

# Financial Accountant

www.ifa.org.uk

January/February 2017



## THE RIGHT STRATEGY

### IMPROVING YOUR BUSINESS PROFILE IN 2017

#### TAX PLANNING

Take action to maximise available personal tax reliefs before the end of the fiscal year. p8

#### UNDERSTAND CLIENTS

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#### ACCOUNTING

Businesses should not take their intellectual property and trade marks for granted. p22

#### MONEY LAUNDERING

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## Welcome to 2017..

**H**appy new year and welcome to what I believe will be an exciting year of further development for the IPA Group. As you know, the IPA Group is a concept built on the synergies around small business that we share across our collective organisations. This year, through our IPA-Deakin SME Research Centre and with the engagement of academics in the UK, we will embark on a journey to develop a UK version of the *Small Business White Paper* which has had resounding success and influence in Australia.

The UK version will, no doubt, be looking at the impact of Brexit on free trade agreements. The emergence of the Trump government in America comes with uncertainty over current and future free trade agreements which may affect our international relationships with other countries. I believe that discussions around Brexit will shortly shift to "Brexit", as in which markets the UK will seek to enter. The White Paper will consider these factors as we strive for the best outcomes for the small business sector globally.

Our research for the Australian *Small Business White Paper* revealed that, there, only one in eight business have any international market presence with about 75% of Australian businesses trading only in local markets. As we realise the global potential for small businesses to be more active in international markets, we will need to drive evidential-based policies in the various markets we operate in.

When looking at free trade agreements (FTAs) between nations, it is also important to mention that accountants are in a prime position to play a pivotal role because they are involved in each side of the transactions. I see FTAs as an opportunity for members to help their small business clients grow their businesses by guiding them to expand into export markets.

This year, the IPA Group will also commence on a journey to develop a single entity approach over the next couple of years. This is not about losing the IFA entity name, but more about having a "one group culture" and alignment of brand. This is something that I am referring to as the "Power of 3" where we will align our brand and our efforts across our member bases, clients and institutes. Similarly, the "Power of 3" lends itself to our markets in Australia, UK and Asia.

As part of this alignment, we will look to strengthen relationships with global partners and, in the latter part of last year, we embarked on negotiations to deliver new member benefits through partners. These are designed to deliver value for money to members in the UK and other regions and we will keep you well informed as negotiations progress.

In closing for this edition, I would like to wish everyone a prosperous and happy year ahead. I am always keen to hear from our members with any questions or feedback so please remember the dedicated email address of [IPAGroupfeedback@publicaccountants.org.au](mailto:IPAGroupfeedback@publicaccountants.org.au) and feel free to write to me at any time.

A handwritten signature in black ink, appearing to read "A Conway", with a horizontal line underneath.

Professor Andrew Conway FIPA FFA  
IPA Group CEO.

✉ 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)

## ... and happy new year

First, I would like to wish you and your families a belated happy new year and to thank you for your continued support and engagement. More than ever, we are keen to develop and build on the work and success we achieved in 2016. For 2017 we are focusing on four main areas that underpin our aims for the year: growth in members and students, education, raising standards and raising brand awareness.

This year we are reviewing our qualification syllabuses to ensure that they continue to be robust and relevant to those looking to work in the SME sector. The process has begun, but it's a complex task requiring close attention to detail and this will take time. We will be working towards enhancing both the level 4 and 5 qualifications and the accompanying learning materials by the end of this year, as well as providing a pathway for members to study for an MBA.

We are also examining our pathways to Institute membership to ensure that they are clear and reflect our commitment to protecting the high standards required of all IFA members whether in practice, business or the voluntary sector.

Those members who attended the conferences will have heard from me about introducing a scheme of practice assurance by the end of this year. This will be principles-based and designed around "best practice" that will help, support and educate our members in public practice. It will enable members in practice to demonstrate they meet quality standards.

Like you, I am very proud of our Institute. In 2017 we will invest more resources in business development with the aims of raising awareness of the IFA and continuing to grow our member and student base. We will do this by engaging with members and non-members in practice and business and with universities, business schools and other training providers.

And we've been listening and consulting with you to ensure that the technical support and advice products and services we source are relevant and add value for members in practice and business. In the news section of this issue of *Financial Accountant* you will see an overview of the partners with whom we have negotiated deals and discounts. More details about the offers and how to access them can be found at [www.ifa.org.uk/benefits](http://www.ifa.org.uk/benefits).

Building on 2016 successes, our events go from strength to strength. Attendance at the IFA branch meetings has grown considerably with excellent feedback from members and guests. The branch chairs are volunteers and do an excellent job organising meetings and providing quality continuing professional development. Keep checking [www.ifa.org.uk/events](http://www.ifa.org.uk/events) to find out what's happening. I'm delighted to announce that, as well as our two conferences, we will also be running a charity workshop in London and half-day workshops on FRS102 in Birmingham and London. The very popular anti-money laundering workshops will run in Manchester, Birmingham and London and the team will be on the IFA stand at Accountex in May. I will be attending this event so it would great if you could find the time to come and see us.



John Edwards FFA FIPA  
IFA CEO.



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## QUICK VIEW

### WORKING TOGETHER

IFA members can benefit from regular Digital Working Together meetings and webinars.

page 12

### EMAIL EFFICIENCY

Improve your working practice by making better use of email communication.

page 16

### BUSINESS WEBSITES

Developing a website for your practice is not difficult, but make sure that the content is always interesting and compelling.

page 24

## REGULATORY

**Immigration fees**

The Ministry of Justice has announced that it will reverse the increase in fees for appeals in the Immigration and Asylum Chamber of the First-tier Tribunal. These rose from £80 to £490 for a decision on papers, and from £140 to £800 for an oral hearing. The reversal has immediate effect.

[tinyurl.com/ifa-3499](http://tinyurl.com/ifa-3499)

## REGULATORY

**Whiplash claims**

The Ministry of Justice has announced a consultation on proposals to reduce the number of whiplash claims. This should enable insurers to cut premiums – they have pledged to pass on savings – worth a total of £1bn – to drivers.

[tinyurl.com/ifa-3497](http://tinyurl.com/ifa-3497)

## REGULATORY

**Credit rating**

The government is to consult on how to protect people from having their credit ratings affected despite being unaware of the claims made against them. There is also concern that unscrupulous debt agencies contribute to this problem.

[tinyurl.com/ifa-3495](http://tinyurl.com/ifa-3495)

## REGULATORY

**Director prosecutions**

Figures released by the Health and Safety Executive show that prosecutions of company directors and their companies almost doubled in the past year. There were prosecutions of 46 senior managers under the Health and Safety at Work Act 2016, s 37, compared with an average of 24 a year over the past five years.

Notes on s 37 can be found at [tinyurl.com/jdsv7ra](http://tinyurl.com/jdsv7ra).

[tinyurl.com/ifa-3493](http://tinyurl.com/ifa-3493)

## REGULATORY

**Construction health**

Annual statistics from the Health and Safety Executive show that work-related ill health in the construction industry increased by 9% in 2015/16.

[tinyurl.com/ifa-3491](http://tinyurl.com/ifa-3491)

**DISCIPLINARY COMMITTEE HEARING 12 OCTOBER 2016**

Mr Michael Swain FFA FFTA, 15 Davids Drive, Wingerworth, Chesterfield S42 6TT

**Complaint**

The complaint was that Mr Swain was liable to disciplinary action under the IFA's bye-laws. Bye-Law 12.1 states that a member shall be liable to disciplinary action if, in the course of carrying out their professional duties or otherwise, they have been guilty of misconduct. Bye-law 12.3 states, among other things, that misconduct includes (but is not limited to) any act or default likely to bring discredit to the member or relevant firm in question or to the Institute or the accountancy profession.

**Background**

The complainant was a member of a club that was a long-standing client of Mr Swain's practice. A dispute arose within the club concerning its accounts. There were a number of entries in the club's accounts which, it was alleged by the complainant, had been made without adequate supporting evidence or which amounted to adjustments made without any supporting evidence or rationale.

**Conclusion**

The Disciplinary Committee found that deficiencies in relation to these matters demonstrated a failure to exercise reasonable care and skill and to provide a competent professional service and to act diligently. The committee concluded that Mr Swain had performed his professional work improperly and incompetently to such an extent and on such a number of occasions as to bring discredit on the Institute and the profession of accountancy.

The Disciplinary Committee ordered that Mr Swain be severely reprimanded, be fined £2,500 and pay costs of £4,721.

## REGULATORY

**Risk assessments**

The Health and Safety Executive has republished its leaflet *Risk Assessment: A Brief Guide to Controlling Risks in the Workplace*. This is similar to the 2014 edition, but has additional paragraphs. First, an employer may already have existing documentation that can serve as a record for a risk assessment. Second, insurers and contractors may request more detailed paperwork than are required by law. In the latter case, reference can be made to the HSE's "Myth Buster Challenge panel" (see [tinyurl.com/8opyrfy](http://tinyurl.com/8opyrfy)).

[tinyurl.com/ifa-3488](http://tinyurl.com/ifa-3488)

## REGULATORY

**ISO 45001 delayed**

The international health and safety standard ISO 45001 has suffered setbacks after national standards bodies rejected the first draft. Publication could be delayed until spring 2018. Although large parts of the text of a second draft standard have been agreed, there could be further delay if a large number of comments are received during consultation.

[tinyurl.com/ifa-3486](http://tinyurl.com/ifa-3486)

## REGULATORY

**Family law advice**

A more affordable legal advice service has been launched aimed at those who are "just about managing" – with an annual income of £20,000 and less than £20,000 accessible savings.

[tinyurl.com/ifa-3484](http://tinyurl.com/ifa-3484)

## REGULATORY

**Disqualified occupiers**

On 1 December 2016, the Immigration Act 2016, s 39 came into force and created new offences if landlords and agents let properties to those who are disqualified because of their immigration status.

[tinyurl.com/ifa-3479](http://tinyurl.com/ifa-3479)

**TINY URL**

The "tinyurl" web addresses at the foot of the news items and elsewhere in the magazine are short aliases for longer addresses. Simply type the tinyurl address in your web browser and press return to be taken to the relevant website for more information on the news item.

## REGULATORY

## Legal health check

The global charity Advocates for International Development has joined with Allen & Overy to create an online legal health check. Non-governmental agencies, charities and social enterprises can identify their legal needs and ask for pro-bono assistance.

[tinyurl.com/ifa-3482](http://tinyurl.com/ifa-3482)

## REGULATORY

## Health and safety

A new safety campaign, "Stop. Make a Change" has been organised by the Civil Engineering Contractors Association. A half-day "safety stand-down" on 18 April 2017 will allow organisations to discuss, with their staff and suppliers, the commitments they intend to make on fatigue, mental health, respiratory illness and plant safety.

[tinyurl.com/ifa-3480](http://tinyurl.com/ifa-3480)

## REGULATORY

## Cohabitation

There are 3.3m cohabiting couple families in the UK – twice as many as 20 years ago. Figures published by the Office of National Statistics ([tinyurl.com/gtk4mgs](http://tinyurl.com/gtk4mgs)) show that such families are the fastest growing family type.

[tinyurl.com/ifa-3483](http://tinyurl.com/ifa-3483)

## REGULATORY

## Bedroom tax

The Supreme Court has held that the government's implementation of the "bedroom tax" has discriminated unlawfully against people with disabilities and their carers.

[tinyurl.com/ifa-3476](http://tinyurl.com/ifa-3476)

## BUSINESS

## Lending restrictions

The *Daily Telegraph* has reported that Birmingham Midshires, which is a division of Lloyds and Britain's largest buy-to-let lender, has become the first lender to restrict landlords' loans based on their likely tax bills.

[tinyurl.com/ifa-3471](http://tinyurl.com/ifa-3471)

## BUSINESS

## RBS compensation

The Royal Bank of Scotland has announced a new complaints process to address the poor outcomes faced by some SME business customers who were referred to its Global Restructuring Group (GRG) between 2008 and 2013. This process will also provide for an automatic refund of fees paid.

[tinyurl.com/ifa-3469](http://tinyurl.com/ifa-3469)

## BUSINESS

## Insolvencies

There was a small increase in the number of company insolvencies between July and September 2016 compared to the second quarter of the year.

[tinyurl.com/ifa-3468](http://tinyurl.com/ifa-3468)

## BUSINESS

## Collecting information

The Information Commissioners Office has published a new code of practice on privacy notices. This includes a checklist for organisations collecting information from the public.

[tinyurl.com/ifa-3466](http://tinyurl.com/ifa-3466)

## BUSINESS

## AirBnB lettings

In the case of *Nemcova v Fairfield Rents Ltd*, the Upper Tribunal ruled that a tenant who had granted very short-term lettings of the residential flat of which she was the leaseholder had breached the user covenant with the landlord.

[tinyurl.com/ifa-3464](http://tinyurl.com/ifa-3464)

## BUSINESS

## Business optimism

UK business confidence is rising fast with an upbeat outlook for the UK economy, says the latest BDO *Business Trends Report*.

- Business optimism is at its highest in over 15 months, with BDO's Optimism Index jumping more than four points.
- UK businesses are regaining pre-referendum momentum.
- Rising inflation continues to be a threat to 2017 economic growth.

[tinyurl.com/ifa-3413](http://tinyurl.com/ifa-3413)

## YOUR IFA BENEFITS

As an IFA member you can take advantage of a range of benefits that we have negotiated for you.

### Finance

- Alternative finance: Merchant Money Ltd
- Borrowing and lending: Qidcycle

### Insurance

- Professional indemnity insurance: A J Gallagher
- Private medical insurance: HMCA
- Tax fee protection: Qdos Vantage

### Learning

- Online CPD: Nelson Croom
- Top up degree: Northampton Business School
- Training and support: Mercia

### Legal

- RadcliffesLeBrasseur

### Lifestyle

- Parliament Hill

### Support

- Anti-money laundering: AMLCC
- Auto enrolment: Intrinsic
- Career management: GaapWeb
- Events: Brain Exchange
- Ethics: Institute of Business Ethics
- Insolvency information portal: FA Simms
- Intellectual property: Intellectual Property Office
- Microsoft Office training: Filtered
- Mobile communications: Voice Mobile
- Online legal documents: Net Lawman
- Practice advisory services: David Verney Associates
- Practice management: PracticePA

### Tax

- Capital allowances: Veritas Advisory
- R&D tax relief: RD Tax Solutions
- Tax portal: Gabelle

#### More details

Log on to [www.ifa.org.uk/benefits](http://www.ifa.org.uk/benefits) to see the quality products and services available to Institute members.

## PENSIONS

**Pension recycling**

The autumn statement included notice that the money purchase annual allowance for those who have started to draw a pension will be reduced from £10,000 to £4,000 a year. This is to prevent pension recycling.

