

vital



THE QUARTERLY MAGAZINE FOR STUDENTS

ISSUE 67
JANUARY 2016
ICAEW.COM/VITAL

AGE OF INNOCENCE

James Davenport group FD of Innocent Smoothies
on learning as you grow, global expansion and the
benefits of international experience

Plus How to pass exams
Working overseas
Liven up your lunch

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January 2016 Issue 67

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GROWN-UP JUICE



AGE OF INNOCENCE

James Davenport joined Innocent as its first financial controller in 2003. Now he's FD of a multinational drinks company

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COMMENT



ICAEW OVERSEAS

Ahmad Hazriq Azalan on the role accountants can play

"We want future leaders to develop the skills that come from working overseas. They come back more rounded as an individual, and more confident"

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Deloitte UK, managing partner for global

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PACKING A PUNCH

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COVER PHOTOGRAPHY: ANDY LO PO

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Welcome to *Vital*

Happy New Year! Welcome to the January issue of *Vital*



In this edition we are celebrating success across the ACA from around the world. To begin with, why not check out our aptly-named ICAEW Firsts article (page 26) where we look at some of the landmark moments and achievements that have occurred across the globe as ICAEW has grown. And if this international success has inspired you, or you have already been considering working abroad, why not look at page 24 and see what partners and accountants have to say about the advantages of doing an international secondment? Business trainer Marcia Tucker even provides some helpful tips for

working across different cultures.

The Study section, as usual, is jam-packed with hints and tips to help you with your ACA exams in 2016. We have useful information on the important changes that will affect your exams this year in our New Year Tax Special (page 18) and some great advice on how to prepare for the day of the exam (page 14) - it's not just about revision.

Of course, no issue of *Vital* would be complete without our Life section, which in this issue has some delicious recipes to spice up your lunch box (page 30), while the wishlist (page 33) is full of great ideas to help you keep those resolutions this year (or at least for longer than last year).

As, always, we love to hear from you, so if you have any comments or suggestions, email us at vital@icaew.com. And if 2016 is the year you are completing your ACA training, continuing to take your exams or even starting your ACA studies, we wish you all the best for the year ahead.

Marie

Marie Lake
Vital Editor

Vital is produced on behalf of ICAEW by Progressive Customer Publishing, 71-73 Carter Lane, London EC4V 5EQ. T: +44 (0)20 7920 8100. progressivecp.com. Contact: info@progressivecp.com

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LPDPLM14629

Printed in the UK by Sterling Solutions



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You & Your Views



IN THE NEW ISSUE OF ECONOMIA

- The *economia* Future Finance 50 – the movers and shakers of the finance world
- The Graph: ICAEW's millennials research by numbers
- Interview: Jonathon Cornaby, CFO of the Royal Academy of Arts tells all
- Debate: Is the UK experiencing a house price bubble?
- The office of the future – where will you be working in 2040?
- Is the government really rebuilding the UK economy?
- Work and pleasure: How to make the most of your business trips

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- Exclusive news and features
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- How to download our magazine app
- Follow us on twitter @economiamag

Phew exams done! My hand is still recovering after all of that! Well done everyone! #ACA #icaew #accountancy

Thank god for flat whites #aca #exams #6days

Thank god that mock is over! Bring on some serious revision for the next eight weeks!! #aca #far #bpp #icaew #exam #AccountancyProblems

No matter how hard the exam paper. You have to face it. #aca

Potent combination of caffeine, Lemsip & Lucozade attempting to get me through today! #poorly #aca #exams

That feeling of accomplishment when you've finished preparing your open book text for an #exam #ACA @ICAEW #auditing

Tweets

Facebook

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Congratulations to all our new members celebrating their success at Chartered Accountants' Hall this evening!
128 likes/comments/shares



GO TO THE APP STORE TODAY!

Exclusive to all ACA students and current members, the ICAEW app is now ready to download for iOS users. Login using your ICAEW student number to access the app's range of features...

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- 3** Track your exam progress.
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In Review: Top 10

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ACA CTA JOINT PROGRAMME

We are delighted to announce the launch of a new specialism for the ACA CTA Joint Programme – taxation of owner-managed businesses. The Joint Programme is a unique and efficient route for students working in tax to specialise in one of three tax areas – taxation of major corporates, owner-managed businesses and indirect tax – to achieve both the ACA and CTA qualifications. To find out more go to icaew.com/aca-cta

2

ICAEW'S BUSINESSFUTURES EVENT

ICAEW's BusinessFutures project was set up to look at the challenges to be faced by businesses in the next 35 years. On **9 October** we delivered our biggest "it's our future" conference yet. This interactive event was hosted by former *Blue Peter* presenter **Konnie Huq** (top left) and yes, we're pleased to report that one lucky delegate did win a *Blue Peter* badge! The event was closed by **Professor Brian Cox OBE** (right) who delivered a keynote address on the three things he predicts will happen in the next 35 years.



3

DATES FOR YOUR DIARY

To access your exam results and pass rate statistics for the ACA exams, go to icaew.com/examresults

22 JANUARY

Exam results – December Professional Level exams

3 FEBRUARY

Application deadline – March Professional Level exams

7, 8, 9 MARCH

Exams – March Professional Level

4

REMINDER: NEW QUESTIONS AT CERTIFICATE LEVEL

From 1 January 2016, scenario-based questions will be included within the Certificate Level Management Information and Principles of Taxation assessments. View sample assessments and videos at icaew.com/examresources

ALSO Congratulations to **Callum Griffiths** at BDO for achieving the John Tiley Medal and highest mark in the Taxation of Major Corporates exam in September.

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GRADUATION CEREMONIES

Malaysia

YB Senator Dato' Sri Abdul Wahid Bin Omar (top right), minister in the prime minister's department; Andrew Ratcliffe, ICAEW president (right); Mr Teo Ee Sing, executive director of Sunway College; and Dato Gan Ah Tee, chairman of the Malaysia City Group dignitaries, attended the graduation of 143 ACA graduates at ICAEW Malaysia's 2015 graduation ceremony in Kuala Lumpur.

Pakistan

In October Justin West, head of new business opportunities, travelled to Pakistan for a series of graduation ceremonies in Islamabad, Karachi and Lahore. Since the signing of the MoU between ICAP and ICAEW in 2007 student numbers and pass rates have continued to grow and July 2015 saw the first Pakistani-registered prize winner.

Cyprus

Congratulations to all ACA Students in Cyprus for passing their exams. ICAEW president, Andrew Ratcliffe will join them at the annual graduation ceremony in Nicosia on 28 January to celebrate their successes along with friends, family, employers and tuition providers.

6

WEBINARS WORTH TUNING INTO

All webinars are broadcast live from Chartered Accountants' Hall at 10am. Register at icaew.com/acawebinars

16 FEBRUARY

Managing different personalities

15 MARCH

Communication across technology

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7 COMPUTER-BASED EXAM UPDATE

ICAEW has announced a delay to the introduction of computer-based exams for the ACA Professional and Advanced Levels following the news that the preferred supplier, learndirect, is potentially being acquired by Pearson Vue. Find out more at icaew.com/acaevolution



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JONATHAN DAWSON SIX EVENTS IN SIX WEEKS

Good luck to Jonathan Dawson who is raising money for **Great Ormond Street** by competing in six events in six weeks in April and May this year. These include two marathons, a 100km running race, two assault courses and a cycle ride to Valencia in Spain. Track his progress on justgiving.com/jondawson123

9 NEW ACA STUDENT TRAINING GUIDE, HOW TO GUIDES & FAQs

Got a question about your ACA training? Check out your brand new student training guide and series of how-to guides to help you with the essential components and processes that you will need to complete during the ACA. Visit icaew.com/how-to

10 ADVANCED LEVEL NOVEMBER 2015 EXAM RESULTS



This is a reminder that the Advanced Level November 2015 exam results will be published in the *Financial Times* on 28 January 2016 – make

sure you grab your copy! But if you forget don't panic – an online version will be available at icaew.com/ft

THE LOWDOWN: SHARON SPICE

The interview in fewer than 140 characters per answer. Sharon Spice is director of global student recruitment at ICAEW. She talks to *Vital* magazine about travelling with work and the importance of recruiting and supporting overseas members

Vital: What's your favourite part of the job?

Sharon: The variety, no two days are the same.

Where in the world are you now?

Currently in Malaysia and off to Vietnam tomorrow!

You work abroad a lot. Do you have a favourite place?

I like places for different reasons but Botswana stands out. I was overwhelmed by the students and their desire to stay after finishing their education to help build the local economy.

Why is it so important to recruit members overseas?

We want our global presence to increase, and the most effective way to do that is to have local champions on the ground, spreading the word.

What do you think ICAEW can offer overseas members?

Credibility, a voice, insight, a prestigious profession, career support and development and highly-committed ICAEW employees wanting to assist them.

How do you relax outside of work?

I have a five-year-old daughter who keeps me busy! But when I can, I like to go for a run as it clears my mind and helps me relax.

What's the key to a healthy work/life balance?

You need to take control of separating the two, which isn't always easy but it is necessary.

Do you have any advice for students?

I hear students say that the ACA qualification is too difficult, but if something isn't challenging then surely it's not worth having?



