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Business & Management

STACK THE DECK
HOW TO MAKE YOUR COMPANY'S CULTURE DECK MORE APPEALING

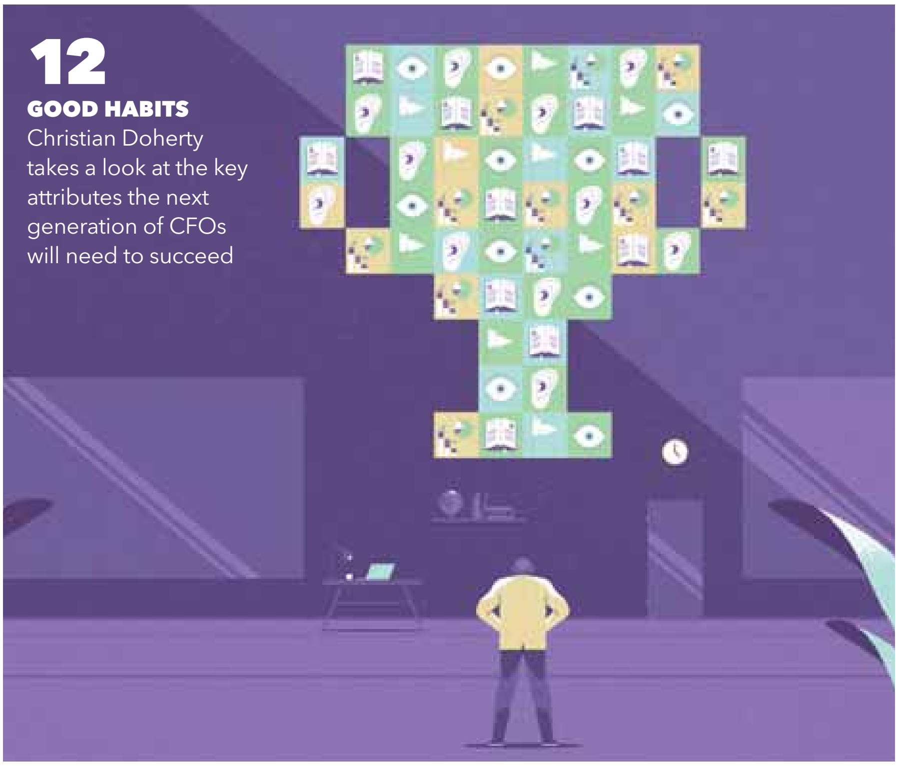
BLURRED LINES
THE CHALLENGE OF KEEPING A HEALTHY WORK-LIFE BALANCE

TO THE MOVIES
HIGHLIGHTING THE UK FILM INDUSTRY'S SUCCESSFUL YEAR

ANATOMY OF SUCCESS

The personal attributes chief financial officers need today and in the future

November 2018 Issue 269



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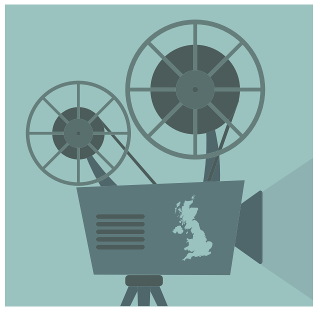

Finance in colour

We interact with our environment almost without thinking about it, but some environments affect performance and efficiency. The influence colour can have on our reporting without us realising is interesting; researchers have been looking into the use of colour and its effects on consumers, workers and students for decades. The results of these papers have been collated by other researchers, providing a useful overview.

The overall assessment is that efficiency and output are affected by a person's emotional state and their environment evaluation, but certain colours stimulate positive and negative feelings which will affect a person's work or approach to their environment. In a summary of 40 research papers in their paper *Environmental Colour impact upon Human Behaviour: A review*, Jalil, Yunus and Said established the patterns that certain colours produced across the research.

White is associated with professionalism and seen as acceptably neutral, red was found to lead to lower error rates, but is seen as the most distracting colour (Kwalek and Lewis, 1990) and may also lead to avoidance behaviour as it was perceived as a warning cue. Blue was said to have a drowsy effect. Grey shades (and blue again) were also perceived to minimise attention, while green is calming.

Despite the huge amount of research time spent on finding these outcomes, they are not universally true. Care should be taken when looking at these results, as each person will have a different level of ability to screen out their surroundings when performing work tasks. But a general pattern of behaviour driven by colour can be seen.

How does this affect the average FD? You may wish to incorporate some colour into your presentations. Another group, known as visual researchers, found that the use of colour in reporting can circumvent presentational issues. Davidson (2009) found that the use of colour graphics in reports by a UK building society allowed it to report its intangible assets – including intellectual knowledge, brand capital and social assets – which are not easily represented in conventional accounting. Earlier, Beattie and Jones (2008) found the use of strong graphics consistently creates a favourable impression of a company's performance through the selectivity of data, measurement distortion, and using presentational enhancement (colour and shape). The use of graphical images enhances and improves corporate image, according to their research. Indeed, Brown (2010) argues that "accounting and visual are inextricably intertwined". Get your colour pens out!

We hope that you enjoy this copy of the magazine. Please contact matthew.rideout@icaew.com or robert.russell@icaew.com if you have any comments about this publication or any of our output. Have a great month.

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FACULTY EVENTS AND WEBINARS
Events and webinars are listed in this publication; details can be found on page 7

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NEWS

REUTERS

ELECTRIC SCOOTERS COMING TO THE UK

The findings from the Department for Transport's consultation on the future of transportation in the UK, which included lifting the existing ban on electric scooters, are expected to be released before the end of 2018. Lime, an American e-scooter and e-bike rental company valued at $3bn, is rumoured to be planning to set up shop in Milton Keynes with up to 20 staff in anticipation of the consultation's findings.

TURNING FIRE INTO… WATER

The $1.75m Water Abundance XPRIZE was awarded to a team from California for its simple system that extracts water from air using fire and shipping containers. The Skysource/Skywater Alliance was up against 97 other teams from 27 countries, all attempting to generate 2,000 litres of water a day. The winners were able to produce water at the cost of two cents per litre. More at tinyurl.com/BAM-XPRIZE1

IBM GETS A NEW HAT

Last month, IBM announced that it had purchased a US-based open-source software developer in a $34bn deal. As a result of the acquisition, IBM is now the largest hybrid cloud provider in the world. Red Hat works with computer operating system Linux.