[tinyurl.com/ifa-3459](http://tinyurl.com/ifa-3459)

## PENSIONS

**Pension ignorance**

About 58% of people do not know how much their employer contributes to their pension. Further, 43% struggle to understand how much they contribute.

[tinyurl.com/ifa-3463](http://tinyurl.com/ifa-3463)

## PENSIONS

**Contribution levels**

New research from the Pensions and Lifetime Savings Association analyses the incomes different UK generations can expect in retirement. Many risk falling short of a minimum income standard.

[tinyurl.com/ifa-3457](http://tinyurl.com/ifa-3457)

## PENSIONS

**AE ignorance**

Employee benefits adviser Helm Godfrey suggests 58% of accountants surveyed do not recommend that clients speak to a specialist adviser about auto enrolment.

[tinyurl.com/ifa-3455](http://tinyurl.com/ifa-3455)

## PENSIONS

**Risk management**

The Pensions Regulator has published a new quick guide to integrated risk management aimed at the trustees of smaller defined benefit schemes.

[tinyurl.com/ifa-3453](http://tinyurl.com/ifa-3453)

## PENSIONS

**State pension forecast**

The new state pension was launched in April 2016. More than 1.5m forecasts were issued in the following six months, compared to 860,000 in the previous year.

[tinyurl.com/ifa-3451](http://tinyurl.com/ifa-3451)

**QDOS VANTAGE AND RD TAX SOLUTIONS**

The IFA is pleased to announce that Qdos Vantage has become the IFA's preferred partner for tax fee protection (TFP) insurance.

Qdos Vantage provide TFP schemes to accountancy practices and their clients. The schemes cover professional fees for defending clients whose compliance with tax legislation is reviewed by HMRC.

They have been keen to understand member needs and have attended a number of branch meetings and conferences and this involvement will continue in 2017.

**RD TAX SOLUTIONS**

The IFA is pleased to announce that it has agreed a strategic partnership with RD Tax Solutions – specialists in research and development (R&D) tax credits.

RD Tax Solutions is a nationwide report specialist which excels in securing retrospective and current year R&D tax relief on behalf of owners of limited companies. A high proportion of limited companies are unaware of this tax relief and that they could be eligible for R&D tax relief. Any business which is growing, going through a transformation or looking to diversify into new markets are often undertaking R&D without even knowing.

RD Tax Solutions have been involved at branch level during 2017.

The IFA looks forward to working with Qdos Vantage and RD Tax Solutions and developing a long-term, mutually beneficial relationship that delivers real value to all our members.

For more information about Qdos Vantage and RD Tax Solutions log on to [www.ifa.org.uk/benefits](http://www.ifa.org.uk/benefits).

**RD Tax Solutions**  
Research & Development

## EMPLOYMENT

**Better mental health**

A new report from Acas shows that managers should create a positive environment for mental health at work. Not only will this reduce stress among staff, it will make businesses more productive.

[tinyurl.com/ifa-3460](http://tinyurl.com/ifa-3460)

## EMPLOYMENT

**Cold temperatures**

UCATT (the Union of Construction, Allied Trades and Technicians) has called on housebuilders to introduce winter weather health and safety guidelines. It says construction work should stop if temperatures fall below two degrees Celsius.

[tinyurl.com/ifa-3474](http://tinyurl.com/ifa-3474)

## EMPLOYMENT

**Employment allowance**

The government is consulting on whether employers who take on "illegal workers" should not be allowed to claim the employment allowance for a year. A guide is at [tinyurl.com/l2vz5xp](http://tinyurl.com/l2vz5xp).

[tinyurl.com/ifa-3472](http://tinyurl.com/ifa-3472)

## EMPLOYMENT

**Productivity statistics**

The Office of National Statistics has published productivity statistics for the third quarter of 2016. Ann Francke, Chief Executive of the Chartered Management Institute noted that UK productivity continues to lag behind G7 countries.

[tinyurl.com/ifa-3407](http://tinyurl.com/ifa-3407)

## EMPLOYMENT

**Rest breaks**

The Employment Appeals Tribunal in *Grange v Abellio London Ltd* confirmed that a worker must be allowed a 20-minute rest break in a six-hour work period (see [www.gov.uk/rest-breaks-work/overview](http://www.gov.uk/rest-breaks-work/overview)). This is so even if the worker does not make a formal request for a break.

[tinyurl.com/ifa-3475](http://tinyurl.com/ifa-3475)

## EMPLOYMENT

**Uber drivers**

The Employment Tribunal held that a group of Uber drivers are workers. Consequently, they are entitled to receive the national minimum wage and holiday pay.

[tinyurl.com/ifa-3473](http://tinyurl.com/ifa-3473)

**ACCOUNTEX**

The UK'S largest exhibition and conference dedicated to accountants is taking place from 10 to 11 May 2017 at ExCeL, London.

Combining a world-class conference and exhibition, a visit to Accountex will leave you completely up to date with all the latest knowledge and information about industry products and trends.

- *CPD accredited conference programme*: learn about anything from tax to technology, cloud to business skills with over 180 free-to-attend seminars led by top industry speakers and brands.
- *Network*: join more than 6,500 of your industry peers to share ideas and debate the latest trends.
- *Exhibition*: discover hundreds of new accountancy products, services and add-ons with more than 200 leading suppliers ready to meet you and do business. Book your free ticket at: [www.accountex.co.uk/register-your-interest/](http://www.accountex.co.uk/register-your-interest/)

**TAXATION****Professional conduct**

New guidance on professional conduct in relation to taxation (PCRT) has been issued and will be effective from 1 March 2017. It sets out how tax advisers and agents should act in difficult situations.

[tinyurl.com/ifa-3411](http://tinyurl.com/ifa-3411)

**TAXATION****Autumn statement**

A summary of the tax measures contained in the chancellor's autumn statement are on the GOV.UK website.

[tinyurl.com/ifa-3439](http://tinyurl.com/ifa-3439)

**TAXATION****Digitalisation**

Ed Molyneux, CEO of software firm FreeAgent has called on HMRC to allow smaller businesses more time to prepare for Making Tax Digital. He believes that all unincorporated businesses making less than £83,000 – the VAT threshold – should have an additional year to prepare.

[tinyurl.com/ifa-3448](http://tinyurl.com/ifa-3448)

**TAXATION****Repayment claims**

HMRC has updated form P50, which can be used to reclaim income tax by those who have stopped working, will not work for at least four weeks and are not claiming:

- jobseeker's allowance;
- taxable incapacity benefit;
- employment and support allowance; or
- carer's allowance.

[tinyurl.com/ifa-3437](http://tinyurl.com/ifa-3437)

**TAXATION****Avoidance schemes**

Information on how to make representations has been updated in HMRC's leaflet *CC/FS24: Tax avoidance schemes - accelerated payments*. There is no right of appeal, but representation can be made to HMRC.

[tinyurl.com/ifa-3435](http://tinyurl.com/ifa-3435)

**TAXATION****Scottish income tax**

The Scottish Budget proposes that the rates of income tax will remain at 20%, 40% and 45%, but the higher rate of income tax threshold is proposed to increase by inflation to £43,430 in 2017/18. The 40% threshold for the rest of the UK is £45,000.

[tinyurl.com/ifa-3428](http://tinyurl.com/ifa-3428)

**TAXATION****Trusts service**

HMRC will introduce an online system to administer the trusts register in 2017. The new service will provide a single online facility for trusts and estates to comply with their registration obligations.

[tinyurl.com/ifa-3408](http://tinyurl.com/ifa-3408)

**TAXATION****Money laundering fees**

Details of the initial fees, renewal fees and "fit and proper" test fees charged under Money Laundering Regulations have been updated on HMRC's website. A non-refundable charge applies for registering for supervision for the first time.

[tinyurl.com/ifa-3433](http://tinyurl.com/ifa-3433)

**TAXATION****VAT information sheets**

The VAT information sheets published from 1 January 2013 are now in one place on the HMRC website.

[tinyurl.com/ifa-3436](http://tinyurl.com/ifa-3436)

**TAXATION****SA special**

HMRC has published a special *Agent Update* detailing the department's resources that can assist in the preparation of tax returns.

[tinyurl.com/ifa-3422](http://tinyurl.com/ifa-3422)

**TAXATION****Student loans**

Student loan deduction information must be shown on self-assessment tax returns. HMRC has updated its guidance on the details that are required.

[tinyurl.com/ifa-3420](http://tinyurl.com/ifa-3420)

**TAXATION****Record keeping**

HMRC has published a list of simple commercially produced record keeping applications including some for cash basis and simplified expenses.

[tinyurl.com/ifa-3427](http://tinyurl.com/ifa-3427)

**TAXATION****Car and van benefits**

The car and van fuel benefit charges and increases for 2017/18 are now available.

[tinyurl.com/ifa-3419](http://tinyurl.com/ifa-3419)

**TAXATION****International tax**

On behalf of the Commonwealth Association of Tax Administrators, HMRC is running two international training and development programmes for senior managers and tax auditors:

- achieving leadership potential; and
- Commonwealth Tax Auditors course.

Information can be found in the course prospectus and the closing date for applications is Friday, 24 February 2017.

[tinyurl.com/ifa-3417](http://tinyurl.com/ifa-3417)

# Time is running out

*Kevin Offer* provides some practical hints and tips for a client's year-end personal tax planning review.

## TEN SECOND SUMMARY

- 1 Pension contributions continue to attract tax relief at the marginal rate.
- 2 The effect of the phased basic rate restriction of mortgage interest on rented property should be reviewed.
- 3 The proposed changes in the taxation of non-domiciled individuals will take effect from 6 April 2017.

**A**lthough January is a busy month for tax return filing, it should not be forgotten that individuals should review their tax affairs with their advisers before the end of this tax year. This article highlights some of the areas that should be examined.

### Pensions

Individuals can make contributions to a pension plan tax free up to certain limits. The relevant limits are as follows.

4. 100% of the earnings for the tax year (relief cannot be claimed for more than the total earnings for the year);
5. £40,000 a year (the annual allowance); and
6. £1m during an individual's lifetime (the lifetime allowance).

If the contributions exceed any of these limits, they will be subject to tax. There are also restrictions where a taxpayer has taken a withdrawal from a pension fund or their income exceeds £150,000.

### Interest relief restrictions

There has been much publicity surrounding the restrictions on interest relief for buy-to-let landlords that will be phased in from 6 April 2017. The move from the current deduction for interest paid to a tax credit against the income tax liability for the year can have significant implications if removal of the deduction results in a taxpayer's income exceeding the threshold for child tax credits, personal allowances or higher rate tax bands. Any taxpayer with buy-to-let income should review the impact of the restrictions if they have not already done so.

### Capital gains tax

All UK tax residents are entitled to an annual capital gains tax exempt amount which, for 2016/17,

is £11,100. This exemption is useful for taxpayers with readily realisable assets (such as shares) who can dispose of a sufficient amount to make use of the annual exemption.

A taxpayer with gains above the annual exemption has the option to crystallise a loss to offset against the gains, although this should be done by 5 April because there is no ability to carry back capital losses. However, if gains are currently below the exemption, a deferral of the disposal of any assets standing at a loss may be preferable to protect the use of the annual exemption.

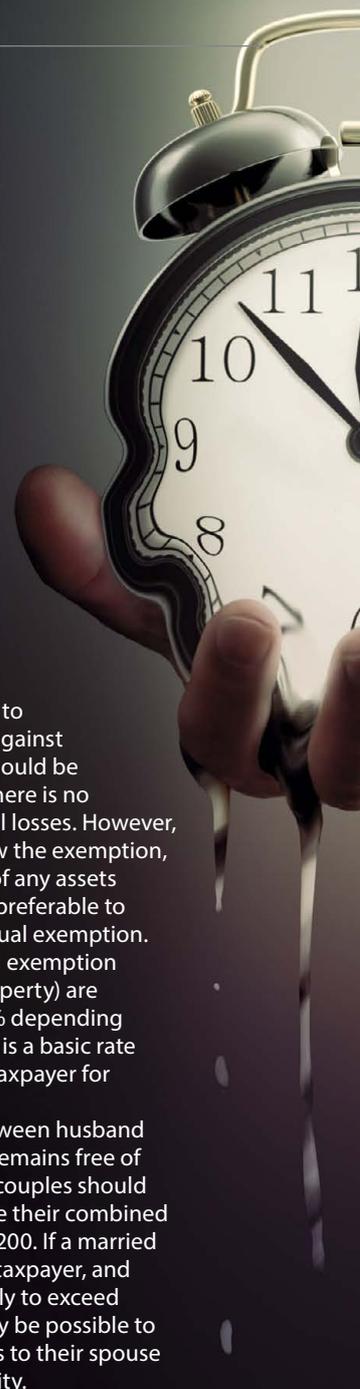
Gains above the annual exemption (other than residential property) are taxed at either 10% or 20% depending on whether the individual is a basic rate taxpayer or a higher rate taxpayer for income tax.

A transfer of assets between husband and wife or civil partners remains free of capital gains tax. Married couples should therefore look to maximise their combined annual allowances of £22,200. If a married individual is a higher rate taxpayer, and their taxable gains are likely to exceed the exempt amount, it may be possible to transfer some of the assets to their spouse to reduce the overall liability.

Where a taxpayer is reluctant to dispose of shares and buys them back within 30 days of a sale there is an anti-avoidance provision (TCGA 1992, s 106A). This will match the disposal with the subsequent purchase. It is, however, possible for a spouse to reacquire the shares without triggering this provision.

Other tips that may help reduce a capital gains tax liability are as follows.

- Unmarried partners can each nominate different main homes to obtain relief on both.
- Certain kinds of collectables, antiques and paintings can be tax-efficient investments because they are not liable to capital gains tax.
- Buying shares through a SAYE scheme (save as you earn), and transferring them



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into an ISA or pension within 90 days makes them capital gains tax free.

- Depending on the taxpayer's level of income, timing a disposal either before or after the end of the tax year could result in gains being covered by the exemption or taxed at a lower rate.

Finally, it should be borne in mind that non-UK resident individuals are now liable to UK capital gains tax on the disposal of UK residential property.

### Inheritance tax

Inheritance tax is an important area to consider with a number of reliefs that can be lost if not considered.

- The annual gift exemption – allows up to £3,000 to be gifted in each tax year and is exempt from inheritance tax. If unused in one year, the exemption can be carried forward to the following tax year only. So, if the exemption was not used last year, consider gifting £6,000 before the end of this tax year to avoid losing the exemption.
- The small gifts exemption – allows gifts of up to £250 to be made to any number of beneficiaries exempt from inheritance tax, but it cannot be used in conjunction with the annual exemption.
- The exemption of regular gifts from excess income – if excess income is accumulating in the estate this is a useful exemption to employ, as long as the criteria for qualification is met; ie gifts must be made out of genuine excess income on a regular basis. What constitutes excess income and regularity is explored in depth in HMRC's Inheritance Tax Manual (see [tinyurl.com/hhgzelw](http://tinyurl.com/hhgzelw)).
- Wills – a particular area to be reviewed is whether the will provisions are sufficient to take advantage of the main residence nil-rate band when it is introduced in 2017. Especially as the restrictions on assets only passes to direct descendants of the deceased.