The boss

Richard J Irwin is chairman of PwC in Vietnam and a partner in the tax & legal services practice there. He talks about the keys to his success



Good conversation over a meal and a few drinks is essential to winding down.

Enthusiasm, a positive approach, and a willingness to learn new things, accept new challenges, and work hard, are key qualities I look for in junior staff.

It's always been my view that if you enjoy something, you can do well at it. So I try to keep positive.

I WAS VERY CLEAR about my career goals. I wanted to be a train driver - of a steam engine of course.

AFTER GRADUATING I worked in the research department of Conservative Central Office, which was very interesting as 1989/90 was a turbulent time in British politics. The problem was that it didn't pay well. I had taken part in Arthur Andersen's summer vacation programme a couple of years earlier and had liked the firm so I decided to apply.

THE SUPPORT WAS GREAT. We never had to study and work at the same time, so when it came to exam time, I headed up to North Wales and a training centre at Caer Rhun Hall. Despite the amount of study required, I do have good memories of the time.

I WAS PROMOTED to tax manager at Andersens in 1994. I worked on their on-call programme for various investment banks. It was quite stressful work, but there was a lot of support and the issues raised were interesting.

THE BEST PART of my job is the people I work with. They come from such a diverse range of backgrounds, and I love to see all these different cultures and ways of doing things. It's great to work with such a talented team.

OVER THE LAST 20 YEARS I have been based primarily in Vietnam, but I have also worked extensively in Cambodia, Laos and Thailand. If I could change anything, it would be to have worked in even more different territories.

THERE ARE PLENTY of smart people in the world. What distinguishes people, and equips people with the ability to succeed, is attitude. I also think it's very important to take a long-term view in building a career, and sometimes be prepared to sacrifice short term gains for a longer term goal. ■



Get yourself ready for the Case Study in 2016

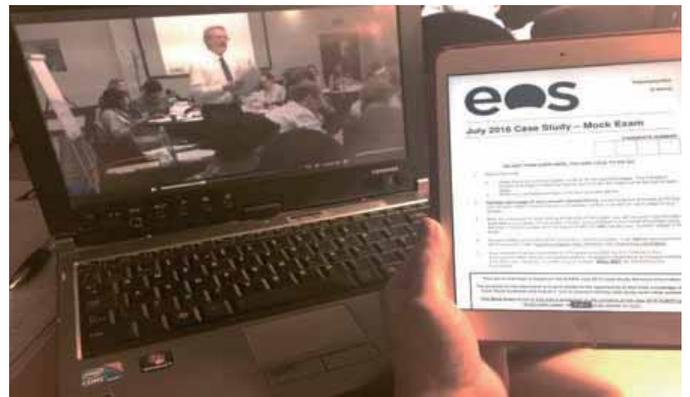
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On ICAEW overseas



Chartered accountant **Ahmad Hazriq Azalan** on the importance of promoting the value of ICAEW qualifications in Indonesia and the wider ASEAN area

The Association of Southeast Asian Nations (ASEAN) is the fastest-growing region economically, with a total population of 635 million people and a combined GDP of \$2.6trn (£1.7trn). This means the ASEAN region has almost 10% of the world's population, and falls just behind countries like the US, China and the UK in terms of GDP.

ICAEW can help this economy grow. The size and potential of the region's economy and population makes it important for ICAEW to promote its qualifications across the region, and specifically in Indonesia. And increasing the number of ACA students - and therefore accountants - in the region can also help promote International Financial Reporting

Standards (IFRS). ICAEW is already a member of the ASEAN Federation of Accountants (AFA) but by boosting its presence, it can encourage economic integration in the region.

English-taught qualifications such as the ACA can help Indonesian businesses to increase their professional advantage. It is vital for Indonesia to acquire more knowledge in order to compete with other ASEAN nations.

We are encouraging universities and students to register for ICAEW's University Student Scheme, to help them towards a career in accountancy. They can take mock exams, and get access to a range of updates and publications.

We need to approach and connect

Our challenge is the need to build confidence in those students who want to study the ACA in Indonesia

with more accountancy and audit firms - such as the Big Four - to get them more involved with the ACA in Indonesia. Hopefully with help from these firms, more and more students will be encouraged to take the course by the provision of funding and mentoring for those considering a career in accountancy.

Right now we are looking to try to build connections between colleges in the UK and colleges in Indonesia. So far we have had two ICAEW guest speakers from the UK, and they were very effective in promoting the ACA to our students. We have plans to make training for the ACA more accessible on a local level. One day, we hope to produce all of our accountants in Indonesia.

However we are still at a stage of infancy and we do have a number of challenges to overcome. Perhaps the biggest is language. University lectures are delivered in Bahasa, which is the only language of most people. We have some concerns that this might make the ACA, which is taught in English, seem more daunting. This is where our second challenge lies; building confidence in those students who want to study the ACA in Indonesia.

After studying my ACA in Malaysia, another ASEAN state, I know that it is just a matter of showing students that the ICAEW qualification is achievable. I look forward to seeing how we can continue to promote the ICAEW and its qualifications in Indonesia. We need to give students confidence with coaching, and by showing them that the ACA rewards hard work. ■

From the faculties

Keep in touch with what's going on in ICAEW's faculty magazines



NEW UK GAAP CHECKLIST OF RESOURCES AUDIT & BEYOND

The introduction of new generally accepted accounting principles (GAAP) in the UK creates some significant issues for affected auditors and audit entities. As a result the Audit & Assurance Faculty is not the only part of ICAEW with practical resources that could help with the transition. Across two pages, *Audit & Beyond* offers an overview of all the ICAEW resources on the new UK GAAP, so auditors can more easily find out what's available and where. It includes a summary of the guidance from technical releases, webinars and features in *Audit & Beyond* throughout 2015.

The Financial Reporting Faculty has collected together a new range of resources, which include factsheets, frequently asked questions and answers, articles, recording and events relating to the new UK GAAP. It details where to find it, and what resources are available to students and ICAEW members. The faculty has also made a number of new UK GAAP related Q&As available online, and these are presented in the form of helpsheets.

The ICAEW Technical Advisory Service has also identified FAQs and possible responses, and ICAEW members and students can always visit the library and information service, for more help and advice.

For more from the Audit & Assurance faculty visit icaew.com/aaf

INSIDE THE REVOLUTION CHARTTECH

To celebrate the 200th edition of *Chartech*, the IT Faculty considers the technology that has evolved to shape our lives, around and away from the accountancy profession.

From the early work of Tim Berners Lee in creating the world wide web and the first internet pages, through the evolution from desktop to laptop to tablet and smartphone, *Chartech* goes back in time by speaking to a range of experts in accounting, technology and many of the related fields for a broad view on how we arrived at where we are now, and where we might go in future.

As well as 200th edition specials from the regular columnists, the debates around big data, security, data centres, the law, evolution of spreadsheets, education and diversification go under the microscope. At the heart of the special edition is a comprehensive timeline of the major technological inventions, breakthroughs, stock exchange floats and hardware evolutions that have taken place since *Chartech* was first published, plus statistics showing the way internet use has grown.

Discussion of Moore's law undoubtedly features. The growing importance of technology serves to show just how relevant the IT Faculty has become.

For more from the IT Faculty, visit icaew.com/itfac

Find out more

ACA students can register to receive a complimentary monthly e-magazine from one ICAEW faculty of their choice at icaew.com/facultiesandsigs

MICRO ENTITIES: THE NEW STANDARD BY ALL ACCOUNTS

In July 2015, the FRC issued FRS 105 *The Financial Reporting Standard applicable to the Micro-entities Regime*. Sarah Dunn, a technical manager in the Financial Reporting Faculty, provides an overview of the UK's new financial reporting standard for companies applying the micro-entities regime.

Under the FRC's new framework for small and micro-entities, the FRSE has been withdrawn. Micro-entities choosing to take up the micro-entities regime will now be required to apply FRS 105.

FRS 105 is based on FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, but its accounting requirements have been adapted to satisfy the legal requirements applicable to the micro-entities regime and to reflect the size and nature of such entities.

The FRC has introduced further simplifications in order to reflect the size and nature of micro-entities.

Unlike the FRSE, FRS 105 does not include details of all the company law reporting requirements for a micro-entity. Instead, the standard outlines only the company law requirements relating to the financial statements themselves.

For more from the Financial Reporting Faculty visit icaew.com/frf

In September 2013, KPMG and BPP University launched a new accelerated pathway to qualification in partnership with ICAEW. Jessica Fino and Sinead Moore speak to three of the first students to graduate

Unlike more traditional qualification routes, for students enrolled on the intensive programme, 14 of the 15 ACA exams are front loaded into the first ten months of joining KPMG. As part of this programme students spend much of their time studying for their exams at BPP University and undertake two structured work placements in their KPMG office in that first year, giving their studies a practical application. The final exam - the Case Study - is then completed at the end of the training agreement.

The course, says Sarah Mackey, KPMG account director at BPP, offers less disruption as students are able to focus on their studies for the first year. When students do enter the workplace full time, they are ready to build a portfolio of clients without the distraction of exams.

Students obtain a technical base before entering work, a response, BPP says, to the changing needs of professional firms, as students need to become more technically skilled earlier in their career.

The training runs in London, Birmingham and Manchester, but KPMG and BPP plan to expand it to more cities in the UK.

