill.co.uk](mailto:info@parliament-hill.co.uk)

- **Insurance.** Car, home, life, travel, health and roadside assistance.
- **Work and Business.** IT and professional development training; stationery and procurement; and access to Costco membership.
- **Financial and Legal Advice.** Mortgage assistance and impartial energy price comparison.

Other benefits are on offer and we believe that many UK members could easily save the cost of their annual membership fee. We highlight that this should be possible through our IFA Privileges savings calculator. In most cases, if members were to use the scheme for their everyday needs (grocery shopping, gas and electricity supplies and gym attendance) to less frequent purchases (package holidays or car and home insurance).

We would expect to be able to show that members could save a multiple of the cost of their annual IFA subscription.

The scheme will constantly evolve and be updated to offer improved value and, where possible, the best value for money for members. Some new additions recently added within IFA/FTA Privileges, include:

- **Fiat.** Discounts on new cars within the Fiat Group, including Jeep and Alfa Romeo.
- **Middlesex County Cricket Club.** Membership less than half price.
- **Online Ticket Store.** Discounts on worldwide attractions.
- **Open Fairways.** Discounted golf membership.

## Top tips for savings

Here are some top tips for using IFA/FTA Privileges:

- Check back often. The scheme constantly refreshes its offers and new benefits are added regularly – there will be something for everybody.
- Before making a big purchase (if you're going on holiday for example), always check IFA Privileges. The exact holiday that you are looking for may be available for a better price.
- Don't underestimate the smaller savings. Small amounts saved on, say, cinema tickets and grocery shopping will soon add up. Members may be surprised at the level of savings that IFA Privileges can accrue over a year.
- Use the savings calculator for inspiration on ways to save.
- Look out for the quarterly dedicated IFA Privileges emails. These feature seasonally relevant benefits that can save time and money.

## Summary

Access IFA Privileges by visiting the members' area of the IFA or FTA websites ([www.ifa.org.uk](http://www.ifa.org.uk) or [www.fta.uk.com](http://www.fta.uk.com)). Navigate to "membership benefits" and click on IFA or FTA Privileges.

Finally, as well as IFA Privileges, why not take a look at **Other Benefits** to see some other advantages that the IFA has sourced for members.

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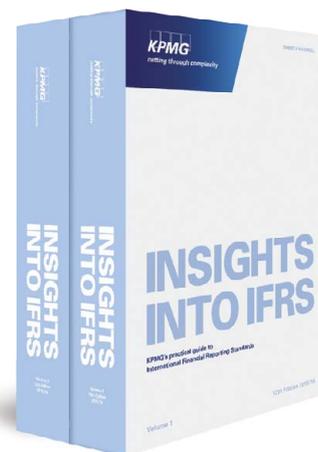
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