### Non-domiciled Individuals

In Autumn Statement 2016, the government confirmed that the

proposed changes to the taxation of non-domiciled individuals will take effect from 6 April 2017.

Non-domiciled individuals will be deemed to have a UK domicile where they have been resident in the UK for 15 out of the past 20 tax years. Individuals "returning to the UK" will also be deemed to have a UK domicile from the date they return to the UK if they were born in here with a UK domicile of origin. Once deemed domiciled in the UK an individual will no longer be able to claim the remittance basis of taxation in respect of their overseas income and gains and will become subject to inheritance tax on their worldwide assets.

There are some complicated transitional rules so all individuals currently non-domiciled, but resident in the UK, should review how the changes will affect their tax affairs.

### Other planning

These basic planning techniques should also be considered to utilise reliefs.

- Gift aid. Relief is available for charitable gifts under the gift aid regime at higher tax rates. It is worth making charitable donations before 5 April 2017 to obtain higher rate tax relief this tax year. It is, however, possible to make charitable contributions and carry them back to the previous year as long as they are made before a tax return is submitted. It is therefore possible to defer a charitable contribution until after 5 April 2017 to determine whether it would be more beneficial to claim relief in the year of payment or the preceding tax year.
- Individual Savings Accounts. Unlike many other reliefs the amount that may be placed into an individual savings account (ISA) each year cannot be taken in another tax year. The maximum contribution for 2016/17 is £15,240 and it is recommended that any taxpayer considering making a payment into an ISA utilises current year allowances where possible. Further, an allowance of £4,080 can be placed by parents into a junior ISA for children.
- EIS and SEIS. Investments into a company under the enterprise investment scheme (EIS) or the seed enterprise investment scheme (SEIS) can benefit from income tax relief and a deferral of capital gains made up to three years before the investment. The income tax relief may be taken in the previous tax year, so any taxpayer who has realised a gain in 2015/16 may wish to consider making an investment by 5 April 2017 and applying the relief to 2015/16.

### Conclusion

The approaching end of the tax year is a timely prompt to review the tax affairs of clients. Remember that many tax reliefs are available only for the current year and cannot be carried forward. While the annual benefits of, say, the capital gains tax and inheritance tax exemptions may be relatively small, the savings can accumulate into significant amounts over the years.

# The lightbulb moment

Mark Tighe explains the tax advantages of innovation and research and development work.

## TEN SECOND SUMMARY

- 1 Innovation is on the increase according to a recent survey.
- 2 The Brexit vote has meant that the UK has entered a period of unprecedented business uncertainty.
- 3 The government is investing an extra £2bn a year in R&D during this parliament.

Innovation and research and development (R&D) within SMEs is on the rise according to the 2015 UK innovation survey. This revealed that 53% of businesses were innovative compared to just 45% in the 2013 survey. Innovation and R&D come hand in hand – an increase in innovation means an increase in R&D.

HMRC recently published its annual R&D tax credits statistics survey. This looks at the uptake of the government's R&D tax credit scheme and how many claims have been made over the past year.

It is clear from the headline figures that there has been an increase in the number of SMEs seeking to take advantage of the legislation. A total of 22,445 R&D claims were processed by HMRC in 2014-15, which resulted in UK businesses receiving £2.45bn in tax relief – a marked increase of £675m (38%) compared with the previous tax year.

## Encouraging entrepreneurship

These figures show that the government's scheme to encourage and incentivise British businesses to be more entrepreneurial and innovative is working, but only to a certain extent.

There is a problem. Despite all UK companies being entitled to this tax benefit, very few business owners are actually aware of it. And those that are aware tend not to know whether the activity they have carried out is eligible for this tax rebate or do not know what it is worth to them.

According to the government's statistical release, there were a record 5.4m private sector businesses at the beginning of 2015. This means that only 0.4% of the companies which could be entitled are actually making claims for R&D costs. One of the main reasons for this is a lack of understanding and the sheer complexity of this area of tax. Sadly, this means that an enormous amount of potential tax relief is being lost.

Ultimately, R&D tax credits are a valuable form of tax relief available to companies in every sector that are developing new products, services or systems – or materially improving existing ones. They apply to businesses liable to corporation tax and can be



set against a corporation tax bill or be claimed as a cash sum paid back to a company by HMRC as an overpayment of tax.

## Barriers to innovation and R&D

According to a survey carried out by *Management Today*, 68% of businesses face barriers to innovation and it comes as no surprise that a main obstruction is the lack of financial resources.

According to the survey, 57% of business leaders admitted that lack of funds was the main roadblock hindering their business from being more innovative. Other barriers included lack of time, fear of uncertainty and the political landscape.

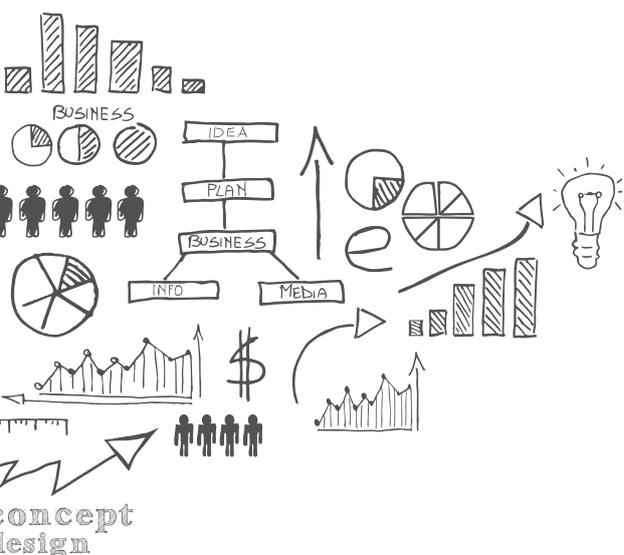
The political landscape and fear of uncertainty are important aspects in today's climate, especially in light of the Brexit vote. Since the result was announced, the UK has entered a period of unprecedented uncertainty causing business owners to be more cautious and risk averse.

High market volatility can tempt businesses to cut spending. Thus, until we have a more transparent understanding of what Brexit actually means for the UK, there is a strong possibility that we will experience a stall in investment.

However, this does not have to be the case. With the government's R&D tax relief scheme, companies can invest in R&D and obtain a sizeable reimbursement of the money they invested.



Mark Tighe is the Managing Director of RD Tax Solutions. He has held several MD roles including FTSE100 businesses with more than 13,000 people and a group turnover of £2.1bn. He then founded Catax Solutions more than seven years ago with four fellow directors. More recently he established RD Tax Solutions which has a combined experience of 32 years in capital allowances and R&D. Mark has regularly presented to many of the top law and accountancy firms across the country. Catax Solutions and RD Tax Solutions are specialists in maximising capital allowances and R&D tax relief for all manner of commercial property owners and businesses.



For SMEs, since 1 April 2015, the enhancement rate on qualifying R&D expenditure has been at 230%. Therefore, for every £100,000 a business spends on qualifying R&D activity, the company could reduce their profits chargeable to corporation tax by an additional £130,000 on top of the £100,000 originally spent on the project.

This means when an SME incurs an expenditure of £100,000 on R&D costs, it can deduct £230,000 when calculating profits chargeable to corporation tax or increase the losses arising in the year. Because the £100,000 would already have been taken into account, the balance of £130,000 would be an additional deduction resulting in a tax saving of £26,000 (at a corporation tax rate of 20%). This £26,000 benefit is more than a quarter of the initial investment in R&D.

### Claims and “activity”

An R&D specialist operating on a results basis can assist in making a claim. They will carry out a detailed investigation to identify the qualifying activity and build a profile of the costs incurred by the company. Once they have this profile, the relevant information will be sent to HMRC for assessment.

Types of qualifying R&D expenditure include staffing costs (salaries, bonuses, pension contributions and employer’s National Insurance contributions), utility bills (water, fuel and power), software directly used in R&D activities, subcontract costs and externally employed workers, and costs involved in creating a prototype.

A leading micro-brewery in the North West, Lancaster Brewery, recently received a sizeable cash sum back from HMRC as a result of R&D

activity it had carried out to find a distinct flavour for a new pint.

The recipes included a range of uniquely flavoured beers using non-standard brewing ingredients such as honey grass, honey, ginger and blueberry. Because this development activity was deemed to have advanced knowledge in the brewing field, and carried a degree of risk relating to the company’s stable yeast strain and wastage costs, it was eligible for R&D tax relief.

The R&D costs involved in finding this unique new flavour amounted to about £98,500. After sending all the relevant information to HMRC for assessment, Lancaster Brewery’s finance director was told that the company would receive just under £25,000 of tax relief (roughly 25% of the total R&D costs mentioned above) for the 2014 and 2015 tax years. Imagine that – the government paying you to taste beer!

### The future of R&D

R&D tax credits are the government’s way of rewarding innovative companies for developing, or appreciably improving, new or existing products, processes, systems and materials. They are, in effect, an incentive for pioneering companies that are increasing the UK’S wealth creation capacity.

As announced in the autumn statement, this reward is about to get bigger, with the government investing an extra £2bn a year in R&D by the end of this parliament. This is a major increase that will have an extremely positive impact on many businesses and will help Britain to remain an attractive place for businesses to invest in innovation and research. This shows that the government is acutely aware that if this country wants to stay competitive globally, R&D is vital. In a growing number of sectors, companies need to invest in R&D just to stay in the game.

However, there’s still a wide misconception that R&D tax relief is really only available to giant pharmaceutical companies employing armies of people in white coats. The reality is that businesses in all industries and sizes can recover the tax relief that they are entitled to. The challenge is to educate businesses about the tax credits scheme. Although the number of firms spending money on R&D is rising, there’s still a long way to go in raising awareness about the lucrative tax reliefs available.

### Shedding some light

It is fantastic to see that more businesses are taking advantage of this tax relief scheme, but the resounding headline is that many SMEs are still in the dark. A lot more needs to be done to cast some light and educate business owners and finance officers about this tax rebate, how it works, and the massive impact it can have on their company.

At present, the UK is falling drastically short of where it could be in terms of claiming R&D tax relief. UK companies need to be better educated so that they can fully exploit this opportunity. IFA members have an important role to play here.

### FURTHER INFORMATION

RD Tax Solutions: <http://rdtaxsolutions.com/>  
HMRC’s R&D tax credits statistics survey: [tinyurl.com/jofusym](http://tinyurl.com/jofusym)



# Working together

**Jeff Jones** explains the role of the specialist agent manager and Digital Working Together.

## TEN SECOND SUMMARY

- 1 Working Together should help to resolve issues between HMRC and the wider agent community.
- 2 Specialist agent managers work in partnership with agents, professional taxation bodies and their members.
- 3 The *Agent Digest* is a visual record of all current widespread issues identified by agents.

**H**ave you ever encountered an issue that you think HMRC and the wider agent community should know about, but you've just not known where to report it? Do you feel up to date on the digital support that is available from HMRC? Have you heard of Working Together, but not really known what it's about? Hopefully, in a few minutes' time, you'll feel as though you have all the answers.

### Specialist agent managers

Specialist agent managers (SAMs) are a national team set up in January 2015 to work in partnership with agents, professional taxation bodies and their members. We are based in several locations across the country. The three main responsibilities of the team are to handle widespread issues identified by agents, organise and jointly run a quarterly programme of Digital Working Together meetings dedicated to discussing those issues, and to arrange a programme of weekly digital meetings with subjects

of specific interest to agents, where they can hear from experts and ask questions in real time.

In May 2016, each SAM and a deputy were assigned to work with specific professional body leads, to encourage submission of evidence to assist with widespread issue resolution and to build closer working relationships. I'm very pleased to be working with the IFA.

### Widespread issue resolution

As an agent, you will be best placed to identify widespread issues. Through their day-to-day work, agents may see things that are affecting more than one of their clients. By liaising with colleagues in their network they can establish whether this is affecting other agents and their clients. This could indicate that it's potentially an issue with national impact and should be reported to HMRC.

At this point, the agent should contact the Digital Working Together lead for the IFA with details of the issue and any evidence. This will enable HMRC to look into the specifics if it's something we've not yet been made aware of. Anne Davis, IFA Head of Regulation and Policy, will review your report and subsequently refer this on to me. I will check whether the issue is already known about. If so, the details should already be displayed on the *Agent Digest*.

If it is a new issue, the SAM team will undertake some initial research and either provide a known fix/response or add the details to the *Agent Digest* as something that is potentially widespread. If it is escalated further and added to the current



Jeff Jones is the lead HMRC Specialist Agent Manager for the IFA and is based in Birmingham. He has been part of the specialist agent manager team since its inception in January 2015 and is regularly involved in HMRC's digital meetings for agents.

widespread list, the SAMs will take responsibility to pursue this with the relevant business area to a point of resolution.

The issues are ranked in terms of priority by the Issues Overview Group. The progress of those ranked highest is reported in *Agent Update*. Sometimes issues are made dormant or closed and this may be because we were waiting for further supporting evidence from agents which hasn't been forthcoming, or may be due to HMRC constraints; for example, the issue has an impact on policy changes. The majority of issues, however, reach a resolution.

## Agent Digest

The *Agent Digest* is a visual record of all current widespread issues identified by agents which the SAMs are pursuing with various business areas within HMRC. Additionally, it highlights the potential widespread issues identified between our Digital Working Together meetings.

We work closely with representatives from the professional bodies to organise and host quarterly online meetings. The Issues Overview Group representatives have assumed the agent lead role for these meetings since May 2016. The group comprises professional body representatives who meet on a quarterly basis to discuss the progress of the widespread issues reported on the *Agent Digest*. The meetings are an opportunity for agents to hear full discussions on working issues and provide you with a chance to contribute further points or information.

## Getting involved

Agents who would like to receive future copies of the *Agent Digest* and join in the live meetings should contact Anne Davis who will notify me. In due course, the agent will receive an email invitation and a registration link. Once registered, a second email will provide the link to the live meeting. These meetings are currently run through the CITRIX webinar platform. A webcam or microphone is not required to take part, questions and comments can simply be typed into the control panel. The organiser will explain how to do this on the day.

## Client specific issues

The agent account manager service is for agents who have exhausted all usual channels to resolve a client specific case with HMRC. The managers act as intermediaries between agents and HMRC where normal communication channels have broken down. Agents can register for the service by completing the user registration form on GOV.UK.