Jessica Stoll

I started at KPMG on the intensive programme in September 2014, so have been with the firm for just over a year now. I applied to the public sector audit department, because I think hospitals, schools and council services matter. A really inspiring director interviewed me and after that I knew I wanted to join the firm.

With just under four months of work experience, I have done all kinds of work for different clients. I have translated audit reports for charities distributing aid in sub-Saharan Africa, reviewed a new community investment team for a housing association and examined the endowments of a leading university.

The programme isn't easy, but I would recommend it to anyone who prefers to focus on either study or work. I now have a grasp of the detail of accountancy that helps me every day in the workplace.

A key reason I joined KPMG is because of how the training equips you for all kinds of work. My training is principally in the public sector, but every trainee gains a range of experience through rotations. For example, I recently spent a week auditing a property investment fund. The experience gave me a fascinating insight into funds as I learnt about investment decisions and retail real estate.

After I qualify, I hope to stay with the firm. In the future, I would like to expand my skill set by managing larger projects and tendering for new work.

“My training is principally in the public sector, but every trainee gains a range of experience through rotations”

TIME *to* FOCUS



Patrick Godsmark ●.....

You develop a different set of skills by doing the ACA this way. My peers on our integrated programme are much more aware of practical audit considerations and how we do things here than I am, but my technical accounting knowledge is strong. To be able to focus on client work now without thinking about exams is a big positive.

When I first heard about this particular route to the ACA qualification I wasn't sure about it, as it was only in its second year. However, after attending a launch day I was convinced that it was a great way to get ahead and get the best out of my career with KPMG.

I think the main benefit of the programme is that you don't have to divide your time between client work and study. Having peers who are on the integrated programme, I can see how tough it is to revise while meeting client deadlines. The quality of tutoring by all the tutors at BPP has been excellent and the support from teams both at BPP and KPMG has been fantastic.

I've met great people doing the programme and that's been one of the best things. And I've learned so much. I came in with little to no experience in accounting and finance, and to think where my knowledge is now compared to where it was a year ago is quite exciting.

You have to keep up with the work each day or else it can get quite confusing, as the learning is cumulative. The fact that a lot of weekends this year have been taken up by studying has also been a challenge. You really need to stay disciplined.

I'm in our banking audit department, currently working on the audit of one of our larger investment bank clients. I'm learning a lot about the audit process and particularly about banks and I'm really enjoying it. I work with a great team every day and everyone has been very supportive. I'm really focused on trying to do the best job I can for these two years. I always want to be in a role where I'm challenged and learning every single day.

I think this route suits people who are good at cramming for exams. Those who prefer to structure their revision plans carefully over a period of time may find this route a bit trickier.

My advice is to keep on top of the work as best you can. Passing all of these exams first time taking this route is perfectly possible, but becomes much more difficult if you fall behind. That said; try to enjoy it as much as you can.

Find more information on this programme and all the ICAEW university partnerships at <http://bit.ly/1N9k2Sb>

Stacey Baldwin

I first considered accountancy after my A-level maths teacher told me she thought I would make a good accountant due to my passion for numbers. I did an accounting degree at university, and thought the ACA intensive programme would be the best route for me as I would be able to apply my knowledge while it was still fresh. It was a great relief knowing that after one year I would only have one exam left to do and was a great opportunity to meet the other graduates.

I haven't had to try to juggle work and revision, which I imagine can be incredibly challenging, especially in busy periods. I was at college for the whole time I was studying, so I could structure a revision plan without worrying about work clashes.

My favourite element of the programme has definitely been the people. As you spend 10 months with the same people every day we all became great friends and even managed to squeeze in an intensive holiday to Tenerife.

People often ask me if I would recommend the intensive programme and I definitely would. It suits hard-working individuals who are willing to dedicate large amounts of their time to revision. Although it's demanding, it is definitely worth it and a huge relief once you've completed all 14 exams.

I think one of the main advantages intensive graduates have over students who choose different routes is that when we start work in August, we have technical knowledge, which we can apply to our work, having covered most of the ACA examination material. However, other students will have more experience in the workplace, so there are advantages to all routes.

My main piece of advice is to stay motivated and focus on the finish line because it can be challenging at times. Make an effort to get to know your classmates as they will offer great support and make the whole programme much more enjoyable. KPMG and BPP are also on hand to offer constant support, which is incredibly reassuring and helpful.

“The quality of tutoring by all the tutors at BPP has been excellent”

“My favourite element of the programme has definitely been the people”



KNOW YOUR STUFF

PROFESSIONAL AND ADVANCED LEVEL EXAMS

You've done the revision, but are you prepared for the day of the exam? **Harvey Kennett**, tutor at First Intuition, gives his tips

THE DAY BEFORE

Check your admission details on icaew.com/exams. This will have your candidate number and the exam centre address.

Make sure you arrive 30 minutes before the start of your exam.

READ THE QUESTION

It sounds simple but you must read the question fully and then answer that question. Stay on topic and remember not to deviate away from what the question is asking.

CONSIDER LAYOUT

- Consider the format that you expect to see in the exam paper and use in your answers and learn it.
- Always show your workings. The marker can only give you credit for your method if they can see it.
- For discursive exams make each point clear and separate. Put every point in a separate paragraph.

TIMING IS EVERYTHING

The simplest way to manage your time is to look at how many marks each requirement has, and allocate your time accordingly. You can even note down when you should move on to the next question if it helps!

DURING THE EXAM

- Follow the instructions on the front sheet of the exam paper: You may sign, date and print your name on the answer booklet before the start of the exam but that is all.
- Stay within the lines. Anything written outside of the answer booklet grid will not be scanned, so will not be marked.
- Make sure you start answering each question on a new page.
- Use both sides of the answer booklet.
- Don't use corrector fluid or tape as it can affect what the marker sees (and marks). If you make an error cross it out neatly and carry on.

STUART KINLOUGH/IKON

WHAT CAN YOU BRING?

Check what permitted texts you should have; visit icaew.com/permittedtexts

MAKE SURE YOU HAVE...

- Two forms of ID
- Your own black ball point pen. Other pens don't scan as well and the markers can only give marks for what they can see.

DON'T PANIC

Good preparation with lots of exam practise will improve your confidence - thereby decreasing your stress on the day. A positive mental attitude goes a long way to making sure you pass.

**PRACTISE, PRACTISE,
PRACTISE... QUESTIONS**

Whether sitting one of the knowledge or skills-based exams, you will need to know the technical content so learn the syllabus. The question bank, sample papers and past papers show you how you will be tested, and show you what to expect in your exam. They are essential to your exam prep. icaew.com/examresources

TIME'S UP

When time is up you must stop writing immediately. Any further writing will be classed as misconduct and your details passed on to the ICAEW Assessment Committee. This includes: filling in your candidate details, numbering pages, crossing out or signing your name.

For a comprehensive list of dos and don'ts within your exam, read through the Instructions to Candidates at icaew.com/exams

HITTING *the* MARK

Financial statement analysis is a key skill you need to demonstrate in modules throughout the ACA exams. Tutor **Anne Porcheron** takes you through the exam and how to prepare for it

The Case Study exam tests whether nearly-qualified accountants can conduct a thorough evaluation of a company's financial performance and communicate their findings to a board of directors.

WHAT YOU WILL BE ASKED TO DO

The Case Study requirements typically ask you to evaluate the performance of a business for the year, with a focus on revenue, profit and other specific areas. You will need to compare the results to the prior year, and sometimes to KPIs or a forecast.

GO INTO THE EXAM KNOWING YOUR APPROACH

Good financial analysis will tell a story using numbers. Build up each point with:

- a financial fact, eg, "revenue has increased by 10% to £11m";
- cause(s), eg, "due to the launch of a new product";
- your opinion, eg, "which is impressive";
- a benchmark or context, eg, "given industry growth of only 4%"; and
- implication(s), eg, "but growth will be limited in 2015 as the factory reaches production capacity".

ANALYSING REVENUE

Consider the overall revenue growth and then the individual areas of the business, noting any requirement to focus on a particular business line. For causes of revenue growth or decline, make sure you think about price, volume, new contracts, clients or products.

ANALYSING GROSS PROFIT

Start with the movement in overall gross profit and margin and then drill down into the detail of the individual divisions' gross profit margins. Take care not to repeat your revenue analysis - focus on mix, margins and costs and efficiencies. Changes in revenue mix between business streams are useful in explaining movements in the overall company

gross profit margin; and you can use changes in product mix to explain the movement in gross margin for an individual business stream.