SPEAK WITHOUT SPEAKING

The Massachusetts Institute of Technology (MIT) is developing a wireless headset that enables silent communication between the wearer and their computer. The peripheral neural interface, AlterEgo, sticks to the side of the face and picks up instructions from nervous impulses sent through the jaw when the person internally articulates a word. Computer responses are sent via bone conduction. More at tinyurl.com/BAM-Alterego

$3bn

THE VALUE OF E-SCOOTER AND E-BIKE RENTAL COMPANY, LIME

2,000

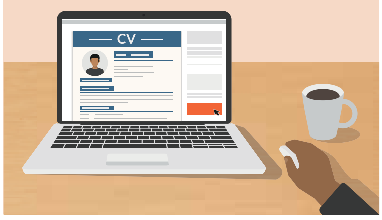
THE NUMBER OF LITRES PER DAY EACH TEAM WAS ATTEMPTING TO GENERATE FOR THE XPRIZE

EU WANTS CLOCKS TO STAY PUT

Countries in the European Union are currently mulling a proposition from the EU Executive to scrap daylight saving, allowing countries to choose a permanent summer or winter clock. Studies show that clock changes have a negative effect on people and animals, and the measure has not met its original goal of saving energy. Austria, which currently holds the rotating presidency of the EU, is in favour of removing the annual ritual of the clocks going forward one hour in spring and then back again in the autumn. However, Austrian transport minister Norbert Hofer wants more time to implement the change as Britain, Sweden and Poland remain sceptical and there is a wider concern that we could end up with a "patchwork of different time zones" across the continent.

THE HIRING GAME

Unilever and Vodafone are just two of the companies currently using recruitment software from Pymetrics to impartially hire new staff. Software created by the company assesses applicants' suitability for a position according to their responses to a series of online games. If unsuccessful, applicants can then apply for other jobs that they are better matched to using their results. The company claims that it "finds the right person for the job, while levelling the playing field for everyone". Another new recruitment tool, HireVue, assesses applicants on the quality and speed of their responses to questions, and then ranks them for the recruiter.



EVENTS & WEBINARS

ALL WEBINARS AND EVENTS ARE FREE FOR FACULTY MEMBERS

EVENTS
ICAEW.COM/BAMEVENTS

MONEYCORP ROUNDTABLE LUNCH
27 November 12.00
Please join us for this roundtable lunch hosted by Moneycorp to discuss developments in currency management and explore ways to save money when trading in overseas currencies. We will be joined by ex-international rugby player Andy Goode, who will entertain guests with anecdotes from his rugby playing days.
icaew.com/bamroundtable

WEBINARS
ICAEW.COM/BAMWEBINARS

20-MINUTE LUNCH WEBINARS

STATISTICS SKILLS IN EXCEL – WATERFALL GRAPHS
28 November 12:30
We go back to basics for this series of Excel statistics webinars offering you very practical steps on how to make the most of Excel functions and incorporate basic stats tools to improve your reporting efficiency. Our Excel expert, John Tennent, talks us through the Excel tools to create visually impactful charts that assist in understanding the cumulative effect of sequential results. This webinar is set at a basic level – no previous knowledge of statistics is required.
icaew.com/lunchnov

NEGOTIATING AND PERSUADING
23 January 2019 12:30
We all negotiate on a much more frequent basis than we realise, and some of us are much better than others at winning the argument. David Gillespie, professional actor and coach, is well-versed in analysing how humans percieve each other based on how we look and sound, and how people win favour through their behaviour. He gives some practical tips on how to be more persuasive and better at negotiation in this punchy 20-minute webinar.
icaew.com/lunchjan

60-MINUTE WEBINARS

PRACTICAL EXCEL TIPS
6 December 10.00 – 11.00
In this webinar, Excel guru John Tennent will cover easy shortcuts to save you time dealing with the most common problems faced by Excel users. John will cover easy identification of incorrect and misused formulae, cell styles, duplicate data and professional formatting of spreadsheets. A good working knowledge of Excel is presumed.
icaew.com/bamdecwebinar

BUSINESS TAX UPDATE
12 December 10.00 – 11.00
Update your knowledge of business tax, including a practical review of major changes to PAYE and corporation tax.
icaew/com/bamdec2webinar

EMPLOYMENT LAW UPDATE
27 February 2019 Time TBC
Beth Hale, of CM Murray solicitors, runs through crucial aspects of employment for SME FDs.
icaew.com/bamfebwebinar

E-LEARNING

MANAGEMENT AND LEADERSHIP IN THE DAWN OF ARTIFICIAL INTELLIGENCE
21/22 November 9:30 – 11.00
From £85+VAT
Why do so many leaders fail when given the task of managing large teams? They are missing the behaviour traits that need to be in any leader's DNA. The good news is that good leadership behaviour traits can be changed with commitment. This practical three hour e-lecture, split over two days and delivered by David Parmenter, will explain what you need to do to adopt these behaviours as well as covering the eight people-orientated and seven personal skills to become a better leader in the face of rapid change and stronger development of AI. See icaew.com/leadership18

Why bring your pensions together in a SIPP?

Emma-Lou Montgomery

Fidelity Personal Investing

Gone are the days when the only time you gave a passing thought to your pension was when a payment was taken out of your payslip and then again when you eventually retired. Today we're all encouraged to be actively involved with planning for our financial future.

The fact we're living longer and could enjoy a retirement of 20 years or more makes it crucial to ensure your pension lasts as long as you do. Self-Invested Personal Pensions (SIPPs) have revolutionised retirement planning. From the age of 55, you can withdraw what you like while keeping the rest of your pension pot invested, thanks to the flexibility that a SIPP offers.

Take control by bringing your pensions together

It's easy in today's job-hopping workforce to build up numerous pension pots with different employers. Bringing your pensions together in a SIPP can help you take control of your savings, as it makes it easier to manage and keep track of your retirement savings, helping you to plan ahead more effectively – and it could be cheaper.

Always check your existing pensions, though, to make sure you don't lose any valuable guarantees by moving to a new provider.

Get your money working harder

By consolidating your pensions into a Self-Invested Personal Pension (SIPP) you can get your investments working as hard as possible. A SIPP offers a wide range of investment options and the freedom to manage your own investments, with all the tax perks of saving into a pension.

Cut your costs

Charges vary greatly between SIPP providers. Who you choose to hold your SIPP with can therefore make a significant impact on your costs, which in turn can make a big difference to the income that you could get in retirement. The trick, as always, is to shop around. Investors who do their homework and find the best home for their retirement portfolio stand to be substantially better off when it comes to their retirement than those who don't.

You'll find a wealth of pension information, tools to help with investment and retirement planning, guides and factsheets at fidelity.co.uk Plus find out more about Fidelity's SIPP at **fidelity.co.uk/pension-transfer** or call **0800 358 0753**.

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Fidelity offers ICAEW members a range of benefits to help you grow your money and become a better investor.

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- Choice of accounts: ISA, SIPP, Investment Account
- Investment options from leading providers
- Guidance and market expertise
- Additional benefits for larger portfolios

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STRIKING THE RIGHT BALANCE

Iain Wright explores how to ensure an environment of good corporate governance

Corporate governance has been in the headlines more in the past few years than at any point since the introduction of the UK Corporate Governance Code. Recent corporate scandals – the collapse of Carillion and BHS, the lawsuit launched against Tesla's Elon Musk owing to his ill-judged tweets, the treatment of Sports Direct's workers and even the financial crash of a decade ago – can be distilled down into a failure of corporate governance.