## What else?

The SAM team also operates a programme of weekly digital meetings on subjects of specific interest. These "Talking Points" also use the CITRIX webinar platform. They offer the chance to hear from experts from HMRC and other government

departments on relevant and topical subjects, with the opportunity to ask questions and receive responses in real time. A copy of the presentation slides can be downloaded during the meeting and a recording is available after the meeting. This has become a popular digital channel with more than 700 agents joining us at a time for some subjects, which have recently included income from property, agent services and Making Tax Digital. We are keen to expand the reach of this service so please get involved, let colleagues know about it and encourage them to join.

Our forthcoming schedule is updated monthly on the agent digital meetings, webinars and videos page on GOV.UK. These meetings also last for about an hour.

## Agent toolkits

Our agent toolkits provide guidance on 400 or so common errors that we see in returns filed by agents and set out the steps that agents can take to reduce the risk of those errors.

Each toolkit consolidates related tax risk areas into one handy location and all the toolkits can be accessed through one internet page. The toolkits are maintained and refreshed on a regular basis to ensure they are kept current and up to date. Use of them is entirely voluntary, but they can help agents to demonstrate reasonable care and focus on the areas of possible error that HMRC considers key.

Each has three key elements:

- a checklist – which identifies the key risks to help agents to address the areas of possible error;
- explanatory notes – which identify the underlying risks of error, how to mitigate those risks and a brief outline of the tax treatment; and
- cross references – linking to the relevant guidance available online, so that more detailed guidance can be easily found if required.

## Looking ahead

We are also developing and delivering an online forum for the Digital Working Together community, where agents can look to:

- make HMRC aware of issues that are affecting their clients, so that these can be rectified and agents can help their clients meet their obligations;
- identify and recognise common errors and processing glitches quickly so practitioners can avoid errors and process their client's returns and submissions correctly; and
- obtain answers to straightforward queries without needing to phone HMRC contact centres.

The Agent Forum will be open to agents participating in Digital Working Together meetings, and is currently being piloted by a small number of agents.

If you have any questions or comments about these services, please direct them to Anne Davis in the first instance and please get involved with our digital meetings, we'd love to hear from you.

## ➤ FURTHER INFORMATION

Agent toolkits:  
[tinyurl.com/oy7hl5r](http://tinyurl.com/oy7hl5r)  
 User registration form:  
[tinyurl.com/6uoqnbw](http://tinyurl.com/6uoqnbw)  
 Agent digital meetings,  
 webinars and videos:  
[tinyurl.com/q6zzty4](http://tinyurl.com/q6zzty4)

Contact Anne Davis at:  
[mail@ifa.org.uk](mailto:mail@ifa.org.uk)

# Sleep tight

*Grant Bloxham* explains how accountants can help their SME and micro-business clients to sleep better at night.



## TEN SECOND SUMMARY

- 1 Understanding SME clients is key to growing advisory services in an accounting practice.
- 2 SMEs and micro-businesses struggle to convert ideas into actions.
- 3 Cloud accounting may be an opportunity to extend the client relationship into new areas.

As globalisation rolls on, the world is becoming increasingly connected with a convergence in attitudes and ideas. One benefit is to be able to take international insights and apply them locally with minimal need for adaptation. Understanding the needs of SME clients is the first step in growing advisory services within an accounting practices. While accountants see few surprises in the top concerns identified by SMEs, Australian accountants have shown high levels of interest in:

- the advisory services and solutions being presented by accountants to solve their clients' key needs; and
- the solutions that SMEs actually bought, why they bought them and the fees paid.

In 2016, the top five concerns for business owners were:

1. business planning;
2. succession planning;

3. stress and lifestyle;
4. declining sales, profit and cash flow; and
5. protecting the business and family assets.

## Planning for the future

Business planning was also the area where business owners recorded their highest increase in concern. SME concerns on this subject are justified. Most business owners understand their core business very well, and 95% had ideas on how to improve and grow their business. Where they struggle is converting their ideas into actions. While 34% of SMEs dedicated some time to strategic thinking and business planning, 72% of business owners did not have a business plan and 77% didn't have a detailed plan for growth.

Failure to plan is attributed to lack of time, skills or experience, or a combination of these. Often, the need to plan is challenging for the SME owner, particularly where they feel swamped by the everyday pressures of operating their business and delivering to customers. They lack the knowledge and skills to grow and improve their businesses and they spend little or no time planning or reviewing their performance.

One business owner described it this way: "I am the biggest barrier to growth. I currently have two months' work on hand. It is too much and I'm not coping with the demand. Two of my staff left three months ago at our busiest time. I have lots of scope



*Grant Bloxham* is Chief Executive Officer and founder of Bstar. Grant is passionate about accountants taking the lead in advising SMEs. He works closely with Bstar's team to provide professional advisers with up-to-date research on their respective professions, world class professional development courses and the online Value Improvement Benchmarking Advice (viba) Alliance Partner Program. He can be contacted by email at: [grant@bstar.com.au](mailto:grant@bstar.com.au)

for more work if I could only employ two more staff, but I just haven't done it. I know it would take three months for them to become competent. I need to change my headspace and be more involved in promotion and getting more work in, not trying to do it all."

### Obtaining help

Knowing where to obtain expert help is another major barrier to success. Business owners need to find a competent person that they can trust. We asked whether SMEs had found a trusted adviser and 69% indicated they had. But what are they talking to those advisers about, and what assistance are they seeking?

SMEs often identify their accountant as their key trusted adviser but, in our experience, the majority of Australian accountants spend less than 10% of client contact time talking about advisory needs. Many SMEs are not aware of the advisory or "value add" services offered by their accountant or how these could benefit their business.

Accountants are often most comfortable talking to their SME clients about their accounts, and are able to advise where the SME has problems or can improve. Declining sales and profit and cash flow improvement are also key concerns of SMEs and many practices have purchased a profit/cash flow optimisation tool specifically to offer clients a solution to this need.

However, our research clearly shows that SME clients of accounting practices are not particularly interested in paying for advice on profit/cash flow optimisation. SMEs were not even looking for a comprehensive plan for growth, improvement and succession. Instead, business owners were most interested in, and were willing to pay for, what we describe as "sounding board services".

These are hands-on expert support services that provide the business owner with the confidence to make the changes they need in their business. Most importantly the support continues throughout implementation to hold the SME to the plan and make them accountable for implementation.

Because the support is tailored, it acts in the areas that the particular SME determines are the highest priority.

The two top sounding board solutions were:

1. for micro and small businesses – a chief finance officer (CFO) service; and
2. for medium to large businesses – a board of advice service.

### Sounding board solutions

The goal of a CFO service is to support micro SMEs to grow and improve their profit and cash flow and enable them to develop into a medium to large SME client. This is an "operational" advisory service, generally delivered by professional staff (eg senior accountants, supervisor or managers), onsite and at regular intervals throughout the year. The point of difference, and the value to the client, is in the regular review of the client's actual results and

reinforcement of action items. As improvements are achieved, focus can shift seamlessly to the next priority.

The goal of a board of advice service is to support medium to large SMEs to protect, grow and transition the value of their business. This is a "strategic" advisory service delivered directly by partners or directors onsite. Through regular, scheduled, advisory board meetings, priorities can be addressed and plans made, implemented and reviewed. The business owners and key management staff gain understanding and improve their skills in the process.

### Maintaining fees

To create efficiencies and capacity to offer more advisory services, accountants are encouraging clients to adopt "cloud" accounting. However, in Australia accountants are discovering that, once the cloud-based accounting system is integrated into their business, SME clients expect efficiencies to be passed on in lower fees.

It is important that accountants talk to SMEs about other services and solutions at the same time (Year 1) as their clients are adopting the cloud. They can use the opportunity to extend the relationship into new areas and replace declining compliance work with new services. The client sees value being added within their existing fees budget, while the accountant maintains, or increases professional service fees.

In Australia, accountants have a high awareness of the need to change the way they work with their SME clients, but many have yet to act on this. A "needs review process" can assist accountants to interact with their clients, build trust and gain engagement for advisory services.

A three-stage structured process is built around face-to-face client meetings. First is a "needs assessment" meeting, where the accountant listens to their client and determines their key needs and priorities. Then comes a "needs to solutions" meeting, which focuses on describing solutions for the client's top needs and the benefits that will flow when they are resolved. Accountants seek specific engagements at this second meeting. If unsuccessful, the process prompts accountants to ask and understand what the barriers are to engagement.

The final stage is conducting "client education campaigns" to position and inform the practice's advisory services. Where the major barrier to engagement is client timing, a campaign can keep the proposed solution at the top of the client's mind. We know of successful engagements which have been delayed by 12 months or more to suit the client's schedule.

### Sleep tight

Accountants can take a leadership role in discovering and addressing their SME clients' most urgent needs. By helping business owners sleep better at night, accountants can grow their business advisory services fee revenue.

### FURTHER INFORMATION

Bstar has been providing leading business advisory solutions since 1999. Founded in Australia, Bstar collects real time, accurate data directly from SMEs all year round through its ongoing relationships with more than 200 Alliance Partners (typically two to ten-partner accounting practices). The Bstar Value Improvement Benchmarking Advice (viba) advisory process involves face to face strategic discussions between viba advisers (alliance partners) and business owners, using the Bstar "needs assessment" questionnaire. Bstar reviews needs assessments each week and produces the SME research reports from data collected.



# You've got mail

What is the true cost of email and how can businesses ensure that staff make the best use of this communication tool? *Tom Jackson* has some ideas that can be implemented by us all.

## ➤ FURTHER INFORMATION

Visit Tom Jackson's website for free material (including videos) that can help your organisation overcome the battle of email communication, information management and utilising organisational knowledge. [www.profjackson.com/](http://www.profjackson.com/)

## TEN SECOND SUMMARY

- 1 As well as being an efficient means of communications, emails can result in reduced productivity.
- 2 Email training can educate employees about email use and best practice.
- 3 Email causes stress, but this is exaggerated by multi-tasking email alongside other communication media.

Every minute in the UK about two million e-mails are sent – almost three billion a day. That said, it is hard to imagine life without email. It has become an integral part of our professional and private lives, allowing us to communicate instantly with colleagues, friends and family across the globe. However, in the business world, as well as providing a vital means of communication email is also costing companies millions of pounds each year in lost productivity.

### Email and staff productivity

I first began looking at the impact of email on staff productivity when I was a PhD student at Loughborough. I wanted to investigate whether there was an interrupt recovery time for employees receiving email. A 1977 study had established that there was an interrupt recovery time for telephone calls of between 10 and 15 minutes, but no work had been done to look at email communication.

The Danwood Group was a large UK company with 500 email users and a selection of employees were remotely monitored to see how they used email to determine the impact it had on productivity. The study concluded that email messages do have a disruptive effect by interrupting the user. Most employees had set their email software to check for incoming messages every five minutes and they responded to the arrival of a new message within six seconds. A recovery time between reading the email and returning to normal work also existed. On average two and a half minutes was spent on each email received, including the interrupt recovery time.

The study was the first to establish the interrupt recovery time of email and assess its impact on staff productivity. This resulted in a number of recommendations to the Danwood Group that would enable more effective and efficient

use of email throughout the company. The recommendations included:

- the introduction of email user training;
- restricting the use of email-to-all messages;
- setting up the email application to check for email at no less than every 45 minutes; and
- encouraging employees to use one-line emails.

### Email training

Further research at the company concentrated on the development of an email user training programme. An anonymous questionnaire was sent to all employees who used email. It was designed to highlight any inefficiencies or defects in the way that email was being used and asked employees to specify the average number of emails received each day and the proportion that were irrelevant or unnecessary. Employees also answered questions that related to how they viewed email use within the organisation.

Analysis of the results enabled an email user training programme to be developed, tailored specifically for the firm, to educate staff about email use and best practice. It included information on how to write more precise and clear emails, as well as highlighting the importance of only sending emails to those who need to receive it.

After training, staff found that the emails they received were easier to understand and therefore quicker to deal with, and that fewer unnecessary emails were sent. This project proved that going back to basics and educating people about the best way to use email increased efficiency and financially saved the firm thousands of pounds.

The training programme was modified to enable other businesses to obtain these benefits, creating a course for email users that provided basic but important information about best practice. Topics covered included ensuring that email subject lines were precise and informative, that the carbon copy (cc) function of email was not misused and that emails were kept to a maximum of two paragraphs in length.

### Preventing backsliding

After training staff at other organisations, I found that they were spending less time dealing with email as well and were therefore more productive. However, it was found that people who undergo training improve in the short term, but revert back to old habits later.



**Thomas Jackson**  
BSc(Hons), PhD, FBCS is Professor of Information and Knowledge Management, Director of the Centre for Information Management and Associate Dean (Research) at the School of Business and Economics at Loughborough University. Since 1998, he has been researching email communication and has published a large number of papers on its impact and how to overcome email overload. Tom has conducted research for a number of organisations, such as ASA, Citi, Rolls-Royce, AstraZeneca, SAP, Microsoft, DSTL.  
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To prevent this, automated email training software can be installed onto individual machines and this plugs into the email system. Every time an email is sent it passes through the trainer software. This checks the message to ascertain: how many people it is being sent to; whether there is a subject line; the length of the email; and other factors. If the software spots any potential mistakes in the email – for example, if there is no subject line or if the message is ten paragraphs long – a warning is sent to the sender with advice on how to improve the email. The sender can then alter the message accordingly or send regardless.

The trainer software has been piloted at Loughborough University and the results have been incredibly positive, showing a long-lasting improvement in email use.

### Other impacts

My latest research looked at the physiological and psychological impact of email stress on employees in the workplace. I took a sample of 30 employees each sending and receiving an average of 40 emails a day. An action research approach determined the impact of this level of email on employees' stress. For each participant, three physiological types of stress responses were observed – blood pressure, heart rate and cortisol levels – over two monitoring periods. Each 24-hour monitoring period was on a working day – the first period was a day when email was used normally and the second period a time when email was not allowed to be used (at least three hours). The research indicated that email does cause stress, but this is exaggerated by multi-tasking email alongside other communication media, such as phone calls and in-person meetings. Not all email activities induce stress; for example, activities such as filing, where employees feel that they can keep on top of their email, were shown to reduce stress levels.

Several important theoretical and practical contributions were made by this work. First, the research has added considerable value to the current theory on organisational email management by providing insights into the indicators that cause email stress in enterprises and institutions, and the combination of communication media that can heighten stress levels. Second, the research draws attention to the increasing need to manage emails effectively in light of a society that is tending to support a 24/7 culture for communication.

The most worrying finding is that employees do know when they are mentally stressed by email communication. However, they are unaware of suffering from the physiological stress caused by it, with symptoms of increased blood pressure, heart rate and changes to cortisol levels. Of particular concern is that this lack of awareness could lead to long-term health conditions if not addressed by both employers and employees.

To combat email stress, training derived from these results should be considered as a method to improve email communication.