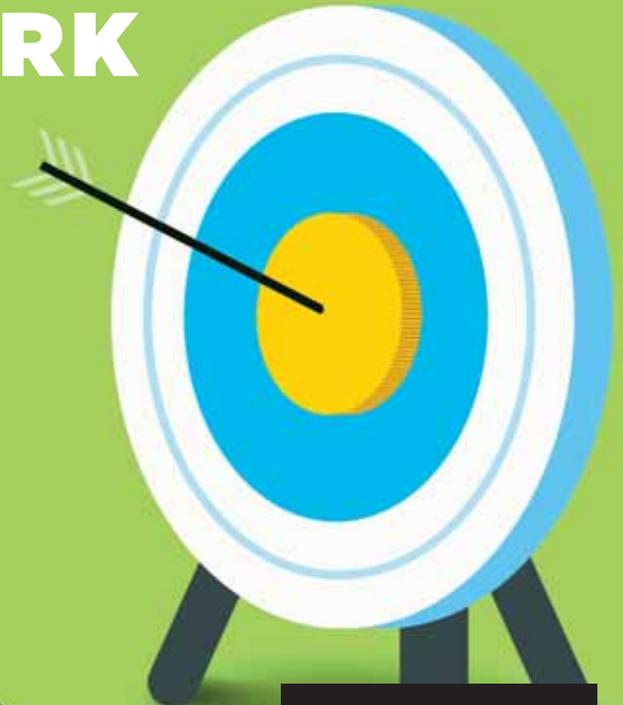
MAKING ADJUSTMENTS

Some recent Case Study exams have included a requirement to make adjustments to the accounts and then appraise the results. Don't panic. The background to the adjustments will be something you know about, and this won't be as difficult as the problems you've been set in Financial Accounting and Reporting or Corporate Reporting. Follow the instructions and use your analysis of the Advance Information to help you work out the implications.

MAKE THOSE NUMBERS TALK

Remember this is financial statement analysis - it has to include numbers. The best approach is to use a mix of absolute figures (£s) and percentages. A new division with 75% revenue growth sounds amazing, but if it's only contributing £300,000 of the company's £15m total revenue it's important to stress this is not the core of the business. ■

For the latest Case Study exam resources go to icaew.com/examresources



TOP TIPS

- 1** Read the requirement carefully. Cover everything you've been asked for.
- 2** Aim for a balanced answer. You won't write exactly the same quantity for each sub-requirement but you shouldn't have pages on revenue and just a couple of paragraphs on profit.
- 3** Make your wider business issues count. Weave them into your analysis to explain or evaluate performance. In the commentary on Rolling Stores (Nov 2014) the examiner said "Weaker candidates frequently used bland generalised comments - such as 'the UK is coming out of the recession' - without in any way tying that statement to RS business activity to show its relevance, which meant that no reward was given."
- 4** Get your opinion across. Identifying the main cause, or the best and worst performing division shows you are exercising your judgement.

How to pass TAX COMPLIANCE

Passing any exam is possible if you know how. Take on board our tips on how to prepare thoroughly for the Tax Compliance exam

The starting point for your exam preparation is to ensure that you have a good understanding of the whole syllabus. Do not question spot or presume that a topic examined in one sitting will not also be tested in the next - instead of trying to predict questions spend your time learning the syllabus.

PRACTISE, PRACTISE, PRACTISE

The best way to learn the syllabus is to practise questions and it's never too soon to start. In the study text there are plenty of questions to practise. In the question bank use the preparation questions to ensure you really do understand the basics and then move on to the practice and exam standard questions. Practice questions test your knowledge at the same technical level as the exam but in bite-sized chunks. The exam standard questions are also at this level of difficulty but reflect the exam format. The question bank contains over 100 questions and two sample papers - there is no excuse for a lack of question practise.

KNOW WHAT'S WANTED

When attempting questions start by reading the requirements and the marks available. Use the marks to allocate your time and decide on the depth of your answer. A whole side of A4 for a three-mark question is excessive, will waste time, and cannot achieve any more than three marks. Similarly if the question asks for CGT implications it's a waste of



time discussing IHT. Finally, ensure you answer the question actually set and all the parts of each requirement.

If you're asked to do three things in parts (a) to (c) then in the Tax Compliance paper the examiner is usually trying to help you and has broken the question down to guide how best to answer it. For example, a question asking you to "calculate the corporation tax liability for all UK companies" would be suitable for the Business Planning: Taxation paper which tests your ability to identify the relevant issue. At Tax Compliance the emphasis is on testing your technical knowledge in discrete chunks so the question may ask you to start by stating which companies are members

of a group, then to explain how to offset the capital losses, and finally to calculate the corporation tax liability assuming that the losses are used as quickly as possible. Where questions are broken down it is generally advisable to answer them in the order set as the thought processes you use for each part are designed to help you answer the next part.

Similarly, if the examiner instructs you to do something - eg, in an IHT question the requirement says to "set out your answer in two columns headed 'married' and 'not married'" - you would be wise to do just that. The alternative would involve repeating computations, wasting time and maybe even costing marks.

Having read the requirements you can then turn to the scenario. Read the scenario actively now you know what you need to do with the information. Reading

the requirements first allows you to read the scenario and simultaneously think about what it means for your answer.

Once you've read the scenario, go back and re-read the requirement word-for-word to make sure you are answering the question set and not the one you wish had been set.

DON'T JUST REGURGITATE KNOWLEDGE

Tax Compliance candidates often struggle to answer written questions, finding computations easier. In sample paper two, question 3.2 is a good example of what is expected of you. The answer is not simply a regurgitation of knowledge. Each point made refers back to a specific fact in the scenario. A bonus ½ mark is awarded for explaining why entrepreneurs' relief is not available as this demonstrates that you have thought about something that would often be highly relevant to this scenario.

Finally, it is acceptable to make reasonable assumptions where information is not given. If the question is silent, reasonable assumptions are that the taxpayer is alive, aged 21 or over, has never been married and has no income or gains other than those stated in the question.

To pass Tax Compliance you need to learn the whole syllabus, practise questions, read the requirements carefully in the exam, answer the actual questions set by applying your knowledge to the specific scenario, and manage your time to ensure you attempt every requirement. ■

Access Tax Compliance exam resources and sample papers at icaew.com/examresources

Have you got your head around the Finance Acts 2015? The most important changes that will affect your exams this year are set out here

NEW YEAR TAX SPECIAL

ALL EXAMS

Income tax rates and bands

The starting rate band is £5,000. The starting rate drops to 0% and only applies to savings income where the taxpayer's non-savings income is below £5,000.

Example 1

Jem has property income of £12,000 and gross bank interest of £45,000 for 2015/16. His income tax liability can be seen in the chart to the right.

Marriage allowance

A taxpayer who pays tax at the basic rate, or who has income below the PA, can elect to transfer up to £1,060 (ie, 10% of the basic PA) to their spouse/civil partner provided the transferee is a basic

	NON-SAVINGS (£)	SAVINGS (£)
Property income	12,000	
Bank interest		45,000
Less personal allowance (PA)	(10,600)	
Taxable income	1,400	45,000
Tax liability		
£1,400 @ 20%	280	
£(5,000 - 1,400) = £3,600 @ 0%	0	
£(31,785 - 5,000) = £26,785 @ 20%	5,357	
£(45,000 - 3,600 - 26,785) = £14,615 @ 40%	5,846	
Tax liability	11,483	

rate taxpayer. The transferred allowance is a tax reducer at the basic rate for the transferee. A claim cannot be made for both the married couple's allowance (MCA)

and the marriage allowance. But a claim for the MCA is more valuable.

In the exam, assume a taxpayer is single unless told otherwise.

SDLT

From 4 December 2014, SDLT on residential property is charged at increasing rates on the portion of consideration within each band.

Land and Buildings Transaction Tax (LBTT) replaces SDLT in Scotland from 1 April 2015. This is not examinable.

NIC

Employers only pay Class 1 secondary contributions for employees aged under 21 if their earnings exceed the upper secondary threshold of £42,385 pa.

In the exam, assume employees are aged 21 or over unless you are told otherwise.

Class 2 NIC is now paid within the self-assessment system with payment due on 31 January following the tax year end.

Capital allowances

A car qualifies as 'low emission' if it is electrically propelled or has emissions of not more than 75g/km.

Corporation tax

All companies now pay corporation tax at 20%, regardless of their level of profits. In the Principles of

Taxation and Tax Compliance exams you will not be tested on historic tax rates. A company pays corporation tax by instalments if its augmented profits exceed £1,500,000, divided by the number of its 'related 51% group companies'. The concept of 'associated companies' no longer applies.

VAT discounts

Prompt payment discounts only apply for VAT purposes if the customer actually pays on time.

Either the invoice must show the non-discounted amount and the trader can issue a credit note if the customer takes up the discount terms, or the discounted amount is shown along with a statement that the customer can only recover actual VAT paid.

TAX COMPLIANCE AND BUSINESS PLANNING: TAXATION EXAMS

Remittance basis

The remittance basis charge (RBC) is still £30,000 if an individual has been UK resident for seven out of the last nine years, but is now £60,000 for those resident for 12 of the last 14 years. A new RBC of £90,000 applies if the individual has been resident for 17 out of the last 20 years.

CGT valuation of quoted shares

The valuation of quoted shares and securities for CGT purposes has changed to a 'half-up' basis, ie, a half of the way up from the lowest to the highest closing prices of the day.

We continue to use the lower of the quarter-up and mid bargain values for IHT purposes.

Disposal of UK residential property by non-UK residents

Non-UK residents aren't usually chargeable to UK CGT. However a CGT charge now arises if a non-UK resident disposes of UK residential property. This applies to non-UK resident:

- individuals (including personal representatives of a non-UK resident individual);
- trusts; and
- companies controlled by five or fewer persons.

Only the gain arising after 5 April 2015 is taxable, based on the market value at that date. Alternatively the taxpayer can elect to calculate the gain over the full ownership period and only tax the post 5 April 2015 element.