At its heart, good corporate governance is about balancing the different and often competing interests of shareholders and stakeholders in an environment whereby business decisions can be made with suitable challenge, consideration, integrity and accountability.

The instances mentioned above showed a failure to balance those interests and objectives. In many cases, a dominant chief executive may override a weak and pliable chair and board, which means that decisions are not fully evaluated and challenged, often with disastrous results.

In the run up to 2008, groupthink from non-executive directors, a relaxed regulatory oversight and a lack of understanding of some of the very complex banking products on offer led to the crisis in the economic system. We still live in the slipstream of the financial crash, and there remains a general, if misguided, mistrust in business that pervades public opinion. Good corporate governance could mitigate such mistrust and provide an environment in which business can be celebrated as enterprising and operating within society, rather than being somehow isolated and immune from social considerations.

Good corporate governance is more of an art than a science. The impression that it should simply be a tick-box exercise, that one size fits all companies – that companies only need to have the right structures, hold regular board meetings and provide a universally-agreed form of wording for its annual report etc – does not address the fundamental purpose of corporate governance. And it doesn't resolve the public's sense of mistrust of business.

To see corporate governance as bureaucratic and no more than red tape hindering business is to profoundly misunderstand its value; effective governance challenges and scrutinises the strategic priorities of a company, leading to better decision-making. Good corporate governance doesn't guarantee business success, but bad corporate governance will certainly undermine a company's performance.

Quite rightly, good corporate governance is increasingly seen as an assessment of culture and leadership; why certain behaviours are seen as acceptable and, as a result of such culture and leadership, how business decisions are made in an accountable way.

THE TECH REVOLUTION

The world is changing quickly. Technology is inventing new business models and sweeping away traditional ones. The ownership of companies is shifting away from a broad base of many small shareholders into one where a few investment trusts own many businesses, and shareholders' expectations are shifting. In these circumstances, corporate governance cannot stand still, but has to evolve to meet the requirements of corporate and business structures as they are now. A board needs to be diverse not merely on the grounds of fairness, but as a prerequisite towards more robust decision-making and improved business performance.

Throughout fast-moving changes to corporate governance, chartered accountants can continue to play a major role as a result of their professional expertise, business acumen, and ethics and integrity arising from ICAEW's Royal Charter's emphasis on the public interest. ICAEW will continue to provide support and thought leadership to members to ensure that they can participate in good corporate governance.

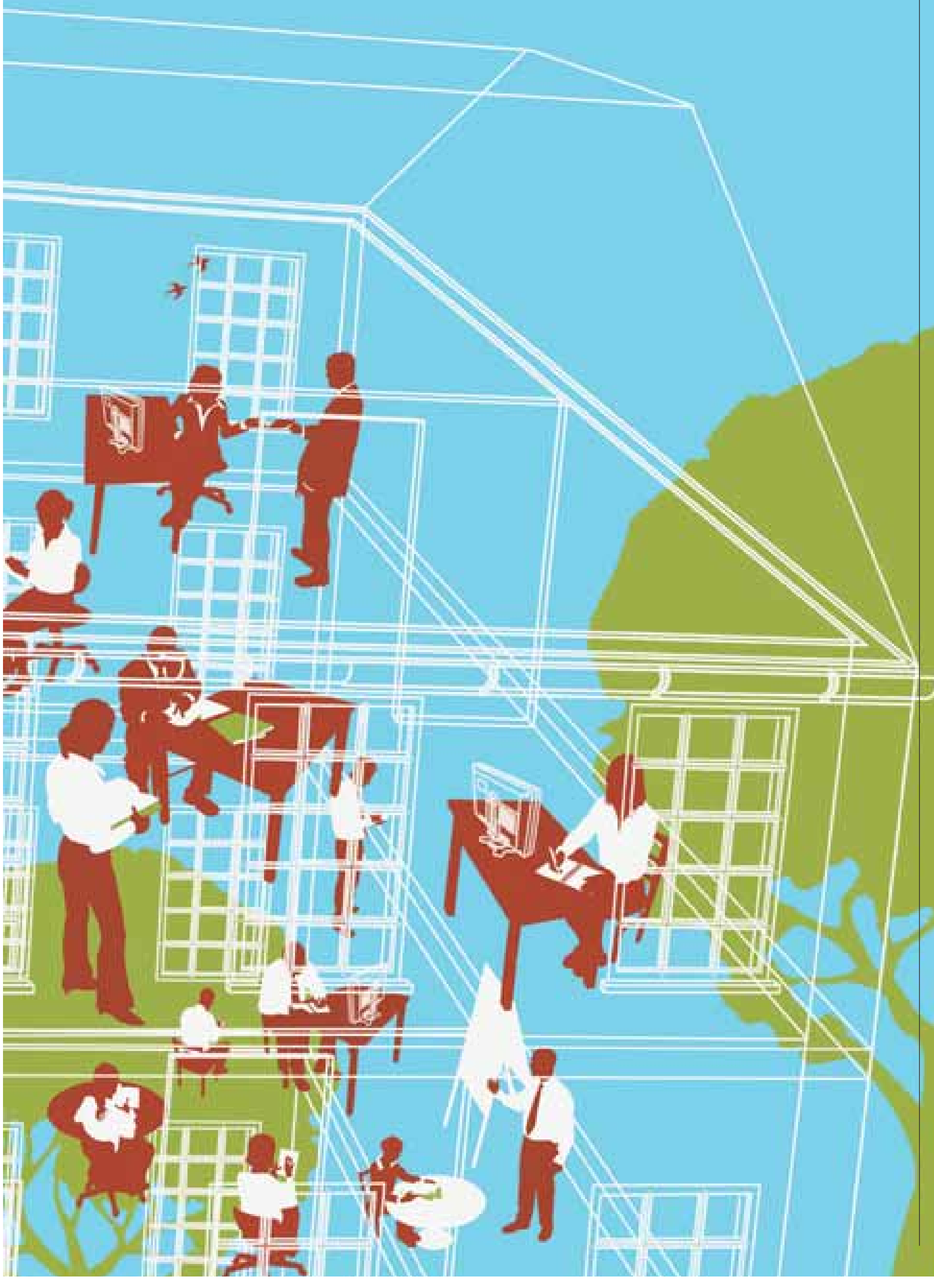
'What is good corporate governance?' is the theme of a panel session at our CFO conference. Find out more at icaew.com/cfo2018 ●

ALICE MOLLON/IKON

Iain Wright, director of corporate and regional engagement, ICAEW

STACKING THE CULTURE DECK

A culture deck is a series of slides created to describe a company's culture and behaviour in order to sell itself to potential and current employees. **Brett Putter** explores how to make your culture deck more appealing



When Reed Hastings, Netflix's CEO, published the company's culture deck online in 2009, the game changed for Silicon Valley and the tech industry as a whole. Hastings wanted current employees and potential job candidates to understand what Netflix was about on a fundamental level so he could attract and retain the right kind of talent.