### TOP TIPS FOR BETTER EMAIL

Tom Jackson's top tips for better email practice and taking control of your email inbox.

- *Invest in a spam filter.* Don't open a spam email, because as soon as you do it notifies the organisation that has sent it confirming that yours is a valid email address. They know how long you've looked at it, when you looked at it and whether you went back to it.
- *Target your email.* One of most annoying things about email is the sheer number of messages we receive that aren't addressed primarily to us. Does everyone in the cc (carbon copy) box really need to be copied in on your words of wisdom? Basically, a cc is there for information purposes and should only be used for that purpose.
- *Write more carefully.* The reason to write carefully is crystal clear. It vastly increases the chance that whatever you want to get done will get done. Carelessly composed emails can result in misunderstandings.
- *Reduce interruptions.* These stress people out. Simply by changing the way an email application is set up can start to reduce some of that stress. For example:
  - Turn off intrusive alerts that interrupt the flow of work and tempt the recipient to check their email.
  - Set the email to display the title and first few lines only so that it's easy to decide whether the message really needs an immediate reply.
  - Schedule email by allocating specific times each day to check the inbox and reply – perhaps first thing in the morning, midday and late afternoon. Ignore emails for the rest of the day. Most people check first thing in the morning and late afternoon.
  - Use other tools. Twitter and instant messaging such as Microsoft Lync may be better for asking short questions of chosen groups.
- *Get training.* Email seems like common sense; anyone can write an email can't they? But many people struggle with email communication and training can help cure that.

# The right strategy

Who has time for marketing? *Kristen Boschma* has some suggestions for those wanting to improve their profile in 2017.

## TEN SECOND SUMMARY

- 1 More business owners are trying to stand out.
- 2 How do customers and potential clients perceive a business?
- 3 Some critical initial questions to answer before starting to define a brand.

**M**arketing; who knows what works and what doesn't? In fact, there is a myriad of ways to tell what works and what needs improvement. The real question is understanding how much time small business owners should devote to marketing activities week-on-week. When you are the one doing the doing, spending any time away from providing the core service has to pay.

We all know that there are more small businesses in the UK than ever. The latest *Business Population Estimates Report* says that since 2010 the number of small businesses in the UK has increased by a million. That's a million more business owners grappling with share of voice, standing out and trying to gain market share. On top of that, there are a million more business owners working through cash flow issues, setting up an operating model that drives wealth through profit, keeping abreast of regulatory changes and ensuring all the processes are in place to maximise productivity.

## Pressures and benefits

Once an entrepreneur has recovered sufficiently from the pressures of small business ownership, they should realise that marketing both their business and personal expertise has significant benefit, including:

- attracting new clients;
- attracting talented team members;
- expanding their service remit with current clients;
- retention of current clients; and
- turning current clients into vocal advocates for them and their business.

One mistake is where entrepreneurs jump straight to the implementation of marketing. Hours are spent on LinkedIn boosting profiles, crafting wonderful Instagram posts, writing expensive advertisements and optimising search results without answering a few basic questions, such as:

- why are we doing this; and
- what's our point of difference?

In other words, working out what a brand stands for and what the business really provides for customers will save an enormous amount of time and money in the long run. Of course a brand is much more than a logo; it is the way the business is perceived in other people's minds. Everything contributes to this perception: the logo, staff, website, brochure, shop front – everything.

## A cleaning case study

I was recently working with a client who had purchased a chain of dry-cleaning stores. He had difficulties with one shop and thought that perhaps he needed to rename and relaunch that store.

As soon as I entered the premises I knew what was wrong. He did not need to change the name or the logo, but did need to address other aspects of the brand. The shop looked dirty and cluttered from a customer's perspective.

The staff members were great, but were so accustomed to the mess that they didn't see it from a customer's point of view. A business that was supposed to be about cleanliness, order and crispness was drab, cluttered and grubby.

Existing customers knew the team did a great job and the shop had a high repeat business rate. However, the area had a high rental element of residents and therefore new customers would not bother entering the front door.

Rather than just ordering his staff to have a clean-up, I suggested an exercise with them first. We closed the shop early one day and asked each of the team to dip into a hat and choose a customer persona I had pre-crafted.

The personas were some descriptions I had made up that detailed the profiles of customers: a young man who needed his business shirts to look sharp for work and didn't have the time, skills or inclination to do them himself; a busy mother dropping off several silk items and some bedding once a month; and a young woman putting her precious wedding dress in to be cleaned.

## A different perspective

I asked the team members to get into character – I even gave them some clothes to carry – and we walked up to the shop together from the pavement. I asked what they noticed, what they were feeling and what they were thinking. We moved through the entire drop-off process as pretend customers.



*Kristen Boschma* is Head of Brand Strategy at Bastion Collective. She is an executive level marketer with experience in every marketing discipline, transforming businesses and brands using social media, digital marketing strategies, communication strategies, integrated digital channels and overall campaign development. Kristen has written hundreds of strategies for clients ranging from multi-nationals, small start-ups to federal governments. A large part of her advisory work comprises brand reputation management online – the number one area brands overlook when communicating a message. Follow Kristen on Twitter at @kristenboschma or LinkedIn: [tinyurl.com/zwvawft](http://tinyurl.com/zwvawft).



At times I had to point out things they weren't seeing such as the kaleidoscope of signs with different fonts and scribbles that were taped on to every wall, or the fingerprints left on the front counter by little kids or the coat hanger graveyard in plain sight. But they got it and did so very quickly.

Together we talked about what we wanted the store to be known for: quality results, great service and value for money. They wanted customers to feel confident when they were wearing their clean clothes and they wanted them to relax and trust the team with their precious items.

So we set about identifying all the things we could do promote quality and confidence. They did the clean-up themselves and found new aspects to improve. They even used one of the walls to showcase the wedding photography skills of another local business; they helped each other out and developed a referral system.

I'm delighted to say that the shop's fortunes have improved drastically.

### Current awareness

I know this seems simple, but often we are so close to our own businesses that we forget to take a step back and look at things from a customer's viewpoint. In your own business do you know how your brand is represented?

Is the latest technology used to communicate with clients? Are the magazines in the foyer current? Are accreditation certificates up to date? Do staff members have business cards with their current contact details on them or are they handing out old cards and hand writing their new phone number on it to save money. All these factors can contribute to how a brand is perceived in relation to keeping up to date. And being perceived as up to date can give clients confidence that their adviser is up to date with regulatory and standards changes and is providing the best advice.

### Critical questions

So it's possible to improve a brand without changing the firm's name or logo, but it starts with defining the business offering. To start defining a brand, some critical initial questions to answer are as follows:

- What do we really do for clients? Not just at a service level, but personally. Do we help them sleep better, do we empower them to be their best, do we give them more power in the day?
- How will potential customers or clients feel when they interact with us? Do we want them to feel reassured, or as though they know something already and that we are aligned?

Once a clear picture of the desired brand position is seen, a plan can be made on how to promote the business. Here are some of the more productive marketing tactics I would recommend in 2017.

- Get active on LinkedIn. Make sure the firm's profile is up to date and that all employees are linked through the company page.
- Give employees the chance to help construct the brand and make suggestions on delivering brand messages. Give them the scope to come up with and implement ideas. In my experience, this leads to longer-lasting positive change.
- For small business accountants, make sure that the IFA accreditation is used on all brand touch points; it can act as a shortcut to building trust.
- Connect with others like you. Not only will colleagues remember and refer you, but it's a great opportunity to benchmark and share successful marketing techniques.
- If you don't have a blog, start one or offer to write a blog post for a client. Everyone needs content; and this also helps develop your brand.

This year could be the most productive yet; just make sure your brand is defined and staff members are involved before you invest in marketing activities.

### FURTHER INFORMATION

National Statistics, Business population estimates 2016: [tinyurl.com/gl3y7z5](http://tinyurl.com/gl3y7z5)

Kristen's top three recommendations for brands in 2017 are to:

- prioritise online reputation management;
- empower staff to change the way they think about their customers; and
- develop an internal culture of "customer first" marketing.

# Constructive conflict

*Patrick Dunne* discusses the sometimes fraught subject of managing conflict in small businesses and partnerships.

## TEN SECOND SUMMARY

- 1 Great business ideas can be destroyed, but lesser ideas can achieve success from conflict.
- 2 The “zone of uncomfortable debate” can stimulate business progress.
- 3 Many business conflicts can escalate through verbal misunderstandings.

The potential for conflict in the rollercoaster world of SMEs and small partnerships is rich. Thin resources, especially with people and money, may produce advantages in terms of productivity, pace and cost effectiveness, but they can also produce big stress. Early in my career as a venture capital investor I saw some great business ideas destroyed by conflict within the team, while others with less compelling business models achieved success. These successful teams tended to have the triangular formation in the **Team Alignment** chart with everyone moving in the same direction, but with enough degrees of difference to avoid the “monarchist dictator” organisation on the right. This maintains a healthy level of constructive challenge and debate.

A leader’s ability to manage conflict effectively is likely to increase the chances of success and also make the organisation, no matter what its size, less fragile and more saleable. Moreover, as others take their lead from the leader, the same qualities in the team are likely to be encouraged, although they are less likely to eradicate it. In building Leap Confronting Conflict, a social enterprise in the field of youth conflict, the working assumption has always been that “conflict is inevitable – it’s how it is dealt with that matters.”

In my experience, this is also true in other walks of life and that includes partnerships and SMEs. Some of the best experiences I have had in business, charity and the education sector have been where we managed to harness the creative energy of conflicting ideas, perspectives and cultures. The worst were where we were unable to.

Conflict has the power to make or break reputations and, in a world where social media makes the inner workings of organisations more visible than ever, internal reputations can be well-known to the outside world.

It may be natural to focus on managing conflict with others, but sometimes the trickiest conflict to manage is that with one’s self when making tough choices. For example, the age old dilemma of “should I stay and get this done or get home and meet that family commitment I promised to make.”

Such inner conflict frequently escapes and others suffer the collateral damage. It is, generally, a good idea to manage your own conflict before trying to help others with theirs.

## Bad press or good thing?

For obvious reasons “conflict” receives a bad press. But it is also true that, managed well, it can be a good thing. For example, it might produce the creative spark for innovation or provide the opportunity to reset a relationship making it more robust, healthy and productive. Indeed, it may well be the conflict of having a great idea that a boss didn’t want to pursue that led to the start of a business in the first place. The absence of conflict might also lead to group think or complacency and undermine judgement in decision making.

I have yet to see a high-quality team that doesn’t enter the “zone of uncomfortable debate” from time to time. However, the ability to focus on the outcome, to respect and manage differences and to know when it is right to move out of that zone is also central to success. Matthew Syed’s excellent book, *Black Box Thinking*, contains some wonderful examples of this. The **Balanced Approach** chart indicates that effectiveness can rise with an amount of pressure being applied.

## Causes of conflict

What might be typical causes of conflict? Here are a few of the possibilities.

- Lack of clarity on roles or responsibilities.
- Misaligned, unclear or disagreed objectives.
- Competition for scarce resources.
- Personality differences.
- Cultural differences.
- Different approaches to decision making.
- Different views on what the situation is.
- Pressure – there is a natural relationship between effectiveness and pressure.
- External threats increasing pressure on a team and between individuals.
- Lack of self-awareness.

This last point may be more significant than might be realised. A recent Harvard Business School study showed that groups of people with high levels of self-awareness significantly outperformed less self-aware colleagues in a range of tasks relating to making decisions, coordinating and managing conflict. Some self-examination is always worthwhile to determine whether one is the major source of conflict in an organisation.



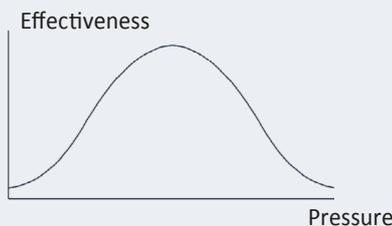
Patrick Dunne is chair of Boardelta, the EY Foundation and ESSA – Education Sub-Saharan Africa. He is a visiting professor at Cranfield and patron of Leap Confronting Conflict as well as being a former member of the operating committee of 3i and the general council of the University of Warwick. He can be contacted on 07836 505971 or by email at: patrickedunne@gmail.com. Twitter: @patrickedunne

#### ➤ FURTHER INFORMATION

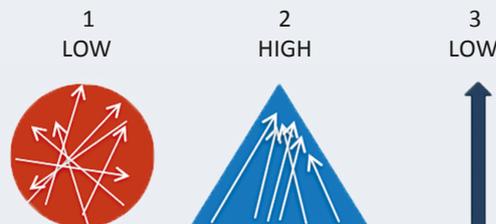
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 Matthew Syed, *Black Box Thinking*:  
[www.matthewsyed.co.uk/books/](http://www.matthewsyed.co.uk/books/)



### THE BALANCED APPROACH



### TEAM ALIGNMENT



1. Team members with different aims
2. Team members with a common goal
3. Team direction imposed from above

Understanding “red flags” – the things that trigger annoyance and anger – is just one thing that is required to become more self-aware and to be able to “respond rather than react”.

Inevitably, our approach to managing conflict is personal and will be shaped by many things, not least the nature of the organisation or role, the culture or importance of the issue, to name a few.

### Mastering emotions

A legendary tool for understanding instinctive preferences is the Thomas Kilmann test. This establishes the strength of current natural urges to “compete, collaborate, compromise, avoid or accommodate” in a conflict situation. The premise is that all have their uses. Although our instincts may drive us to strong preferences, the masters of the art are able to avoid instant reaction, reflect and then choose the most appropriate approach to deploy on a specific issue with a person or group in whatever context they are in on that day.

In my experience, chief executive officers (CEOs) tend to be high on “compete and avoid”. Sophisticated ones may confuse by starting with a collaborative approach: “Good morning everyone, I’m interested to know what you all think”. But if the team appears not to be coming up with the right answer and it matters, they might suddenly flick the competitive switch. Conversely, a low level issue may see them suddenly disengage. In high change or turnaround situations, this may be effective, but in other situations it might not be the best way to build a high-performing leadership team.

The best entrepreneurs and senior partners tend to be low on avoiding, but usually have developed strong collaborative instincts. They may also recognise that, sometimes, a compromise is the best way forward, but that there will be situations where they will “die in a ditch” before yielding to pressure.

The most effective leaders tend to be more chameleon-like and have the ability to “cuddle or kick” at the right point. They use humour well or deftly ask a challenging question to shift the mood. Their antennae and good judgement enable them to listen to what people think as well as what they say.

### Anything else?

Apart from becoming as self-aware as possible, respecting differences, understanding red flags and responding rather than reacting, what else might be worth thinking about? Language may be the answer; after all, many a conflict escalates through a misunderstanding or a jarring choice of words.