Principal private residence relief may apply if qualifying conditions are met. These broadly require a non-UK resident individual to spend a minimum of 90 nights in the property during the year.

The charge also applies to disposals in the overseas part of a split year.

Annual investment allowance (AIA)

Expenditure from 1 January 2016 attracts an AIA of £200,000 (and not the threatened paltry £25,000). There are special rules if an accounting period straddles this date.

Example 2

Photo Ltd's year end is 31 March 2016 so its maximum AIA is as shown in the table below:

1 April 2015 – 31 December 2015	£375,000
£500,000 x 9/12	
1 January 2016 – 31 March 2016	£50,000
£200,000 x 3/12	
TOTAL	£425,000

The maximum it can claim for expenditure from 1 January 2016 onwards is £200,000 x n/12, where n is the number of months in the accounting period after 31 December 2015.

So, if Photo Ltd spends £300,000 on main pool machinery on 1 January 2016, only £50,000 is eligible for the AIA and the balance (£250,000) will receive the normal Writing Down Allowance at 18%.

If Photo Ltd had spent £250,000 on main pool machinery on 31 December 2015 and £50,000 on 1 January 2016 the entire £300,000 would have been eligible for the AIA.

R&D additional deduction for SMEs

The additional deduction for SMEs has gone up to 130% from 125%, giving a total deduction of 230% of qualifying expenditure.

CHANGES AFFECTING BUSINESS PLANNING: TAXATION EXAM

Entrepreneurs' relief on deferred gains

From 3 December 2014, an individual can claim entrepreneurs' relief on a gain that has been deferred under the EIS rules when the gain eventually becomes chargeable.

Denying entrepreneurs' relief on disposals of goodwill

From 3 December 2014, when a sole trader or a partner transfers their business to a close company, of which they are a 'related party', then internally-generated goodwill is not eligible for entrepreneurs' relief. Entrepreneurs' relief can be claimed by a retiring partner in a firm who does not hold any stake in the successor company.

Entrepreneurs' relief and associated disposals

From 18 March 2015 'material', for the purposes of an associated disposal for entrepreneurs' relief, is defined as at least a 5% shareholding or at least a 5% share in the assets of the partnership.

Intangible fixed assets

For incorporations on or after 3 December 2014 relief is generally restricted to nil for internally-generated goodwill where there is continuing economic ownership (eg, on incorporation).

Diverted profits tax (DPT)

From 1 April 2015 the 'Google tax', or DPT, applies in either of the following situations, unless both parties are SMEs:

- arrangements avoiding a UK permanent establishment (PE);
- a company carries on activities in such a way as to avoid a UK taxable presence; or
- transactions with a 'lack of economic substance'.

A company, which is taxable in the UK, creates a tax advantage using certain arrangements which lack economic substance.

DPT is calculated as 25% of diverted profits relating to UK activity. ■



Innocence and experience

James Davenport joined Innocent as its first financial controller 13 years ago. Today he is the FD of a multinational company. He talks to Ellie Clayton about international expansion, a global buy-out and learning as you grow

James Davenport hands me his business card. “Money man”, he laughs, “that’s still what it says.”

Innocent Smoothies, a company known for its light-hearted brand, modern offices and ethical convictions, is a very different beast to the start-up Davenport joined in 2003. On his first day, he was handed a big tin. “It must have had about £20,000 in cash in it.” Later, a supplier came in to pay his invoice. “He gave me about £8,000 in cash, and I just put it in the tin. Then one of the founders took a marketing company out for lunch, so came to me and asked for a couple of hundred pounds from the tin.”

He realised then that there was a lot of work to be done.

“There was no real accounting system,” he says. “When a business is quite small the founders can keep the business model and the numbers in their head. But you get to a certain size and it becomes too big and complicated to do that.”

Innocent was started in 1999 by three Cambridge University graduates as a smoothie stall at a music festival. It has grown, under Davenport’s financial stewardship, from a business of 30 people with revenue of around £7m in 2003 to bringing in an anticipated £250m this year, with 370 people working in the organisation. In 2013, Coca-Cola took a 97% stake in the company.

We meet at the company’s - now legendary - “Fruit Towers” in Ladbroke Grove, London. The office, with a full-height open atrium complete with a grass feature wall, communal picnic benches and a fully-functioning kitchen - full of people dodging round each other, making coffees and breakfast before they start

PHOTOGRAPHY: ANDY LO PO

"I enjoyed being somewhere where you could work and create something where nothing existed"

work - is a fundamental part of the company's approach to people management. Even a few minutes before nine on a Thursday morning, people seem genuinely happy to be there.

This is, says Davenport, about more than just creating a nice work environment. Innocent's sustainable commitments, brand identity, and approach to its workforce are all intrinsically linked, and all contribute to its success.

"It's what the business is about. We think many of the people who buy the products have a similar set of values, and so do the people we employ.

"The environment we create for people to work in has to be coherent with how consumers view the brand, and how we do business," he adds. "We have high expectations of what we want our people to deliver, but how they go about doing that is entirely up to them."

CHARITABLE CAUSES

Innocent puts 10% of its profits into charitable causes, mostly into the Innocent Foundation, which works with people around the world dependent on subsistence agriculture. It has also embarked on a programme of research with Cordoba University in Spain, trialling new irrigation systems that could limit the environmental impact of its strawberry farming.

Its ethical convictions are, like its unconventional offices and quirky branding, "part of the company's DNA". Ensuring the business maintains these is part of Davenport's role as finance director. "There are certain legal, regulatory and compliance things that you can't mess around with. But ultimately, my job is to help us achieve the vision of the company," he says.

Davenport's desire to work with entrepreneurs began early in his career. Like many, after leaving university, he went overseas (to Africa). Installing a computer system for a relative in Botswana - something, he is quick to say, he had never

really done before - led to doing the same for a neighbour, and then another, which in turn led to him setting up a small business selling EPOS till systems to shops.

Davenport lived in Botswana for five years - an experience that shaped his attitude to business. "There are a lot of really entrepreneurial people there," he says. "You'd be driving down the road and there was just desert. You'd drive down six months later and someone would have set up a window factory or a quarry. Someone had an idea and they made it happen. I enjoyed being somewhere where you could work and create something where nothing existed before."

Eventually, he decided he had outgrown the opportunities in Africa, and returned to the UK. "I wanted to get some kind of professional qualification, and the ACA seemed like the natural one."

He chose BDO, a firm that had a reputation for working with small and medium-sized entrepreneurial businesses. As an auditor, he had the opportunity to work with around 50 clients and found his practical experience from his time in Africa was invaluable.

"I had the opportunity to actually talk to the sales directors and the marketing directors and the CEOs and ask them what they did and how their business worked.

"Having done some of it yourself helps build empathy with the people in the organisation. I think that broke down a lot of barriers that can exist between the audit team and the client."

His ambition however was always to work in business. He was looking for a start-up with an interesting story to it, so Innocent seemed the perfect fit. The business already had ambitious growth plans, and the founders looked to Davenport for his technical expertise.

"They were looking for someone who could understand the balance sheet and the P&L. They could see that I had a lot of energy and I knew I had the financial training to take ownership of that part of the business and make sure that it was working properly."

STRATOSPHERIC GROWTH

For his first few years at the company he was working 14-hour days. "I was getting in at seven and leaving at nine, just to get things built."

After its consolidation, the company embarked on an ambitious European expansion. "We want to be the number one chilled juice brand in Europe. It's that simple," he says. Next year, he anticipates sales outside the UK to reach

€180m (£126m), a significant portion of the business.

Growing the business overseas has been a steep learning curve for Innocent. It has been forced to adapt its model to match the different route to market in many western European countries.

In France, for example, where many supermarkets are individually owned, even if a supermarket approves the product, it still needs to be sold to individual stores before it hits the shelves. The brand is now managed centrally with "very strong" local teams, responsible for getting the product into stores.

"It took us a long time to recognise that," says Davenport. "Until we did we weren't really getting anywhere in Europe. We realised that to do it properly was going to take a lot of money."

Enter Coca-Cola. As early as 2008, the company realised that to continue with its expansion, and achieve its ambitions, it would need significant outside investment. "We had to make a choice, to take Innocent to the market to raise investment, or to stay as a UK business. We weren't going to achieve our vision if we stayed in the UK," says Davenport.

Through three major share transactions over the course of four years Coca-Cola first took an 18% stake, increasing to a further 60% in 2010, before finally increasing its holding to 97% in 2013, for an undisclosed sum.

From the beginning, it took a careful and unusual approach to the takeover. It was built on a guiding principle of the two parties being "connected but not integrated", Davenport says.

"They recognised that they are a very different business to us. They want to help us achieve our vision and our ambition of being the biggest chilled juice brand in Europe. But they are not going to interfere in the way our business works."

Despite Coca-Cola's light-touch approach, the involvement of a global

"Ultimately, my job is to help us achieve the vision of the company"

corporation did not go unnoticed by Innocent’s consumers.

“We have a very strong relationship with our consumers and some were very disappointed that we’d chosen Coca-Cola as our investor,” says Davenport. “We asked them to come back and assess us in three years’ time, and see whether what we stand for has changed. Hopefully they will see that it has not.”