Netflix's online culture deck covers everything a potential employee could want to know about the business – from how people are rewarded, to how "adequate performance gets a generous severance package"; from clarifying that the company works like a pro sports team (not like a family), to explaining that the company doesn't tolerate brilliant idiots; and why there is no holiday policy.

There is no doubt that culture is critical to the success of companies. According to 2012 research by Deloitte, 94% of executives and 88% of employees agreed that culture was important to business success. Yet, according to a survey of 40 CEOs from high-growth companies by CultureGene, nine out of 10 CEOs do not leverage it as a competitive advantage, despite having complete control over it. If they don't know how, they might start with a culture deck.

Done well, a culture deck identifies and conveys your ethos to those inside as well as outside your company. It will help attract like-minded candidates, reinforce the behaviours you expect from your team, and broadcast your unique culture to a global audience. As you get started with your own culture deck, consider these tips.

Your culture defines your company, so be clear about what culture means to you, as well as its importance and how the company percieves it

01

USE THE CULTURE DECK AS A WINDOW TO YOUR COMPANY

A culture deck should clearly identify the character, personality, behaviours, practices and norms of your company. It should articulate the company's mission, vision, values, history, purpose and the "way we work around here". It doesn't have to be 125 pages long like Netflix's, but should be straightforward, well thought-out and reflect the unique ethos of your company.

02

DON'T DANCE AROUND THE TOPIC

Your culture defines your company, so be specific about what it means to you, as well as its importance and how the company perceives it. In its deck, Hubspot states that culture is "a shared set of beliefs and practices" and that "it doesn't just help attract amazing people, it amplifies their abilities and helps them do their best work".

03

STATE WHAT YOUR CULTURE ISN'T TO MAKE CLEAR WHAT IT IS

On a slide in its culture deck, Soundstripe noted that a company's ethos is not just game rooms, or other things such as day care, health benefits and sushi lunches. "Yes, we do have a ping-pong table (typical)," Soundstripe adds with self-deprecating humour. But then it gets serious: "Things do not define our culture. Our people do." This slide stresses the true focus of culture: people, rather than perks and other gimmicks.

04

USE LANGUAGE THAT FITS YOUR COMPANY – NOT SOMEONE ELSE'S

"We are here to help our customers kick ass," is how GoDaddy's mission statement begins. From the first line to the last – "stare down the impossible until the impossible blinks" – you get a real sense of passion. The language of a culture deck should reflect the essence of the company – playful or dignified, intense or laidback, casual or formal.

NEIL WEBB/IKON

05

ARTICULATE YOUR VISION

A company's vision encapsulates its medium- to long-term goals and aspirations. LinkedIn's culture deck includes a slide that simply states: "create opportunity for every member of the global workforce". It says that this is a company that helps improve the lives of others; that people who want to make a difference in the world should consider working at LinkedIn.

06

GET INTO THE DETAILS

Describing "how we work around here" covers the nature of working for your company. Answer questions that prospective as well as current employees would ask – such as about the hiring process, onboarding, diversity and inclusion, feedback, performance reviews, employee benefits and making a difference in the world.

Everyone at work management company Asana has clearly defined areas of responsibility. This is a new approach to workplace empowerment and why it scores in the 99th percentile of employee engagement and is consistently rated five out of five on Glassdoor.

07

REMEMBER YOUR AUDIENCE

A vital function of a culture deck is to attract the right talent. Netflix makes it clear that it pays top dollar for employees who thrive on "excellence, candour and change". It also encourages employees to understand their market value: "It's a healthy idea, not a traitorous one, to understand what other firms would pay you, by interviewing and talking to peers at other companies." This not only pushes the concept of transparency, but it also transmits Netflix's tremendous confidence. Only a company that knows the magnetic pull and staying power of its culture would encourage employees to do this.

08

ENGAGE YOUR TEAM

The creation of a culture deck is an opportunity to engage your team in defining the company's environment. When Hastings was asked about the creation of the culture deck he explained: "One of the great things about putting things in writing is that it makes it more debatable, so it's not just hearing a sermon […] you can comment and say that this part here doesn't seem appropriate or this part doesn't seem like what we do."

09

EVOLVE YOUR CULTURE DECK WITH THE BUSINESS

Culture is described as "the way we work around here" and the way a company works changes regularly as the business grows. The best culture decks reflect this and are reviewed and updated on a regular basis.

10

ENSURE THE LEADERSHIP TEAM LIVES AND BREATHES IT

Your team is watching how you and the rest of the leadership team behaves. If the leaders do not refer to the culture deck and live up to the values, mission, vision and other principles defined in it, then your team won't either.

A company's *raison d'être* is often the primary reason a candidate joins it – more than salary, stock options, or any inherent risk. And the biggest driver of successful hiring is how well the company defines and understands its culture. Crafting an effective culture deck turns it into a visible, tangible and conscious asset. It enables talent to connect with what your company is really about and get excited about the prospect of working there. A well-crafted culture deck is a strategic advantage. ●

Brett Putter, founder and CEO, CultureGene. His new book *Culture Decks Decoded* is out now. Learn more at brettonputter.com

HABITS OF THE SUCCESSFUL CFO

The CFO role has never been so powerful – or so challenging. Christian Doherty looks at what today's CFOs are bringing to the job and what attributes the next generation needs to succeed

For the past decade, EY has run its 'DNA of the CFO' programme – an annual celebration of the chief financial officer (CFO). The programme is complete with global surveys of attitudes toward the role, research into the looming challenges and insights into what the most successful CFOs bring to the job.

It's fair to say that little changes year on year. In 2016, the survey laid out what EY identified as the four key trends disrupting finance leadership: digital, data, risk and uncertainty, and finally stakeholder scrutiny and regulation.

It all adds up to the same thing. Today's CFO has to cope with it all – external disruption in the marketplace, increasingly engaged (and occasionally activist) shareholders, internal challenges of cost reduction, IT developments, the need to attract the best and the brightest from a small and competitive talent pool. And that's not to mention keeping the CEO's latest moonshot idea a grounded, affordable reality.

So it's not surprising that the role of CFO has begun to gain the reputation of the impossible job: ignored as a functionary when the business succeeds, but the first in the firing line when things go wrong. Recent events at Patisserie Valerie, among others, show the value of – and risks attached to – the role.

And the future is uncertain. The consensus view is that over the next 10 years automation will strip out layers of finance staff. Corporates will carry fewer pure accountants, most of whom will be working for the outsourcers, not for the companies.

Audit itself will shift to real time and be largely automated, upending the model of audit-trained accountants ascending the corporate ladder to the CFO's office. That in turn presents a real challenge for CFOs to think about the types of people they need in the future: people who are still analytical, creative and curious. And, as soft skills become ever more important, CFOs need to be great negotiators, facilitators, communicators and presenters. And, above all, agents of change.

"You've got to have that commercial and strategic awareness," says Richard Pennycook, former chief executive at Co-Op and former FD for Morrisons. "The functional specialist piece is a given. You absolutely have to have a feel for how your business operates, what its strategy should be and support the CEO in that strategic journey. You also need strength of character to say no if you don't agree with your CEO."