To generate sustainable income at Leap and provide valuable opportunities for young trainers we train people in a wide range of organisations. A common “light bulb moment” for participants is the discovery that an “I” or “we” at the start of a sentence in a tense situation tends to be far more effective than a “they” or “you”. They also discover that the art of giving and receiving feedback is another important conflict management skill and that body language will also play a key role.

Finally, it is also important to remember that the ability to manage conflict well also makes the job a lot more fun and a lot less stressful.

# Here's to innovation



**Dave Hopkins** explains that businesses should start accounting for success and not take their intellectual property for granted.



**Dave Hopkins** is the Business Engagement Manager for the Intellectual Property Office holding a number of key roles over the past 15 years. Dave works within the Business Support Policy Team and is primarily responsible for working with a range of local, regional and national organisations to help promote intellectual property rights to UK businesses. He is working closely with the accountancy profession to specifically highlight the importance and benefits of IP to the business community and the added value it brings to both new and existing businesses. He has delivered a number of seminars at accountancy focused conferences and recently arranged a half-day event in Edinburgh bringing together a number of membership organisations and Scottish Enterprise.

## TEN SECOND SUMMARY

- 1 A knowledge of IP can give accountants an edge when attracting new clients.
- 2 A trade mark search before starting business can save expense later.
- 3 Consider before the event legal expense insurances to protect businesses from the potential cost of resolving IP disputes.

**A** Intellectual Property Office (IPO) survey showed that 89% of accountants think a better understanding of intellectual property (IP) is important. This can give accountants an edge when attracting new clients and can contribute to the growth of existing ones. Understanding IP can be challenging, but it can open up new opportunities for your business and personal development. So, what are the most important things to know?

### Making money from IP

Every business owns or uses IP in some form. As well as the significant protection IP rights offer, businesses can also benefit from exploiting their IP commercially. This could be through licensing opportunities, adding value in the event of the sale of their business and by attracting investors. One of the main misconceptions that prevent businesses from protecting their IP is the cost. However, this does not always have to be expensive. Applying for a registered trade mark costs from as little as £170, while registered design applications start at £60.

Patents, however, can be costly and complex to obtain but, once granted, there are financial incentives such as patent box tax regime.

HMRC's patent box scheme began in April 2013 and encourages companies to retain and commercialise existing patents and to develop new innovative patented products. It allows a business to apply a lower rate of corporation tax to any profits earned from such assets. Businesses with patentable technology can also benefit from research and development (R&D) tax credits and there is evidence to suggest that these are being under-claimed.

Of course, it's not advisable for businesses to apply for a patent simply to take advantage of these schemes. IP should be carefully considered as part of a company's business plan and advice should be sought from a patent attorney or IP professional.

As a practical example, Sugru is a patented mouldable glue that can be used for fixing and modifying everyday objects, owned and sold by FormFormForm Ltd. Roger Ashby, company co-founder, is passionate about protecting their IP due to the financial benefits.

"Protecting our IP offers so many benefits", said Roger. "As the business grows, IP is an important asset to attract investors and business partners. It gives them confidence in the company and a sense of comfort in their investment. It demonstrates a strong position for the future – we could sell the idea to a big company or float on the stock market. It also adds value to the company's balance sheet."

### On your marks...

There are currently more than three million limited companies in the UK and in 2015 more than 600,000 new companies were incorporated. When carrying out this service for a client advisers will undoubtedly search the Companies House website

for conflicting names. But a trade mark search carried out as well?

Company law is different from trade mark law. Just because a company name is listed at Companies House, does not mean someone can be prevented from using the same or a similar trade mark. Conversely, just because a company has been incorporated with a particular name, does not mean that it will be possible to register it as a trade mark.

West Midlands based Mask-arade Limited manufacture and sell celebrity and party masks. Founded in 2008, the company now trades internationally. Co-founder Ray Duffy believes protecting their name as a registered trade mark has played a significant part in their success.

“Protecting our IP is crucial to expanding the business and brand to a global audience. Without doubt, having a registered trade mark has helped us create a name and brand associated with quality products. We pride ourselves on our reputation for superior artwork, product quality, client service, attention to detail, and integrity.”

Often, those who incorporate limited companies assume the name can be used automatically in business. Many discover this error only when it's too late and litigation has been threatened. The impact of this could be catastrophic and cause a business to have to overhaul their brand completely, including rebranding their website and reprinting materials. It could also seriously damage their reputation.

### Prudent protection

To protect businesses from the potential cost of resolving IP disputes, the insurance industry is now offering a number of affordable “before the event” legal expense insurances (BTE LEI). Such policies can help protect the financial assets of a business in the event of litigation. However, in the first instance, the insurance can act as an effective deterrent to infringement. Evidence also suggests that BTE LEI has a positive impact on the ability of a business to secure financial investment. More information and a database of providers can be found on the websites of the Chartered Institute of Patent Attorneys (CIPA), the Chartered Institute of Trade Mark Attorneys (CITMA) and the IPO.

### Where to go next?

The IPO are aware that many professionals are not confident in their understanding of IP rights. To address this they have designed IP Equip, an online learning tool to help you understand the basics of IP. The course is free to complete and can be accessed via desktops, tablets and smartphones. It's also CPD accredited.

IP Equip is just one of the free online tools available as part of the “IP for Business” support toolkit. More information and access to the tool is available online at [www.ipo.gov.uk/business](http://www.ipo.gov.uk/business).

The IPO are also holding IP awareness workshops for the accountancy profession across the UK. Details of upcoming events can be found on the IP for Business webpage.

### IP: the facts

In its most basic terms, IP relates to any form of original creation – a new invention, a unique pattern or drawing, a brand.

There are four main types of IP:

1. Patents – protect the processes that make things work, what they're made of and how they're made.
2. Trade marks – a sign which (for example a word, logo or slogan) which distinguishes one business's goods and services from those of its competitors (its brand).
3. Designs – protect the visual appearance of a product, including the colour, shape, texture, material and ornamentation.
4. Copyright – protects written or recorded creative and artistic material, including websites, photographs, music, literature and advertising materials.

As well as this, IP also includes trade secrets and protected geographical indications (which protects products with a quality, reputation or another characteristic attributed to a specific area).

Whether you are a seasoned professional or stepping into the realms of IP for the first time, it can feel daunting to discuss this important (and often overlooked) area of business with a client. To help, here are some top dos and don'ts to help you approach the subject and advise clients.

Do:

1. think about IP from day one – research your ideas thoroughly before proceeding;
2. consult an IP attorney/professional every step of the way;
3. register your brand as a trade mark;
4. make sure all employee contracts state that all IP created is owned by the company;
5. create agreements with commissioned parties to establish the ownership of IP (for example, transferring the copyright of your website to your business); and
6. keep new and innovative ideas out of the public domain and ensure all employees are aware of the importance of confidentiality.

Don't:

1. assume IP isn't relevant – every business owns or uses some form of IP no matter what industry they trade in;
2. try to trade off the back of other people's trade marks as this could result in costly legal proceedings;
3. copy or use the work of others without gaining the required permissions or licences;
4. wait until the business is established and successful before registering your IP as it may be too late;
5. think a behaviour is legal because “it's what others do” – they may be breaking the law; or
6. mistake online use as proof of ownership.

Following these basic steps should enable a business to make the best use of its IP and to protect it from misuse.

### FURTHER INFORMATION

CIPA – [www.cipa.org.uk](http://www.cipa.org.uk)  
 CITMA – [www.citma.org.uk](http://www.citma.org.uk)  
 IPO – [tinyurl.com/IPOwebsite](http://tinyurl.com/IPOwebsite)  
 IP Equip – [www.ipo.gov.uk/blogs/equip/](http://www.ipo.gov.uk/blogs/equip/)

# Winning websites

An interesting and compelling website is an essential feature of any successful business and accountancy practices are no exception. *Karen Smith* sets out some ideas for businesses on a limited budget.

## TEN SECOND SUMMARY

- 1 Building a website is good business sense and can be easy to do yourself.
- 2 Consider what your clients require from the website.
- 3 Check the website regularly to ensure it is still correct, up to date and relevant.

**W**ebsites have come a long way since they became commonplace 20 years ago. At that time, we literally “built” them by coding in HTML from scratch. It was hard work – something akin to a 1990s equivalent of medieval monks painstakingly copying out and illuminating religious texts by hand. It was not a task for the impatient.

Fortunately, technology and innovation have moved on. Creating a website is now vastly easier, with most companies recognising that “ease of use” adds up to “more customers” and therefore “bigger profits”. In this article, I would like to demonstrate why having a website makes good business sense and to show how easy it can be to build your own site with the tools available and some guidance and tips.

## Know your user

The world is getting younger; the so-called “millennials” (people who attained the age of 18 in 2000) are now in their mid-30s. These are the digital natives, people who cannot conceive of a world before the internet. I can’t provide you with research to prove this, but I would put forward a suggestion that most people under 40 (possibly those under 50) will look online as part of, if not the whole of, their research strategy – for anything and everything.

A significant proportion of your potential clients will be in this group. They don’t use media such as directories to provide the answers anymore; because the web is “always on” they can find information about your company at any time of the day. Showcasing your business in the medium upon which they depend so heavily means there is more of a chance to win more business.

## Make the site work

Ideally, a website should be a core part of a firm’s marketing strategy and it should be performing

some specific tasks. Here are a few ways in which a website can be made to work for your business.

First, let them find out more about you. Publishing content describing “who you are and what you do” will filter out some of the phone calls in which you and your prospect realise that you’re not right to do business together; you can then point warmer prospects to your site for the details. Leads are then far more likely to be converted into a business transaction.

Second, use the website as an alternative to printed materials. A printed flyer or brochure requires periodic updates and reprints, which is a high cost overhead. Instead, the firm’s website should be the single point of information about your business and people can be sent to it verbally, by using a business card or the company stationery.

Further, if you like writing about your business and sharing thoughts with peers and clients, you could develop a blog. It’s a great way of stimulating debate and discussion and raising profiles. Articles can be uploaded to a blog site (perhaps using WordPress – see more below), or publish articles on LinkedIn and link between the two.

## Design, look and feel

Websites were once, and probably still are, the holy grail of the design world. They are a combination of the aesthetic and the technical. Not only must they look superficially attractive, but they have to behave properly as well, regardless of screen size, browser and so on.

Again, the good news is that it is not necessary to pay someone with a MacBook and sleeve tattoos to design something bespoke. There are companies which make simple template sites available (see **Cost Analysis**) and all that is required is to drop words and images into the template. While this approach offends the purists and the creative types, it’s a perfect solution for micro and small businesses that don’t need anything more elaborate (or expensive). There is a range of pricing for these sites – starting at free. Yes, free.

A website does not have to be complicated; in fact, only two or three well put-together pages are needed to get started. And if a firm gets this right it may never need to add much more.

## Five easy steps

So what is required to create a website? I think this can be distilled down into five easy steps.



*Karen Smith* is a digital analyst and content manager with 20 years’ experience in a range of sectors including banking, health, urban regeneration and life sciences. Find out more at [www.truckle.limited](http://www.truckle.limited).

1. **Register a domain name.** Ideally, this should match your trading name and include hyphens between words. You can buy names at a number of domain registrars and these must be renewed periodically. Different registrars hold rights to different extensions (.com, .info, .org etc) and there are now many other options to choose from, such as .biz, .ltd, .limited.
2. **Choose a web template.** Two of the most popular and easy-to-use site products are WordPress (<https://wordpress.com/>) and Wix ([www.wix.com/](http://www.wix.com/)). There are others, just search online for "website builder" and you'll see the options available.
3. **Source some images.** People like people. If you are doing business by telephone or online, being able to see the other person helps to build trust and rapport. Get some head and shoulders photos done, but make sure they look professional. You can also use stock imagery to fill in any gaps, but beware infringing ownership rights (which will require payment). Further, they do not always add much to the experience.
4. **Include your logo.** If your firm has a logo on letterheads or business cards, including this on the website helps to align your collateral and reinforce your brand identity.
5. **Write some content.** A website should be aimed squarely at the person it is intended for: the user, not the owner. Doing it the other way around is a common cause of sites becoming expensive disasters the world over.

### More on content

Many firms already have a description of what they do, either written in a sales letter or brochure, or a 30-second potted verbal introduction refined over years of experience. Brainstorm and ask yourself what you specialise in; what is your relevant experience, membership and qualifications; is there a specific geographic area or sector in which you practise? Try to think like a potential client: what do they need to know before they contact you? What is the problem that you can solve for them?

Before writing content, read the free guide to search engine optimisation by the gurus at Moz, it will help the website to be found by search engines.

### Once the site is complete

After the website is built and goes live it is easy to sit back and think that nothing else needs to be done. That's not the case.

First, make sure that it can be found through searching (see above), linking or, at a push, buying advertising space. Ensure that links to your site appear in credible, trusted places. If you have a practising certificate, log on to [ifa.org.uk](http://ifa.org.uk) and update the public practice section in your member dashboard to include your URL (website address). This will then display in the "Find a Financial Accountant" tool.

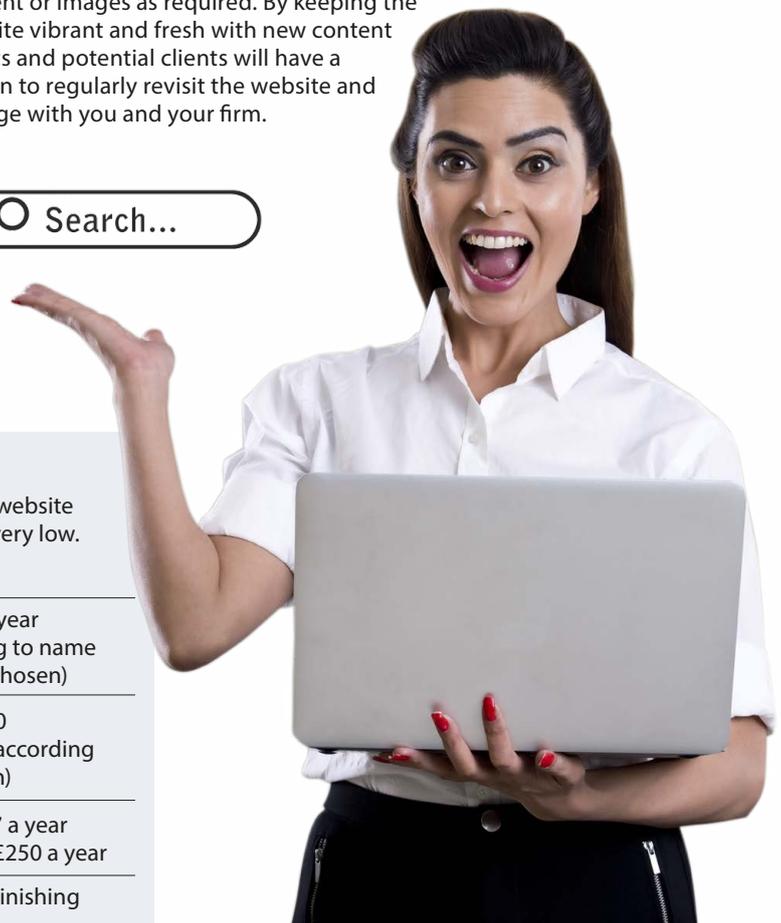
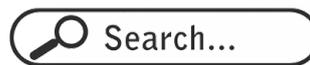
Second, update your branded collateral: make sure everything includes your URL, especially your business card.