Its office, its quirky branding and its commitments to sustainability have remained. Davenport goes for regular meetings with Coca-Cola to discuss ideas and progress, but otherwise Innocent is largely left to run itself.

The priority for both Innocent and Coca-Cola is to achieve their shared strategic vision of becoming the number one in Europe. While Innocent is working towards that goal, it doesn’t have to deliver a strong profit stream or provide dividends, and all profit is invested back into growth.

“We’re in a very fortunate position. There are a few regulatory and compliance commitments that come with being part of a listed company, but the benefits far outweigh the negatives.”

From his first day looking after the cash box to his more strategic leadership at the financial helm of the company Innocent is today, it is quite clear that Davenport’s role now is almost unrecognisable to that of 13 years ago.

“I find it quite interesting,” he says. “I spend a lot more of my time in Powerpoint, and a lot less time in Excel.”

The ACA gave Davenport experience of a variety of different businesses, backed up by the technical expertise he needed to give Innocent a stable setting to grow.

“It’s an amazing qualification and it will open doors in terms of what you want to do. But you need to understand the business you’re working for, understand the business drivers and see how best you can support it.”

Davenport knows Innocent inside out. The business is set apart by its openness to try new things and learn from experience, and his changing role and route to success epitomises that growth.

“Besides,” he says. “I’d never worked for a finance director before. I didn’t really know what they do, we just kind of worked it out as we went along.” ■



**JAMES
DAVENPORT
CV**

1995 Graduates with a degree in International Politics and Economics from Aberystwyth University

1995-2000 Travels to Botswana where he starts his own business selling EPOS systems

2000-2003 Trains as an auditor with BDO

2003 Joins Innocent as financial controller

ABROAD EXPERIENCE

Going on an international secondment is exciting, but it can also have a positive impact on your career, and your firm. Oliver Griffin talks to partners and accountants about the advantages of working abroad

If you have decided your career should be taking you places, you are not alone. Global research by PwC says that 71% of millennials - the generation born between 1980 and 2000 - want and expect their careers to include opportunity for travel. And who can blame them? International secondments, ranging from short trips to placements over a number of years, can have serious benefits for your career, exposing you to new markets and ways of thinking.

Fergal Rogers swapped PwC's Edinburgh offices for a secondment to the firm's offices in Vancouver, just three years after qualifying as an ICAEW Chartered Accountant. He says that over the past two and a half years, working in Canada has led him to become more adaptable to working across a number of sectors and industries, and has allowed him to pick up new skills for building client relationships.

"The flexibility I have had to demonstrate in Vancouver will benefit my career," Rogers says. "When I was working in the UK, I was focused on the energy sector, but in the past 12-24 months that has decreased. Most of my work is now in real estate and construction, something I've had to adapt to."

Perhaps most importantly for Rogers, his placement in Vancouver has given him a new perspective on how to engage with clients and win business in ways he would not have considered had he not left the UK. The emphasis, he explains, is on maintaining positive relationships with clients, rather than just promoting the firm.

"In Vancouver, everyone knows

everyone; work is won through word of mouth, not just business credentials," Rogers explains. "Here, the partners really push us to develop business relationships away from the office. Initially, it was something I was really anxious about. The most important thing is being able to strike up a rapport with other people."

Other challenges he has overcome include re-establishing himself from scratch in Vancouver, while simultaneously maintaining contact with partners still working in the UK. "The hardest thing is trying to build up your reputation again," he explains. "You have to build new relationships, but it's important to stay in contact with partners in the UK to make sure you don't drop off their radar."

VARIED KNOWLEDGE

New skills and abilities aside, Rogers says that the most important thing about the secondment is his knowledge of a different market. "Living in Canada and dealing with Canadian business issues will help my career," he says, explaining that he will have an understanding of Canadian laws surrounding unions and the rights of Canada's native First Nations population, for example. "The First Nations have claims to land and assets," he says. "It's something that new businesses would need to consider, but might not be fully aware of."

International secondments can also bring benefits to the companies you work for. As Deloitte UK managing partner for global Sharon Thorne explains, sending young and newly-qualified employees

abroad helps firms to develop their future workforce, partners and leaders.

"It is absolutely vital for the future success of Deloitte that people do international secondments," Thorne says. "Our clients expect the same consistent, high-quality services regardless of where they are operating. So we need people on secondments, sharing best practices and sharing their capabilities all over the world."

Exchanging young accountants across the world is, Thorne explains, a good way of sharing best practice when a firm is a global organisation. It provides a chance for young, UK-based, chartered accountants to share methods they have learned in a firm's UK offices across international borders, as well as bringing new skills with them when they come home.

"Best practice works both ways," Thorne says. "I have had accountants on secondment that learn things that are better than what we are doing in the UK." Placing UK accountants can also help firms plan ahead for the future, she adds, by connecting future business leaders while they are all at the start of their careers.

"You build networks when you are working overseas and that helps you to navigate the global firm a lot more easily," she explains. "If you know who the right people are in the US, or China, or Russia, it's a lot easier to bring them to where you need them, when you need them, later down the line."

Overall, Thorne says, accountants who experience international secondments grow from their exposure to different



OF MILLENNIALS EXPECT
THEIR CAREER TO INCLUDE
OPPORTUNITY FOR TRAVEL



OF MILLENNIALS
WOULD WANT TO
WORK IN THE USA

WORKING ACROSS CULTURES

In the course of your career you will have to collaborate with any number of different people, whether working abroad or in your home country. Celebrating differences and working collaboratively can create a fruitful, diverse and happy workforce. But without careful consideration, conflict can arise. Marcia Tucker, business trainer and co-author of the upcoming ICAEW webinar on 16 February on working across personalities, outlines some key considerations.

Understand your own culture, value systems, beliefs and assumptions. In a situation where you are confronted by a variety of different cultures, the best way to work effectively and considerately is to recognise your own culture so you can challenge your preconceptions. Take the time to work out who you are and what you expect from work and your colleagues.

Adapt your style of communication. A small adjustment can make all the difference and can defuse difficult conflict situations. You will start to be seen as a people person as well as doing a good job – the tools of leadership.

Listen to others, it's your responsibility to understand. Spend time getting to know them, but be conscious of maintaining a balance between public and private lives. Be aware of cultural differences, which can range from the manner of introductions to spatial awareness. There is no excuse to be totally ignorant of other cultures. If in doubt, be brave and ask.

Accept that things may get done at a different pace. Ways of working can be as much down to culture as personality.

ways of living and thinking in ways that can only benefit the firms they work for.

“Secondments are so important for the development of our people,” she says. “We want leaders and future leaders to develop the skill sets that come from working overseas. It’s about understanding both cultural differences and client differences.

“When people return from secondment, I think that they come back more rounded as an individual, and more confident.”

DEVELOPED NATIONS

According to the PwC global survey of working millennials, while 53% of respondents would be willing to work in less-developed countries if it would further their careers, secondments to developed nations were far and away the most popular. The US was the most popular location, with 58% saying they would want to do a work placement there. In second place was the UK, with 48%. Australia is the third most popular location with 39% saying they want to work there.

Sumi Shah, the partner for human resources, finance and training at London-based accountancy firm Flemmings, is a strong advocate for the UK as a good place to enjoy an international secondment. In fact, Flemmings is currently involved in a programme to train young accountants from Malaysia in the UK, helping them to pass their ACA and qualify as ICAEW Chartered Accountants.

“Trainees benefit from getting exposure to a different type of client base in the UK than they do in Malaysia,” Shah says, explaining that foreign training

placements allow trainee accountants to understand how different tax jurisdictions work. “Then there’s learning the language - the students improve their English here because they get so much more exposure to it.”

Shah does add, however, that students should keep one eye on continuing to develop their specialist knowledge in a specific industry or sector throughout their time overseas.

“It’s useful to have a speciality because you can develop more depth,” she explains. “It can be good to have an awareness of how different industries operate while training, but I think it’s still important to get some depth in a particular industry.”

If you want to do a secondment abroad, there’s really not much stopping you, and the benefits - in terms of both professional and personal development - can really make a difference to your career. Increasingly, employers recognise that providing opportunity for travel is a crucial part of talent retention.

“Millennials say they want to work outside of their home countries,” Thorne acknowledges. “If we want to attract and retain the best talent, we need to offer a secondment programme.”

“To anyone thinking about doing a secondment, I would definitely say do it,” Rogers concludes. “Part of the reason I wanted to do one was that I didn’t want to look back in my thirties and wish that I had worked abroad. I have seen some awesome things and have had some amazing experiences.