And it's not just hitting the right numbers. Swag Mukerji, group CFO at Centaur Media, identifies the biggest challenge as an FD is "to be able to go into a traditional organisation and demonstrate to them that finance actually has a value-added role to play in the business".

So what does the modern CFO look like – and what makes them different to their predecessors?

THEY'RE GOOD LISTENERS AND ADAPTABLE

"The ability to be a sounding board for the CEO combined with the ability to influence and challenge is massively important," says Pinesh Mehta who, having spent eight years in corporate finance at KPMG, is now an investor at the Business Growth Fund (BGF). "Ultimately CEOs are by nature entrepreneurial and you'd hopefully have the check and balance with a CFO who at times can rein it in where required."

Mehta works closely with CFOs at investee companies and points to examples from the BGF portfolio where the finance chief is central to navigating headwinds by influencing senior colleagues. "In some sectors where disruption is threatening the business model and existing conventions, we need an FD who can recognise what's coming and has the ability to try to change internally," says Mehta.

She adds: "If there is disruption going on in the market and the CEO is worried they're going to lose all their customers over the next two years because of that, my assumption is that the CFO should be there at the top table with the CEO trying to understand what they need to do."

It all comes down to anticipation. "The CFOs that we rate and look for have the ability to be aware of disruption ahead of time," Mehta explains. "They're on the ball and, while they might not necessarily have a thought-through plan on day one to present to the board, they at least raise the issues and work it out collectively."

THEY'RE ALWAYS LEARNING

Neha Mittal is the CFO of fintech firm MarketInvoice. Despite her educational achievements (she has completed an MBA at Wharton), she maintains that no CFO can hope to flourish without continuing to add to their knowledge. "The MBA was a great training ground for strategic thinking and then I had my own company, which taught me about resource constraints," she says. "That said, for scaling companies you have to be constantly learning because things change and you have to change along with them."

"You absolutely have to have a feel for how your business operates, what its strategy should be and support the CEO in that strategic journey"

Mittal focuses on connecting and networking with her peers to share challenges and thoughts – it's a constant learning cycle, she explains: "And that's perhaps a bit different to the traditional CFO approach. Now, you have to be open to new ways of thinking and not sticking rigidly to a policy that can't be changed."

Indeed, despite the pressure some CFOs feel to make the move to CEO, Mittal believes a commitment to learning means the job title is irrelevant. "What I care about is whether I'm building and growing something and learning. And at the moment in the CFO role I'm very satisfied. Going forward those will be the things that matter – not the title."

THEY KNOW HOW (AND WHEN) TO LEAD

"People skills are crucial to what I do," says Phil Wong, CFO of NSS Group. "That means I have to focus on bringing HR, operations, finance, sales – all these departments – together under the banner of value creation. Because the more share the value creates, the more we can offer people in terms of pay

"There is an increasing need for CFOs to be an integral part of deal negotiations and structure to meet both short- and longer-term goals"

rises, the more we can offer people in terms of progression, promotions and skills development."

And Wong believes the modern CFO cannot simply rule by decree, no matter what status the job title confers. "The CFO has to become more of an influencer to bring the business together," he says. "I think the people skills of a modern CFO are critical. And that means taking on a leadership role. We're in an organisation with a very flat structure and our culture isn't about beating people with a stick and barking orders, it's very much leading by example. So careful leadership for the modern CFO is critical."

THEY DEVELOP THE FUTURE

Good people are hard to find. And no sustainable solution can rely solely on bringing in new blood every time the business's needs change or grow. For a start it's costly and time consuming, not to mention disruptive. Despite this, few finance leaders see succession planning as a key part of the job. A recent Korn Ferry survey of 740 finance chiefs found that only 34% of them had a succession plan in place for their role. And 81% of respondents said there is no internal, "ready-now" successor.

Far better, then, to focus on developing what you've already got. Wong says one of his most important tasks is to develop his financial controller's (FC) career. "The FC here is the classic mix: very bright, very technical, with an industry background. In fact, his technical knowledge is probably as good as mine if not better."

Wong points to two acquisitions that NSS completed last year as a perfect case study for teaching and learning on the job. "He followed me through that journey, looking at the financial planning and analysis, constructing deals and apportioning equity; we were negotiating with vendors and deferring their consideration, which are the sort of skills he's always wanted to build up."

THEY GET IN ON THE DEAL

"Modern CFOs are more front-line facing and act as a key adviser to the CEO," says Andrew Hicks, CFO at software and services company Advanced. "There is an increasing need for CFOs to be an integral part of deal negotiations and structure to meet both short- and longer-term goals. This is particularly true in transforming industries like IT, where the shift from perpetual licencing to software-as-a-service licencing can have a huge impact on company performance with deal revenue changing from one time to being spread over multiple years."

Wong agrees: "For the CFO now, the mergers and acquisitions (M&A) side of the role is critical.

"I was very fortunate to start my career in corporate finance, helping entrepreneurs structure acquisitions, but now as CFO it's great to be actually on the inside doing an acquisition. When we did these first two acquisitions, we did it without any lead advisers; just myself and the lawyers. I was managing that legal process as well in terms of getting the sale and purchase agreements done and all the rest. It's a great grounding for understanding the rest of the business."

Barbara Richmond, group FD at Redrow, shares Wong's view that over-reliance on advisers can lead to trouble. "Some clients are changing advisers more frequently so some advisers have become more transaction focused and they aren't putting the effort into the relationship and understanding the business. Advisers also don't always like to tell you the truth, because it might not be financially rewarding for them."

THEY DIVE INTO THE DATA

As the box (right) indicates, data is becoming an indispensable part of the CFO's toolkit. For Mittal, it has a crucial part to play in empowering the CFO both within and outside the business. "You've got to be data driven and tech savvy. It doesn't matter what industry you're in, when you're making strategic decisions you need data to back it up and to understand where you're going and what the risks are. Using data makes you better informed and helps your judgement."

But, while she maintains that data plays an increasingly important role in the CFO's decision-making process, it has its limits. "We're not at the stage where we can rely on it fully; we still need to speak to customers and test our theories," she explains. "For example, when we make an investment, we're never 100% sure it'll deliver what we want. So we try to do many things,and the one that starts to work is the one that we go for – that's the mentality. And you need data to drive the key performance indicators that tell you if the experiment is working or not." ●

HOW THE DATA REVOLUTION WILL CHANGE THE CFO'S ROLE

Simon Bittlestone, CEO of Metapraxis, explains how three key technologies will revolutionise the CFO role in the next 10 years.

Recently, I asked a gathering of CFOs a question: "What is the role going to involve in 10 years?" The conclusions were: strategy, leadership of people and the management of business performance. And when you look at those conclusions, two of them often don't even sit in the CFO's role.

So, change presents a risk and an opportunity. If finance can reposition itself into being guardian of business performance, leading on the strategy and providing leadership in the business to help achieve those two things, I think it offers an incredible career path for the next generation of CFOs.