Third, monitor the traffic to the website. Most site template subscriptions include tools that show basic visitor information. Remember to ask prospects how they found you and if they have seen your site.

Finally, continue to "feed and water" the website. Periodically check the site to ensure it is still correct, up to date and relevant. Ask clients to review it and provide feedback. Add or change content or images as required. By keeping the website vibrant and fresh with new content clients and potential clients will have a reason to regularly revisit the website and engage with you and your firm.

### FURTHER INFORMATION

Free guide to search engine optimisation by the gurus at Moz:  
<http://tinyurl.com/oec9dca>.  
WordPress:  
<https://wordpress.com>  
Wix: [www.wix.com](http://www.wix.com)



### COST ANALYSIS

Some initial help may be required to get started with website construction, but thereafter the annual outlay can be very low.

Item	Cost
Domain name(s)	From £7 per year (will vary according to name and extension chosen)
Photography (head and shoulders)	£30 to £60 (one-off; will vary according to location)
Site template subscription	Wix: £31 to £187 a year WordPress: Free to £250 a year
Updating existing collateral	Variable, but diminishing

# Sharing solutions

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

## BUSINESS RATE CHANGES – APRIL 2017

Two changes to business rates are due to come into effect from 1 April 2017. Whether these will affect a business will depend on its location and size.

First, revaluation adjusts the value of business rates to take into consideration changes in the property market. It usually takes place every five years, although there hasn't been a revaluation since 2010.

All business properties will get a new rateable value and multipliers (or poundages in Scotland) will be revised. The government has stressed that this doesn't necessarily mean that rates will change. It estimates that three-quarters of businesses will either see no change or a reduction.

Revaluation only applies in England, Wales and Scotland. No date has been set in Northern Ireland.

Second, small business rate relief in England will be permanently doubled from 50% to 100% from 1 April 2017. This means that businesses with a rateable value of £12,000 and below will obtain 100% business rate relief (provided that it only uses one property). Business with a rateable value between £12,000 and £15,000 will receive tapered relief.

Local councils will send businesses a bill for the following tax year in February or March. Firms usually pay in ten monthly instalments.



Michael Lucas, Director,  
Haleys Business Advisers.

authority against him – but you can understand why he said this was a sensible result.

It is necessary to recognise that foreign currency is a chargeable asset for capital gains tax purposes. This means that there are four stages to consider.

1. The acquisition of US dollars.
2. The disposal of those dollars and the acquisition of another asset – the house.
3. The disposal of the house and the acquisition of US dollars.
4. The disposal of the dollars and the conversion to sterling.

The acquisition and disposal of the dollars at the outset is unlikely to give rise to any gain or loss because that will occur within a very short time scale. The same may apply at the other end when the property is sold. However, if there is a delay in the use of the dollars at the beginning or the conversion back to sterling at the end, a gain can arise on those occasions.

As far as the house is concerned it was bought for \$500,000 when the sterling equivalent was £333,333. When the house was sold for \$700,000 the sterling equivalent was £538,641. So the gain on the house for UK capital gains tax purpose is £205,128 and not £153,846.

It works the other way too, of course, to create a (possibly unexpected) reduction in the gain if the exchange rate moves in the opposite direction.

Peter Vaines,  
Field Court Tax Chambers.

## FOREIGN CURRENCY ASSETS

The recent case of *Knight v HMRC* (TC5544) provides another confirmation of the much misunderstood capital gains tax position when a foreign asset is sold.

If I buy a house in the USA for \$500,000 at a time when the exchange rate is £1: \$1.50 and sell it for \$700,000 at a time when the exchange rate is £1: \$1.30, my capital gain is not \$200,000 converted at 1.30 = £153,846.

Unfortunately, that is much too simple and try as he might, Mr Knight was unable to persuade the First-tier Tribunal that this was the right result. It wasn't and there was just too much



## TAX-FREE CHILDCARE

The tax-free childcare scheme is due to be launched in early 2017. It will provide government support to working parents when they pay for childcare from a registered provider.

To obtain the support parents must open an online account, which will be managed by National Savings & Investments (NS&I). For every £8 a parent pays in, the government will pay in £2. Parents can receive up to £2,000 per child a year, or £4,000 for disabled children.

To qualify, parents will have to be in work, and each earning at least £115 a week and not more than £100,000 per year. The



👉 Please send hints and tips to: [richard.curtis@lexisnexis.co.uk](mailto:richard.curtis@lexisnexis.co.uk)

scheme will be available for children up to the age of 12, or 17 for children with disabilities. It will be rolled out gradually, with parents of the youngest children able to apply first.

Childcare providers have to sign up online to receive payments from parents. They will be able to do this once they receive an invitation from HMRC – the department will be sending invitation letters to regulated and approved childcare providers across the UK.

Providers must be regulated or approved childcare providers, ie registered with a body such as Ofsted. Registration can take up to 12 weeks.

HMRC has also previously published guidance for parents – *Tax-Free Childcare: 10 things parents should know* ([tinyurl.com/ofcymx](http://tinyurl.com/ofcymx)).

Geoffrey Rogers,  
Geoffrey Rogers Chartered Accountants.

## SPOTTING PHISHING

HMRC has updated its guidance on how to spot genuine contact from the department and how to tell when an email or text message is phishing or bogus. See [tinyurl.com/kn93ggf](http://tinyurl.com/kn93ggf).

Phishing is the fraudulent act of emailing a person to obtain their personal and financial information such as passwords and credit card or bank account details. These emails often include a link to a bogus website encouraging visitors to enter their personal details.



Russell Eisen,  
Elman Wall Ltd.

## PRE-REGISTRATION FIXED ASSETS

HMRC has issued *Revenue & Customs Brief 16/2016* ([tinyurl.com/h77xnw5](http://tinyurl.com/h77xnw5)) to clarify the position about VAT on fixed assets purchased before the date of registration.

It seems that, in recent years, some over-zealous VAT officers have been issuing assessments for VAT on fixed assets acquired before registration. The reason given was that the assets were already “used” before registration, so the business was only entitled to claim that proportion of the VAT that represented the usable “life” of the asset after registration.

For example, suppose a business bought a new van on 1 January 2013 for £20,000 plus VAT of £4,000. The business registers for VAT on 1 July 2016. It claims all of the VAT paid on the van on its first VAT return. An officer visits to inspect the first return VAT claim and issues an assessment for some of the VAT paid on the van. The officer takes the view that the van will be usable for 20 years, so calculates the assessment as follows:

$£4,000/20 = £200$  for each year  
 $£200 \times 3.5$  years use pre-registration: £700.

HMRC has confirmed that VAT on fixed assets purchased within four years can be recovered in full. Businesses can claim any VAT paid on such assets in the following situations:

- the business has reduced the VAT it deducted on fixed assets, to account for pre-effective date of registration (EDR) use;
- HMRC has raised an assessment of tax to account for pre-EDR use of fixed assets; and

- HMRC has reduced a repayment claim to account for pre-EDR use of fixed assets.

VAT claims can be made within the normal four-year limit under the procedure in *VAT Notice 700/45: How to correct VAT errors and make adjustments or claims*.

Remember, though, that if a business is partly exempt or the asset is used for non-business purposes, it may not be able to claim pre-registration VAT on fixed assets under the normal rules. See *VAT Notice 700*, section 11 for the basic rules about VAT on pre-registration costs ([tinyurl.com/n8f4fbq](http://tinyurl.com/n8f4fbq)).

Marie Stein,  
VAT Exchange Ltd.

## CHRISTMAS GIFTS

Gifts to staff such as bottles of wine, a turkey or high street store gift vouchers are quite common at Christmas and the new year.

Strictly speaking each of these is a taxable benefit, regardless of cost, and would need to be reported on forms P11D as a benefit. However, HMRC do not always like to be seen as Scrooge and the introduction of the new trivial benefits exemption can apply. This includes items such as a bottle of wine, a box of chocolates, flowers or a seasonal gift if the cost is less than £50.

Where the cost of the gift is not trivial it will need to be reported on form P11D as a benefit. Should the employer decide that this is not practicable or appropriate given that this is a gesture of goodwill, they may pay the tax and National Insurance in their PAYE settlement agreement (PSA). In this case, employers would be paying the tax on a grossed-up basis.

A cash gift or a bonus given to staff at Christmas is always treated as normal pay and is subject to PAYE tax and National Insurance contributions deductions through the payroll. This also applies to vouchers exchangeable for cash.

Suppliers or clients may also give gifts to employees of other firms. Employers have to report to HMRC details of the expenses and benefits provided to their employees by third parties, where the employer has arranged or facilitated their provision.

Alternatively, where an employer makes a reciprocal agreement with a supplier to provide goods to the other's employees, each employer would be regarded as having arranged the provision for its own employees.

Where there is no arrangement, the third party must give the same details to the employees as it would have to give if they were its own employees, but it does not have to give the information to HMRC unless specifically requested.

The deadline for providing details is the same as for the submission of forms P11D.

HMRC has stated that benefits such as corporate hospitality and small gifts costing the third-party provider up to £250 per donor per tax year will not be caught by these obligations and therefore there should be no tax consequence for the employee.

Yadvinder Rihal, *Employment Taxes Manager*,  
Blick Rothenberg.



Calling IFA and FTA members. Please send practical accountancy, tax and business hints and tips to Richard Curtis at: [richard.curtis@lexisnexis.co.uk](mailto:richard.curtis@lexisnexis.co.uk).

# Taking directions

Members need to take action to implement the Fourth Money Laundering Directive, says *Anne Davis*.

## ➤ FURTHER INFORMATION

HM Treasury consultation on the transposition of the Fourth Money Laundering Directive: [tinyurl.com/zlhx56e](http://tinyurl.com/zlhx56e)  
 IFA response to HM Treasury consultation on the transposition of the Fourth Money Laundering Directive: [tinyurl.com/zoqd5x5](http://tinyurl.com/zoqd5x5)  
 Department of Business, Energy and Industrial Strategy consultation on Implementing the Fourth Money Laundering Directive: beneficial ownership register: [tinyurl.com/gwf2mem](http://tinyurl.com/gwf2mem)  
 Companies House guidance on people with significant control (PSC) requirements for companies and limited liability partnerships: [tinyurl.com/jb8f8pv](http://tinyurl.com/jb8f8pv)  
 Cutting Red Tape – Anti Money Laundering: [tinyurl.com/okrm3po](http://tinyurl.com/okrm3po)



**Anne Davis** is Head of Regulation and Policy at the IFA. She is also an independent consultant specialising in financial ethics and the governance of not-for-profit organisations. Previously, she worked at ICAEW as integrity and ethics manager and as head of charities and the voluntary sector. Anne trained with Coopers & Lybrand and has held financial and management roles with the National Provincial Building Society (now part of Santander), Whitbread and General Motors Asset Management. She is also a treasurer for the charity Carers' Trust Cambridgeshire. Anne can be contacted by email: [AnneD@ifa.org.uk](mailto:AnneD@ifa.org.uk)

## TEN SECOND SUMMARY

- 1 European member states must update money laundering laws by 26 June 2017.
- 2 Corporates and other legal entities must maintain accurate and current information on their beneficial ownership.
- 3 In due course, IFA members should consider training courses to familiarise themselves with the directive changes.

**T**he European Union's Fourth Anti-Money Laundering Directive came into force on 26 June 2015. It requires European member states to update their respective money laundering laws and transpose the new requirements into local law by 26 June 2017.

The directive seeks to give effect to the updated Financial Action Task Force (FATF) standards. FATF is an inter-governmental body that promotes effective implementation of measures for combating money laundering and terrorist financing. The membership of FATF consists of 36 countries including the UK where HM Treasury leads our delegation.

In September 2016, HM Treasury issued a consultation on the transposition of the EU Fourth Anti-Money Laundering Directive (4MLD or "the directive") and relevant parts of the Fund Transfer Regulation (FTR) into UK law. After the terrorist attacks in Paris and the "Panama Papers", the directive is being strengthened. However, these amendments were not part of HM Treasury's recent consultation because they are subject to negotiation and agreement by the EU member states.

According to HM Treasury, the feedback from the consultation document will play a key role in deciding how to transpose the EU directive into UK national law in a way that manages the burden on business while at the same time actively discouraging money laundering and terrorist financing activity.

## Key changes

Some of the key changes are as follows.

- *Changes for customer due diligence (CDD)*. CDD will be required by anyone trading goods in cash with a value over €10,000 (currently €15,000). This lower threshold will apply to a one-off transaction or a series of transactions that appear to be linked and the requirement will be extended to receiving as well as making payments in cash.

- *Emphasis on risk-based approach*. The current UK regulations already incorporate a risk-based approach, but the new directive goes further and seems to require more documentation of the risk assessment. For members in public practice, this will mean demonstrating and documenting:
  - that risk assessments are conducted and kept up to date, taking into account risk factors including those relating to their customers, countries or geographic areas, products, services, transactions or delivery channels; and
  - money laundering policies and procedures that take the firm's risk assessment into consideration.
- *Assessment of risk and controls*. A tougher approach to compliance with anti-money laundering (AML) and combating the financing of terrorism (CFT) requirements and employee screening. Among the proposals are the appointment of a compliance officer and an independent audit function to test the internal policies, controls and procedures.
- *Enhanced measures for local politically exposed persons (PEPs)*. The definition of PEPs has been widened to include domestic individuals occupying prominent public positions as well as those from overseas. Therefore, local PEPs will be subject to the same scrutiny as those from abroad.
- *Central register of beneficial ownership*. Under the directive, corporates and other legal entities will have to maintain accurate and current information on their beneficial ownership. This information will be held by each member state in a central register that will be accessible to "any person or organisation that can demonstrate a legitimate interest". The people with significant control (PSC) register for those who can influence

## AMLCC

The IFA supervision fee now includes the IFA endorsed AMLCC suite of AML compliance tools which is free for members and up to three employees.

AMLCC provides an online programme to assist professionals in the accountancy and bookkeeping sectors with their compliance with the Money Laundering Regulations 2007.  
[www.amlcc.co.uk](http://www.amlcc.co.uk)  
 E: [admin@amlcc.co.uk](mailto:admin@amlcc.co.uk)  
 T: 01455 555 468

or control a company and limited liability partnership (LLP)s became a legal requirement on 6 April 2016 and operational in Companies House from 30 June 2016 (see **Company Secretarial** for further information). While the PSC register goes some way to meeting the requirements of the directive, some areas are not addressed such as other legal entities not covered in the PSC register and ensuring the information is accurate and current. At the time of writing, the Department of Business, Energy and Industrial Strategy is consulting on Implementing the Fourth Money Laundering Directive: beneficial ownership register.