“It has been a real professional - and personal - learning curve.” ■

1 ICAEW FIRSTS

BRUSSELS, 1994

GIBRALTAR, 2015

Ysabella Santos was the first ICAEW Chartered Accountant

MALTA, 2015

First 11 students qualified

MIDDLE EAST, 2013

Arij Sheikh was the first prizewinner, awarded joint first place and the Little Prize for Taxation

DUBAI, 2009

KENYA, 2015

“I had worked as a qualified CPA for 23 years. I was already a partner in Crowe Horwath Kenya and our cross border business was increasing. I knew I had to scale up my core technical skills in financial reporting and clarity auditing standards”

Cephas Osoro was the first person to qualify and become a member

ICAEW was founded in London in 1880, with William Turquand as its first president. Since then, the organisation has expanded across the globe. Here are some of the landmark moments and achievements as it has grown

PAKISTAN, 2015

Faraaz Muslim was the first prizewinner, awarded first place and the Walton Prize for Business Change

BANGLADESH, 2012

Obed Pandit was the first member of ICAB (Bangladesh) to become an ICAEW Chartered Accountant

BEIJING, 2011

SHANGHAI, 2014

HONG KONG, 2007

VIETNAM, 2014

SINGAPORE, 2009
2014

Jackson Lim was the first prizewinner, awarded the Spicer and Pegler Prize for Financial Accounting

MALAYSIA, 2004

INDONESIA, 2015

-  FIRST OFFICE OPENED
-  FIRST QUALIFIED STUDENT OR PRIZEWINNER

PUTTING IT INTO PRACTICE

You've got the knowledge, but can you apply it to the workplace? Alison Coleman talks to employers, students and ICAEW insiders to find out how the ACA can prepare you for working life

There is so much more to the ACA than training and exams, but those just starting out on their accountancy careers, and getting to grips with a demanding new job, may not initially see it that way.

As they get into their training agreement, however, students should quickly see that the work they do in the classroom in preparation for their ACA exams is very closely aligned with the work they do in their day-to-day role.

Hazel Garvey, ICAEW's director of business development, says: "We try to get students not to focus just on the exams, rather on the fact that it is a combination of knowledge learned for exams, in the workplace, and the technical skills and business skills required for the job.

"It is very much an

integrated approach, where each component of the ACA qualification is designed to complement what a student does in the workplace."

Robert Mann, a senior associate at PwC in Bristol, qualified in September this year. He used the opportunities offered by his technical experience to consolidate his learning.

"As I was learning new things I would ask to look at the areas I had recently covered in my studies, such as intangible asset recognition and more complex work in progress calculations," he says.

"Putting this more technical knowledge into practice is challenging as situations differ, but you do gain a good rounded understanding from doing the exams. For me it was facing this challenge and applying knowledge in the

workplace that I really developed my understanding and technical skills.”

Employers are also very well aware of the value that an integrated approach brings when it comes to the practicalities of the workplace.

Nick Sharman, financial controller at Highways England, says: “Most aspects of the learning have some relevance to the day-to-day roles that the students perform within the company. We find that they can apply themselves quickly once the class learning has happened and, generally speaking, the day job reinforces that learning. The discipline of learning instills a mindset that students find beneficial when they are in the workplace.”

IDENTIFY PRIORITIES

Sharman acknowledges, however, that some students experience difficulties in managing learning commitments and the challenges of the day job. “Students are advised to prioritise their learning, and line managers support them by varying the workload of the day job,” he adds. “This can cause short-term issues in a team, but generally speaking the long-term benefits are acknowledged.

“Through their placements across the various finance teams, students are able to contribute to the finance function’s objectives, which becomes most beneficial to the business during the second and third years of training as their knowledge levels increase.”

As well as ensuring that students are well supported throughout their training agreement, employers spend a considerable amount of time ensuring that their professional development is

progressing as it should and that they are not encountering any problems. This involves them sitting down with their trainees at least every six months to assess their progress in all the key areas of their training, including professional and technical skills.

Over the course of their training agreement, students undertake assignments across the company, which gives them a broad overview of activities from business partnering, through audit and contract assurance, to core financial accounting.

“The discipline of learning instills a mindset that students find beneficial in the workplace”

Of course experiences can vary across organisations, particularly when they are of different sizes. In a large organisation such as Barclays, students have a range of opportunities to rotate through and apply learned skills to in a wide variety of finance-related functions, including investor relations and business performance.

Duncan Smith, Barclays global tax chief of staff, says: “The combination of classroom tuition and work experience gives trainees many skills. We see the ACA as the bedrock of becoming a professional person.”

Smaller organisations might offer different opportunities, but training placements can be tailored to optimise the experience for both student and organisation.

Sharman says: “Following feedback from our students,

TAKE AN ACTIVE APPROACH

Students may be “book smart” when it comes to certain parts of their ACA modules, but may not have the opportunity to put it into practice. **Don’t be afraid** to ask for opportunities at work to demonstrate newly acquired skills.

Time management is a key skill that ACA students need to acquire, especially around the exam season. Joining your local ACA student society will connect you with like-minded people to socialise and share revision tips.

we have amended our approach to create fewer, longer placements, which allow the students to gain a better understanding and make a more valuable contribution in their roles.”

One area where students can encounter difficulties is in the ethical and professional development aspect of the ACA. “A junior member of staff may see something they feel isn’t right, but may also think that because they are junior it’s not their place to say anything,” says Garvey. “We say that every member of the team has a part to play.”

REAL-LIFE ISSUES

Christopher Harrison is finance director at Colas Rail, which currently has three ACA trainees. He feels that exposing them to real-life ethical issues stands them in good stead for their professional careers and the ethics component of the ACA.

“Our students get to see real examples of business culture and challenging behaviours and there is no better way to learn about these situations and how to build the skills to deal with them than in a real-life situation. Our aim is to help them develop their professional scepticism and a strong ethical toolkit in a safe and open environment.

“This integration of exam

preparation alongside supervised workplace experience helps to create a positive internal transition to becoming a qualified ACA professional.”

Simone Masterson, an audit semi senior at BDO, is due to take her final exams next year. She sees the issue of ethics as something that is part of everyday working life, even when you don’t realise it.

She says: “It is about more than just understanding the rules around confidentiality, integrity and objectivity. Ethics is part of every level of accountancy, even on a small, owner-managed business or sole trader basis. It is our role as chartered accountants to create a true picture of the business’s performance and draw a line between potential personal and business expenditure.”

Becoming an ICAEW Chartered Accountant is a two-way process, and as the training exams progress, students are increasingly tested on the skills they have acquired from their workplace experience.

Shaun Robertson, ICAEW’s director of qualifications, says: “Don’t think about the ACA as simply passing exams to get qualified, see it as pursuing a professional career and the enormous opportunities that come with it.” ■

Packing some punch

No more sad sandwiches. With a little ingenuity, you can rival your regular lunch haunt, save money and eat more healthily *al desco*, says Ellie Clayton

This time last year, energy watchdog Ofgem turned its attention to office workers' wallets. It calculated that on average, we spend £2.83 a day on lunch.

If you're anything like me, your daily spend could be much higher. By the time you've picked up a coffee, a muesli and a juice you've dropped well over £6 before your morning meeting. And with high street chains taking a hit over hidden calorie content in pre-packed salads and sandwiches, you could be derailing your diet too.

Bringing lunch from home is a regular feature on resolutions lists. But as January draws on, inspiration runs out, diaries get busier and the call of the high-street gets stronger.

Enter Sophie Missing and Caroline Craig, whose book *The Little Book of Lunch*, is full of ideas for simple, low-cost packed lunches that look great. Craig and Missing encourage you to pay as much attention to your lunch as you would your evening meal. Tips such as keeping a bottle of chilli sauce and a few essential implements in your desk drawer will revolutionise a salad, and handy ideas for transportation and assembly will bring an end to the saga of the squashed sandwich. These three recipes from the *Little Book of Lunch* are just a sample of what a little care, attention and imagination can do.



Roasted red peppers with anchovies & tomatoes

PREPARATION TIME 4 minutes, plus 30 minutes cooking

MAKES 1 serving (for a hungry person), with leftovers

INGREDIENTS

2 red peppers
16 cherry tomatoes
4 anchovies
1 garlic clove, sliced
olive oil, for drizzling

This recipe is easy and requires very few ingredients. Delicious served with bread or couscous to soak up all the juices, it can be cooked either the

night before or even in the morning as it requires little input on your part.

Preheat the oven to 180°C/gas 4. Slice the peppers in half, down the middle of the stalk. You should be left with four perfect sides. Remove the seeds and white flesh.

Lay the peppers cup side up on a baking tray and stuff with the cherry tomatoes (4 should fit perfectly in each pepper half), anchovies and sliced garlic. Drizzle with olive oil and roast for 30 minutes. The peppers will fill with a delicious juice when cooking: take care not to let this escape when packing into your lunch receptacle!



Aromatic and light, this is a soup to both soothe and lift the spirits with all the essential flavours of pho and not so much of the messing around. If you have leftovers from a whole roast chicken, you could make your own stock but shop-bought stock or a stock cube will work just fine. You'll need to have a few utensils waiting for you at your desk: a clean pair of scissors, a bowl, chopsticks and a spoon.

In the morning Fill your kettle and put it on to boil (this way you can enjoy a cup of tea while making lunch). Add the chopped spring onions to a non-stick pan on a low heat, and cook until they start to colour. Put the stock in a pan on a medium heat, adding the fish sauce and the juice of a quarter of the lime. You want to heat it until just before it begins to boil so while it is heating prepare your herbs and place in a container.

Place the chicken in a separate container, or wrap in a small piece of foil. Place the rice noodles in a large heatproof bowl, and pour over the boiling water from the kettle. Cover with a clean tea towel and leave for three minutes. Remove the spring onions from the heat and wrap in a small piece of foil. The stock should now be simmering, so turn off the heat and empty into your thermos. Drain the noodles in a colander, shaking vigorously to get rid of any excess water and place in a tupperware container.