When it comes to data and analytics, we used to see resistance. But in the UK and the US the door is now much easier to open. CFOs care about this and they need to get engaged. As a consequence, there are three technologies that CFOs will have to adopt if they want to be relevant in 10 years time.

The first is robotic process automation, which will transform an enormous amount of work in the finance function, whether it's purchase to pay, core reporting, inventory management and so on. So much work can actually now be automated through essentially intelligent monthly application macros. That has to be adopted and will help fundamentally change the shape of the finance function.

Second, with analytics we will actually have many, many more roles where people move further up the value chain, saving a huge amount of time which can be spent on key insights and applying analytics, hopefully to help better understand the future performance of the business and make improved decisions.

The third technology is blockchain, which is taking longer to have an impact than some expected. That's because it's challenging for people to get their heads around, but we're seeing quite a lot of CFOs embracing the opportunity to look into things like inter-company ledgers. It will essentially provide entirely automated, real-time financial ledgers.

MICHAŁ BEDNARSKI

THINK AGAIN

With fears that artificial intelligence could take away jobs from finance, **Matt Weston** looks at how it is potentially changing hiring for the better

In August, Andy Haldane, chief economist at the Bank of England, hit the headlines warning that the UK would need a skills revolution to avoid "large swathes" of people becoming "technologically unemployed" as artificial intelligence threatens jobs.

Haldane said the possible disruption caused by the Fourth Industrial Revolution could be on a "much greater scale" compared to anything felt during the Victorian era. But recruitment specialist Robert Half's research shows how automation is set to change finance team dynamics and hiring for the better.

The worldwide survey of CFOs predicted that automation would bring teams closer together and improve group dynamics. The research, conducted for the Robert Half Salary Guide, showed that 66% of CFOs expected an increase in team collaboration, while 63% thought team innovation would improve. Communication was also expected to improve according to 57% of finance leaders, followed by enhanced team spirit (45%).

These changes could be attributed to the ability to remove repetitive and time-consuming tasks, freeing professionals to pursue more creative work like planning, strategy and creative problem solving. These are typically tasks that require a higher level of communication and co-operation.

As the pace of work accelerates, teams will need to learn to work in a more agile way, implementing data insights far faster than before. This places more emphasis on team resilience and communication.

THE AUTOMATION EFFECT

Automation is set to change the future of hiring within the finance sector – but not in the way you might think. While hiring managers will be looking for professionals with digital skills and a proficiency in certain programmes, it is soft skills they'll be paying particular attention to.

Finance leaders are looking for people with characteristics that suit a more collaborative, innovative and dynamic working environment. In June, we asked business leaders about the skills they sought when hiring. More than a quarter (28%) said they wanted candidates that were open to new ideas, followed by those with openness to change (26%) and excellent communication skills (19%). This can be linked with the benefits that finance teams will see from the automation of certain tasks and processes: faster working environments, more creative-based tasks and agile working.

When creating a company culture that suits automation, hiring finance professionals with the appropriate soft skills is just the tip of the iceberg. In the future, these values will also need to be instilled in current employees, with appropriate upskilling offered to professionals who don't have the digital knowledge that new systems require.

Furthermore, the removal of repetitive work may also lead to higher levels of employee happiness. Previous research has shown that employees are happiest when given the opportunity to engage in meaningful work that challenges them. The result will ultimately be a longer tenure and higher productivity from finance employees.

THE BIGGER PICTURE

With all that said, there is clearly still a skills gap in the market. Nearly 90% of those surveyed believe it is a challenge to find the right people to join their finance teams. This has become more challenging in the face of digital transformation and automation, with both traditional finance and interpersonal skills also becoming must-haves in the workplace.

Business and financial analysis are the most difficult to hire for globally, at 36%, followed by financial management and control (31%), audit (28%), accounting (27%) and compliance (25%).

There are some regional differences when it comes to the skills gap. Business and financial analysis takes the top spot in Germany, France, Brazil and much of the Asia Pacific region, while financial management and control is the most important skill set in Benelux and the UK. This is typically influenced by the speed of the digital transformation journey that is taking place and cultural priorities.

Finance leaders believe some technical and soft skills are expected to become more important than others. Soft skills such as leadership, communication and commercial acumen are important for finance professionals to develop in the next five years.

These must be combined with the development of technical abilities such as financial software, accounting and financial reporting, regulation and risk management capabilities. Key skills demands in future will focus on strategic vision (41%), problem solving (40%), IT skills (37%), data analytics (36%), and commercial and business acumen (35%).

But again, some skills are being prioritised above others in other countries. Technical knowledge, such as IT and data analytics skills, are being prioritised in the UK and other countries. In contrast, soft skills such as leadership, strategic vision and problem solving are paramount in countries such as Belgium, France, Australia and Hong Kong.

THE WAR FOR TALENT

To fill the skills gap and adapt to changing skill set requirements, companies are looking at a range of alternative options to address the war for talent. Some are looking at pay and perks to not only recruit new staff, but also retain them, as salaries for existing finance staff in companies are expected to increase by an average of 6.9%.

Others are looking at how bonus payments can help. Almost one in four finance professionals (23%) can expect a bonus in the next 12 months as companies look to reward and retain staff.

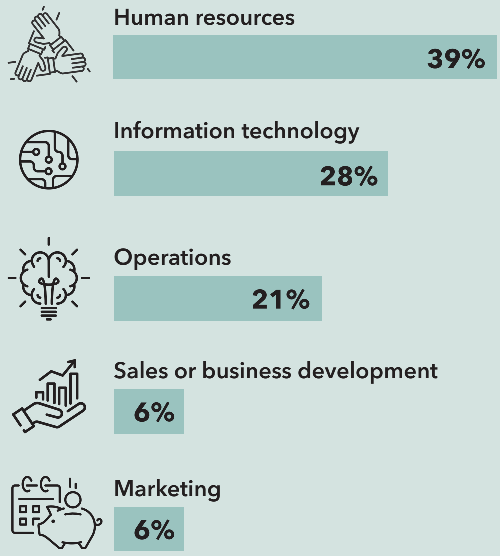
Financial perks can be helpful, but there is often much more needed for a happy and engaged workforce. In fact, while the majority of workers we surveyed around the world feel they are being paid appropriately for the work that they do, feeling appreciated, being treated with fairness and respect, and deriving a sense of accomplishment for their work were key drivers of happiness for finance and accounting professionals.

Many say they are willing to hire non-finance professionals to fill the gap and address the war for talent in this way – this is according to 84% of those surveyed. This willingness to go down the less traditional recruitment route is based on the recognition of the increasing importance of soft skills. More than half of finance leaders (51%) questioned believe soft skills are more important than technical ones when it comes to certain positions. Meanwhile, 39% see it as an important solution to the skills shortage challenge rather than simply increasing salaries and boosting bonuses.