### IFA response

The IFA's response to this consultation supports the increased emphasis in the directive to AML/CTF obligations. This approach is intended to be proportionate and flexible rather than prescriptive, which promotes effective AML/CFT compliance and supervision. However, we highlight some areas of concern on costs and the burden to business of CDD measures, rarely used reliance on third-parties' CDD measures, practicalities involved in identifying PEPs and assessing risks, and the need for guidance on the scope and types of offences relating to criminality tests for individuals. The IFA's response is available at [www.ifa.org.uk/representations](http://www.ifa.org.uk/representations).

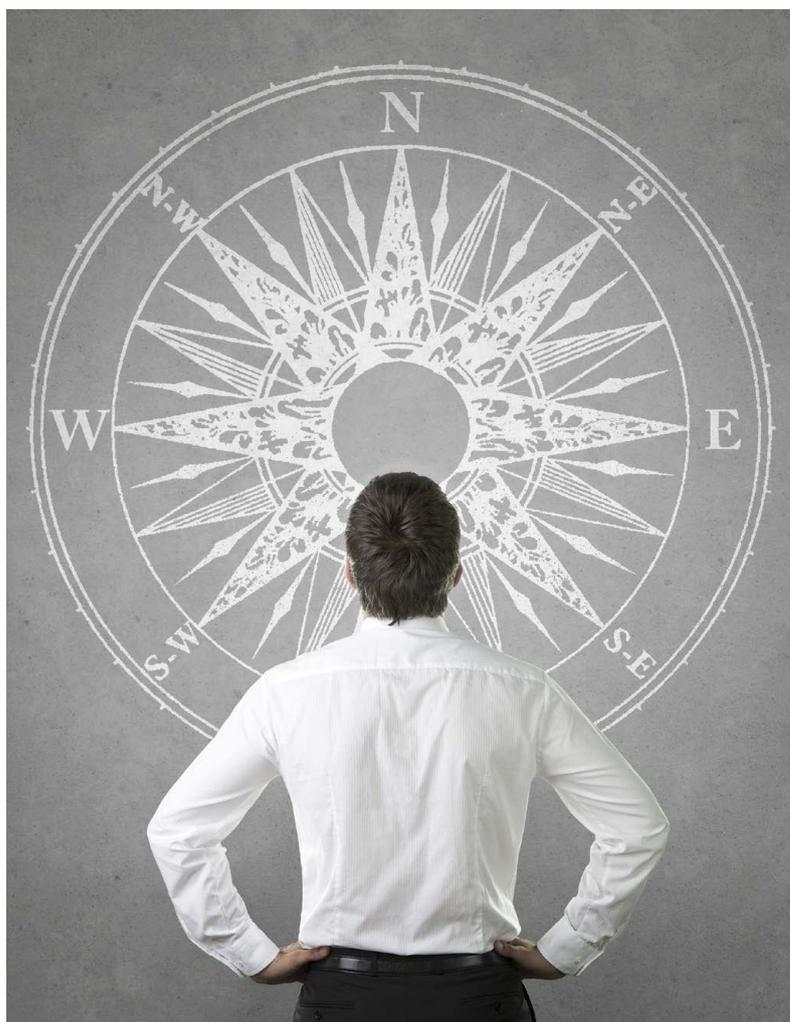
### Timelines

The revised Money Laundering Regulations come into effect 26 June 2017 and it will be a busy time between now and then. HM Treasury is reviewing the responses to the consultation on the directive and draft regulations must be issued and finalised by June. Further, the CCAB guidance on anti-money laundering will have to be revised, issued and finalised.

Once the transposition of the directive is complete, members should consider attending training courses to become familiar with the changes in the directive. Money laundering reporting officers (MLROs) should review their policies, procedures and risk assessments to ensure that these meet the requirements of the new directive and incorporate the risk-based approach. Staff will also have to be trained in the revised requirements.

### Changes on the way

Further changes are likely. HM Treasury and the Home Office are expected to announce AML and CTF action plans which were consulted on in April 2016. The consultation included legislative changes, the suspicious activity reports regime and the supervisory regime. We may also see some further amendments to the directive as a result of the terrorist attacks in Paris and the Panama Papers. Finally, we are still waiting the outcome of the government's *Cutting Red Tape* review which is currently being developed for publication.



## COMPANY SECRETARIAL

### Register of people with significant control

Since April 2016 it has been a legal obligation for all companies, including charitable companies, to keep a register of people with significant influence or control over the company (known as a PSC register) with the company books.

Those with significant influence or control can include the company's shareholders or members, if they have more than 25% of the voting rights at general meetings, and/or those with rights to appoint or remove the board.

If a company has no people with significant influence or control, a note to this effect must be made in the PSC register.

### Confirmation statements

Under changes that came into force on 30 June 2016, companies no longer need to file annual returns with Companies House. The annual return has been replaced with a new confirmation statement, due every 12 months, where a company will be asked to confirm that the information Companies House holds about it is correct. It is open to companies to file a confirmation statement before the 12-month deadline: this restarts the clock and the next confirmation statement will not be due for a further 12 months.

Companies will need to submit the details of their PSC register to Companies House as part of their confirmation statement. This information will then be publicly available.

Note that charitable companies with an income over £10,000 still need to file an annual return at the Charity Commission.

# Branch meetings

*Linda Wallace* provides details of forthcoming branch meetings and IFA autumn conferences.

## TEN SECOND SUMMARY

- 1 Branch meetings, speakers and topics for the coming months.
- 2 Members should remember that they can also find information and reserve places on the IFA website.
- 3 If there is no branch in your area would you be interested in starting one?

These pages include information on forthcoming branch meetings, but don't forget that up to date information is on the IFA website at [www.ifa.org.uk/events](http://www.ifa.org.uk/events). Also, following the links on the website enables places to be booked at your local meeting. So please come along and support your IFA local branch to gain CPD points, keep up to date with IFA news and important issues in the accounting world, and of course meet local members.

Branch events are free and contribute towards your CPD points.

There are branches in the following regions.

- Bucks, Oxon & Berks
- Devon & Cornwall
- East & South Yorkshire
- East Anglia
- East Midlands
- Essex
- Hampshire & Dorset
- Greater Manchester, Lancashire & Cheshire
- London
- North & West Yorkshire
- North West Midlands
- Northants, Beds & Herts
- Northern Ireland
- Northern Counties
- Scotland
- South West Midlands
- West of England & South Wales

If you do not currently have a branch near you, and are interested in setting one up, we can provide all the necessary assistance and support to make it happen.

Email us on [mail@ifa.org.uk](mailto:mail@ifa.org.uk) with the following information:

- your membership number;
- telephone number; and
- your enquiry.

## WEDNESDAY, 15 FEBRUARY 2017 (4:00PM – 7:00PM)

### Scottish Branch

**Richard Armstrong**, RD Tax Solutions

**Griselda Williams**, Smart Pensions

**Gayle Robertson**, Lloyds Bank Invoice Finance

[Glasgow Caledonian University](#)

Cowcaddens Road, Britannia Building Glasgow, Lanarkshire G4 0BA

## THURSDAY, 9 FEBRUARY 2017 (5:45PM – 8:45PM)

### Northern Ireland Branch

**Fiona Purdy** and **Richard Simms**, FA Simms: Anti-money laundering, a demonstration of AMLCC, business rescue and insolvency plus the 8 steps to compliance.

[Dunsilly Hotel](#)

20 Dunsilly Road Ballymena, Northern Ireland BT412JH

## WEDNESDAY, 15 FEBRUARY 2017 (4:00PM – 7:30PM)

### Greater Manchester & Lancashire Branch

**Ted Comerford**, HMRC: Making tax digital

Check website ([tinyurl.com/zm85hdk](http://tinyurl.com/zm85hdk)) for more information

[University of Manchester](#),

Room 3.204, 3rd floor, University Place Oxford Road, Manchester, Cheshire M13 9PL

## THURSDAY, 2 MARCH 2017 (5:00PM – 8:30PM)

### Devon and Cornwall Branch

**Paul Clegg**, Qdos Vantage: HMRC enquiry activity

**Christopher Earlam**, Sage One: cloud accounting

[Plymouth Albion Rugby Club](#)

Brickfields Recreation Ground, 25 Damerel Close, Plymouth, Devon PL1 4NE

**THURSDAY, 16 MARCH 2017 (7:30PM – 9:30PM)**

**North and West Yorkshire Branch**

AGM and auto enrolment update

**Weetwood Hall Conference Centre and Hotel,**  
Otley Road, Leeds, West Yorkshire LS16 5PS

**TUESDAY, 21 FEBRUARY 2017 (7:15PM – 9:15PM)**

**South and East Yorkshire Branch**

**Fiona Purdy**, FA Simms: AMLCC

**Ibis Hotel**

Moorhead Way, Bramley, Rotherham, South Yorkshire  
S66 1YY

**THURSDAY, 16 FEBRUARY 2017 (5:30PM – 9:00PM)**

**North and West Midlands Branch**

Making tax digital/money laundering update

**University of Wolverhampton**

Telford Campus, Shifnal Road, Wolverhampton TF2 9NT

**MONDAY, 13 FEBRUARY 2017 (5:30PM – 8:30PM)**

**East Anglia Branch**

**Kate Hardy**, Qdos Vantage: IR35 overview and new legislation affecting contractors

**Paul Clegg**, Qdos Vantage: HMRC activity and Connect data system

**Ipswich Hotel**

Old London Road, Copdock, Ipswich, Suffolk IP8 3JD

**MONDAY, 20 FEBRUARY 2017 (6:00PM – 9:00PM)**

**Essex Branch**

**Steve Checkley**, Taxcalc: Digital tax accounts and quarterly reporting

**Jupiter House**

Warley Hill Business Park, The Drive, Brentwood, Essex  
CM13 3BE

**WEDNESDAY, 15 FEBRUARY 2017 (4:00PM – 9:00PM)**

**Hampshire and Dorset Branch**

**Matthew Tyler**, Qdos Vantage: IR35 overview and new legislation affecting contractors

**Christopher Earlam**, Sage One: cloud accounting

**Ashstead Suite, Marwell Hotel**

Thompson Lane, Colden Common, Winchester,  
Hampshire SO21 1JY

# Centenary celebrations

Local branches celebrated the one-hundredth anniversary of the Institute of Financial Accountants in 2016.



## Essex Branch

14 November 2016, Brentwood.  
A great night was had by more than 80 attendees as the Essex Branch celebrated the centenary by holding an event at the De Rougement Manor.

## Scottish Branch

25 August 2016,  
Glasgow Caledonian  
University.  
Derek McKay, Duncan  
Walker and Sandy Strang.



## North and West Yorkshire Branch

21 July 2016,  
Nandos and bowling.  
Branch chair Zeeshan  
Rizvi and fellow  
IFA members.

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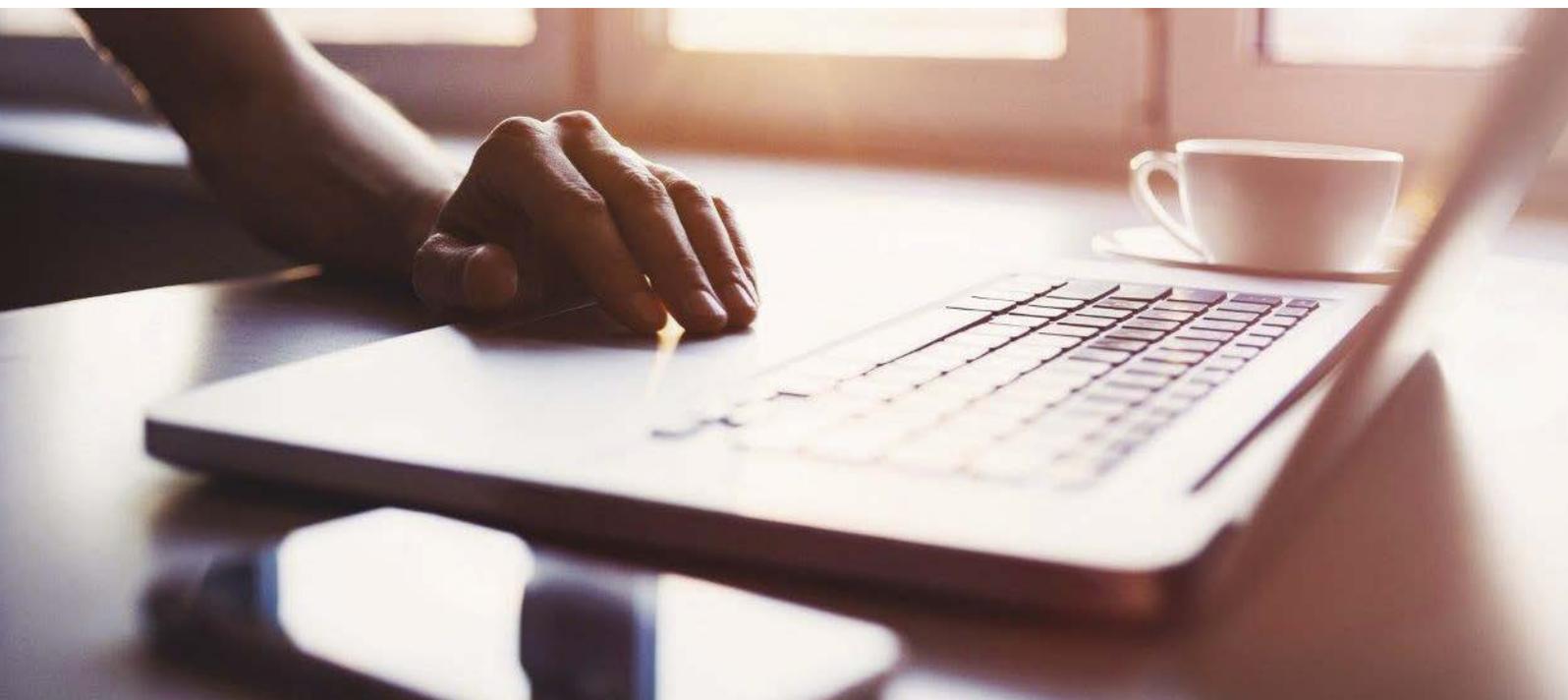


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Renewing your membership means you can continue to use your designatory letters and receive all the benefits of membership.

From 1 January to 31 March 2017 you will be charged a late payment fee of £30 per month until you pay your annual membership fees or submit your renewal returns.

After 31 March 2017 if you haven't renewed your membership will automatically lapse.

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