Come lunchtime Find yourself a nice spot: this soup goes well with some quiet reflection. Carefully decant your hot stock into a bowl, then add the noodles, chicken and herbs. Lastly, using your scissors, snip the chilli into the bowl, and squeeze the remaining quarter of lime juice generously. A squirt of chilli sauce can be nice.

Faux pho

PREPARATION TIME 15 minutes,
plus 5 minutes assembly
MAKES 1 serving

INGREDIENTS

2 spring onions, finely chopped
450ml weak chicken stock, either home
made, ready prepared, or from a stock
cube (Knorr pots are good)
very small splash of fish sauce
½ lime

handful of mint, leaves picked and
washed
handful of coriander, leaves picked and
washed
handful of basil, washed and
leaves torn
large handful of leftover chicken,
roughly pulled into pieces
1 portion of rice noodles
½ red chilli
Srichacha chilli sauce (optional)

Falafel salad



PREPARATION TIME 10 minutes,
plus 40 minutes cooking
MAKES 1 generous serving

INGREDIENTS

1 aubergine
2 tbsp olive oil
6 ready-made falafels
¼ red cabbage
3cm piece of cucumber
¼ red onion
4-5 cherry tomatoes, halved
pitta or flatbread
salt and freshly ground black pepper

For the yoghurt dressing

4 tbsp natural yoghurt
juice of ½ lime
salt and freshly ground black pepper
1tbsp any chopped fresh green herb

The best falafels we have tasted so far are from L'As du Fallafel on Rue des Rosiers in Paris. This recipe is an homage to them. The dish is all in the careful packing, and assembly at work. You can make everything the night before, but be sure to keep the dressing in the fridge.

The night before Preheat the oven to 190°C/gas 5. Chop your aubergine

up into 3cm chunks and lay on a roasting tray. Drizzle over the olive oil and the salt and pepper and roast for 35 minutes or until golden and squishy. Ten minutes before the end of the cooking time, add the falafels to the oven dish. When the time is up, leave to cool on the counter under some tin foil.

In the morning Grate the cabbage into ribbons, the finer the better. Cut or grate the cucumber into small pieces. Finely chop the onion. Add to your designated container along with the cherry tomatoes, cooled falafel and aubergines.

To prepare the dressing, simply mix all of the ingredients together in a small jam jar or tupperware. Lightly toast your pitta or flatbread and pack separately, in foil or a brown paper bag. Keeping this dish at room temperature for a few hours until lunchtime is fine.

Come lunchtime Open the pitta, or lay out the flatbread. Give your ingredients a good stir before spooning over your pitta or flatbread. Drizzle over the yoghurt dressing along with some chilli sauce if you keep any at the office.

2016: THE YEAR OF RESILIENCE

Most of us start the year with the aim of personal improvement, getting a promotion or ticking off a life event. One change to consider this year, which covers all aspects of our lifestyle and career, is becoming more resilient. Resilience is defined as the capacity to withstand stress and an ability to cope with problems and setbacks. Knowing how to build and maintain your resilience will have a positive effect on all aspects of your life, not just your career.

Get active

Research suggests that just 15 minutes of moderate physical activity per day increases life expectancy by three years. And there's evidence to show that physical activity benefits mental health. Making time for exercise two or three times per week will help you feel healthier and happier, and give you the energy to tackle issues head on. The feeling of taking control drives your commitment to make more changes.

Get some shut eye

Feeling well-rested improves energy levels, concentration and mood. If sleep is something you struggle with or forego (for example, around revision time), try creating an evening routine. Cut out screen time an hour before bed, leave three hours between a heavy meal and sleep, reduce your alcohol intake and cut caffeine consumption after 3pm.

You are what you eat

It has been proven that some foods can reduce symptoms of depression, anxiety and stress. For example, low levels of zinc are associated with anxiety, eating more cashew nuts can address this, while magnesium, found in sweet potatoes, can help you relax. Getting your five-a-day, reducing your caffeine intake and cutting down on alcohol will all help.

CABA provides free independent support for ACA students and chartered accountants.
caba.org.uk

Healthy *wishlist*

A few well-chosen buys will help you keep abreast of your resolutions, from the first flush of enthusiasm, all the way through the new year



TRAINERS

Barricade 2015 tennis shoes
Stella McCartney x Adidas, £100



JACKET

NikeLab packable men's jacket
Nike, £285



SWIMSUIT

Flagpole Swim Joellen cutout swimsuit
net-a-porter, £295



YOGA MAT

Grip dot yoga towel
Sweaty Betty, £29



WATCH

Charge HR Heart rate and activity wristband
Fitbit, £119.99



BODY CLOCK

Active250 wake-up light and clock
Lumie, £99.95



LUNCH POT

Black+Blum lunch pot
Selfridges, £20.50



GYM BAG

Tribeca champ bag
Monreal London, £355



WATER BOTTLE

Infruition sport fruit infusion water bottle
Selfridges, £14.99

A little bit extra



Although busy with her day job at PwC in the Midlands, **Sophie Mottram** organises the firm’s Community Affairs Team and helps new recruits to settle in. She tells *Vital* what gets her motivated

As told to: Oliver Griffin

Introducing new graduates is exciting. They have a week’s induction, mostly about welcoming them to the firm. Doing these tutorials is one of the best things I do. It’s interesting to think about what I was doing in their position.

It’s so rewarding to be able to share what you have learned. Part of that first week involves an introduction into more technical areas, such as tax and audit. We have a diverse group of people joining us - it’s interesting to talk to them.

I didn’t study accountancy or finance at university; I did engineering. When I qualified, the engineering sector was slowing down and I was looking for something a bit more stable. What tempted me to accounting was going out to big businesses and seeing how they operated. It seemed exciting.

At PwC we have a Community Affairs Team. The firm is keen to promote community responsibility and having a positive impact locally. I have been on the team for the past four years. It’s important to make working in the community personal.

I have worked with the Community Affairs Team for so long and I know a few of the charities we have worked with really well. It’s been great working with them to deliver something a bit more long term.

I shamelessly plug the Community Affairs Team during inductions with the new graduates. Sometimes we focus on helping local entrepreneurs, and on other occasions, charities.

This year we took part in the Caring at Christmas campaign organised by the charity Action Homeless. People across the firm donated Christmas presents for the charity to pick up.

“It’s important to make working in the community personal... it’s a group effort”

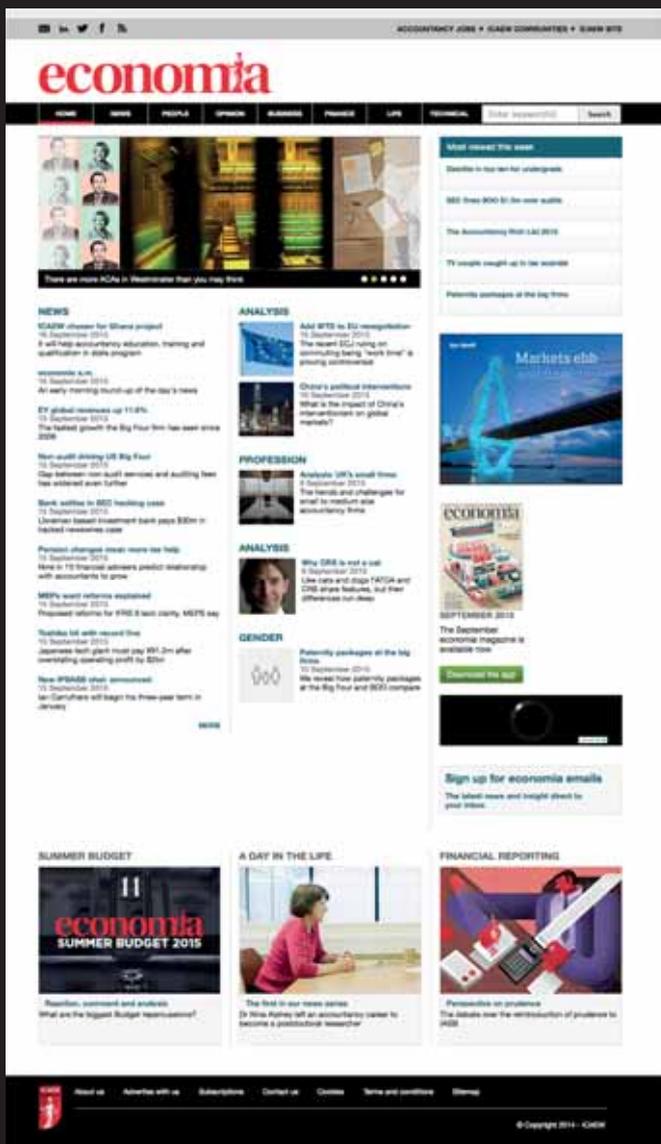
We find people are keener to donate presents than money.

For workplace monitoring and how we are assessed against our peers it comes down to what we do over and above our day job. Being part of the Community Affairs Team demonstrates this, as well as other roles the firm is looking for, such as project management. It shows how I am developing my skills.

The Community Affairs Team is very much a group effort. Although people might have different agendas - whether they want to focus more on charities or businesses - we all want to help in equal measure. ■

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