Whatever the solution may be, the finance profession must act on the shortfalls in talent that are preventing businesses from moving forward. Businesses must continually adapt to changing requirements and skill sets to recruit, develop and nurture talent to move their organisations forward and advance their employees' potential. ●

FINANCIAL EXECUTIVES' CHANGING ROLES

Where finance leaders' roles have expanded most the past three years



SOURCE: ROBERT HALF MANAGEMENT RESSOURCES SURVEY OF MORE THAN 2,000 FINANCE LEADERS IN THE US

Matt Weston,
managing director,
Robert Half UK

DIGITAL DECISIONS

The lack of international consensus on taxing the digital economy is creating a vacuum of uncertainty. **Wendy Nicholls** explains what is on the horizon and how you can deal with the implications

Commerce is increasingly digital. Yet the global tax system is still geared to the needs of a traditional 'bricks and mortar' economy. The OECD's Base Erosion and Profit Sharing (BEPS) Action Plan recognises the need for modernisation and has achieved quite a lot since the issue of its reports in October 2015. However, specific recommendations on digital taxation have been limited and the OECD's calls for an international consensus on the way forward have been unheeded.

Here, we see how individual countries are filling the vacuum with their own varied set of tax measures, which continues to create uncertainty and heightens the risk and complexity of tax management for multinational enterprises (MNEs). And while it's the internet giants that the media and tax authorities have in their sights, it's also small and mid-size MNEs that are likely to bear the brunt of the changes and face the greatest challenges in managing them.

Businesses still tend to be taxed where they have a physical presence, and taxation continues to be built on traditional lines. The digital economy also heightens the challenges of attributing and transferring costs and returns along the OECD-defined development, enhancement, maintenance, protection and exploitation lifecycle of intellectual property and other intangible assets.

Both businesses and tax authorities are finding it difficult to define where value creation occurs and how to align that with traditional taxing standards. Many tax authorities believe they're missing out on significant amounts of tax from digital businesses that operate in their jurisdiction, but don't have the physical presence and hence permanent establishment status under current rules. Most have been playing catch-up in response rather than engaging in a fundamental rethink.

You should think about where and how you create value within an increasingly digital economy, how this maps against your transfer pricing and profit attribution and the extent to which you might be at risk of challenge from the different tax authorities where you operate, virtually as well as physically.

ADDRESSING THE CHALLENGES

The digital economy is the new frontier of taxation. Yet the OECD BEPS Action 1, 'Addressing the tax challenges of the digital economy' offers little in the way of specific guidance beyond asking its member countries to come together to "establish international coherence in corporate income taxation".

Although there are difficulties in securing an international consensus on digital taxation it doesn't mean that the issue can be ignored. Not only are individual states taking matters into their own hands, but tax issues surrounding the digital economy are being drawn into wider reforms.

The overall direction of travel would appear to be a move away from a physical presence as the defining feature of a taxable nexus towards an economic presence, which could be virtual. The UK is consulting about measuring 'user generated value' for its new Digital Services Tax, starting in 2020. Many countries have already brought in a digital tax of some nature.

You should determine whether the permanent establishment status of your various operations, physical and virtual, are still valid as a result of legal rulings and local changes in tax rules.

The changes to the taxation of digital business should form part of a wider review of whether your current tax management is fit for purpose.

While an international consensus has yet to materialise, taxing the digital economy is very much a live issue and can't be ignored. In this new world of increased complexity, explore what's coming up on the horizon and how your business can deal with it.

Taxing the digital economy can be found at tinyurl.com/BAM-T2DE ●

Wendy Nicholls,
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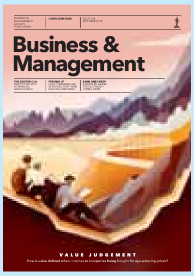
ACHIEVING HARMONY

In the fourth part of our Future of Work series, Peter Taylor Whiffen explores work-life boundaries and how to ensure they stay separate



The third part of our future of work series is available to read in the October issue of *Business & Management*

There was a time when you could walk out of your office and that would be the end of your working day. But now, that does not seem to be the case.

Our craving to be connected and the rise of the 24-hour society means thousands spend hours of leisure time on phones and tablets, checking work emails, browsing through our firm's social media, answering texts from the boss, researching and sending the reply to a query, finishing off that report...

Many of us take work home with us through choice – or at least have been conditioned to do so, fearing switching off will put us out of the loop, or worse, feeling pressure to always be available to our employer. Colleagues who send us emails late at night must be working, so we should respond to show we are too, right?

The ability to do our work any time, anywhere, is not a bad thing. In fact, a recent study of figures from the Office for National Statistics projects that half of British employees will be working remotely within the next two years. And the suggestion is that we, and our employers, will thrive because of it. Homeworkers claim to be nearly 20% more productive than their office counterparts, take about half as many days off sick and are generally more loyal employees, according to a survey for Canada Life. And, with the commute not being an issue, firms who encourage home working have a wider pool from which to choose their talent.

WORK MODE

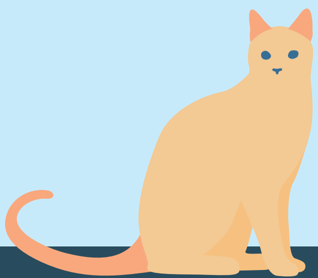
But with your work in your home – or at least always on your phone in your pocket – the line between work and life is becoming increasingly blurred. "Smart devices, the cloud, email and social media all make it so tempting to slip into work mode, especially if colleagues are sending you messages 'out-of-hours'," says Chris Chapman, founder of Numitas.

Chapman started the Cambridge-based finance consultancy to focus on portfolio work – with the aim of improving his own work-life balance. "I found I was spending my whole life in front of a laptop, when I should have been watching my lad play football on a Saturday," he says. "I needed to change."

He's also encouraging his peers to follow suit. Numitas's CFO Club boasts 5,000 finance professionals who, he says, are especially vulnerable to blurring work-life lines: "Particularly if you're in a more operational role, where almost all of your work is done on a screen, that potential for work to spill over into your life is more present now than it's ever been."

The average Briton's work-life balance has certainly skewed in the past 10 years. When it comes to managing that balance we're only the 13th best in Europe. Danes top the list, working 32.9 hours per week and enjoying 15.9 hours of leisure. In contrast, British employees work four more hours and enjoy just six of leisure says a study by TotallyMoney. Additionally, British employees earn an average of €1,888 per month compared with Denmark's €3,270.

Much of this – perhaps too much – is through necessity for the demands of



the job, according to another survey. Three in five work an average of four hours' unpaid overtime per week. That's 24 days per year – and it takes its toll. This overtime makes about 62% of people sacrifice social plans at least once a week, while 22% regularly work in the evenings just to keep on top of their workload. Soberingly, and unsurprisingly, 69% of those surveyed for bed specialist Dreams claim their long hours "create tension in their household".

But those lines between work and life are particularly fuzzy for FDs and CFOs. The average UK finance officer spends 63% of their waking hours (10-11 hours) working. But this is not just a British issue – German FDs work 75% of their waking hours and a further 10 nations' FDs over 70% (see diagram overleaf).

"The role of the CFO has widened over the past two decades," says John Graham, professor of finance at Duke University in North Carolina. Along with Philippe Dupuy from Grenoble École de Management, he questioned 800 CFOs around the world. "They are accountable for the bottom line as well as helping shape corporate strategy. We hope finance chiefs are not overworking themselves to the point of jeopardising their health, which in turn could put the financial health of the company at risk," Graham explains.

Three in five people work an average of four hours unpaid overtime per week. That's 24 days per year – and it takes its toll

But should the rules around when work stops and life starts be set in stone – and is that practical, or even desirable, anyway? Amazon CEO Jeff Bezos recently said he found the phrase 'work-life balance' debilitating, claiming that people should see work and life as complementary halves of a circle rather than a balance.

PRODUCTIVE COMMUTING

But not everyone has such an enthusiastic approach – many blur the lines through necessity. "I was aware on the train into work this morning that everyone around me was on a laptop, tablet or a phone," says Chapman. "I imagine that most of them were working, and I certainly use that time to catch up on admin or write emails. It's become a valuable part of my wrapping up of the working day, but only so I can then hopefully switch off completely when I get home, without feeling I need to do anything."

So has the commute become an extension of the working day? Many see it as a sort of buffer in the morning and evening between home and work, a kind of hinterland where you're sort of doing your job, but not having to follow all the rules and mores of working life. Not only do thousands use it as such, but many of them, like Chapman, actively welcome it.

In research by the University of the West of England (UWE), 5,000 rail commuters were quizzed on their commute. Responses included: "I rely on that time", "It's really important to my

sanity" and "It enables me to clear the decks at the end of the day".

The researchers concluded that so many commuters are using increased and improved free WiFi for work purposes during their journey that the time should count as part of the working day. "If this were the case, there would be many social and economic impacts," says UWE senior research fellow Dr Juliet Jain. "It could ease commuter pressure on peak hours and allow for more comfort and flexibility around working times."

Commuting does actually already count as work in a minority of cases, according to a law passed two years ago by the European Union Court of Justice. When Spanish security installation company Tyco closed its offices and told its employees they had to work from home, it then refused to recognise their day started until they were with their first client – which might be as much as two hours' unpaid travelling time from home. The Court of Justice ruled this was unfair and introduced the law to protect workers – but it only applies to those who have no fixed office or place of work and travel to different remote sites every day.

LEGAL IMPLICATIONS

In Norway some workers are also allowed to claim their commute as part of their working day, but introducing such legislation carries a raft of implications, says Siobhan Howard-Palmer, associate solicitor at Manchester employment specialists HRC Law. "This would be a further step following recent European laws around sickness and holiday pay, overtime and travel time, which have moved to protect an employee's work-life balance.

"If legislation does count commuting as work, what do we call it, overtime? If so, are employees paid for this and how is it monitored? If it does count as work, how does it fit with an employee's entitlement to rest periods?"

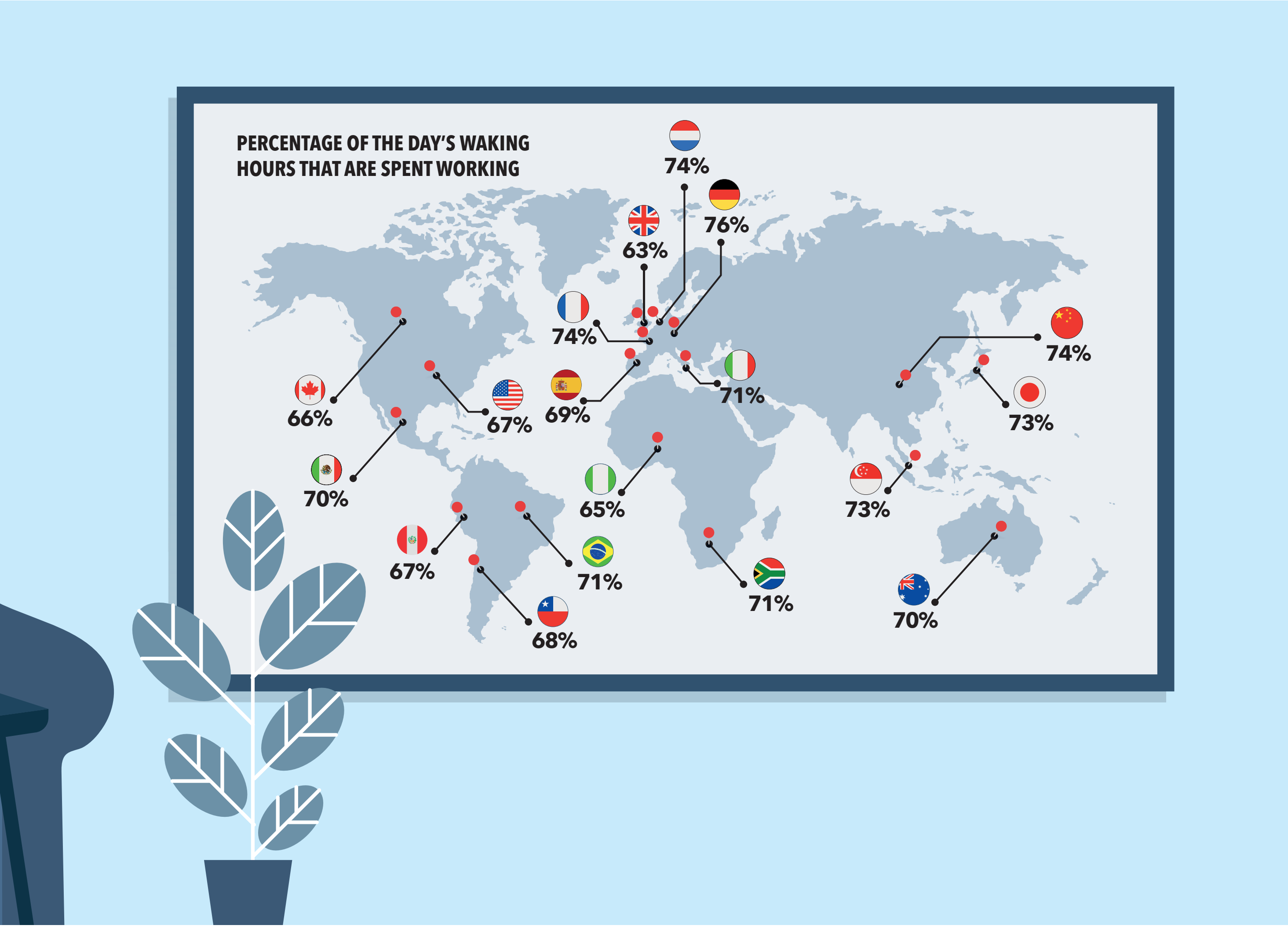
And the implications aren't just financial, says Chapman. "If you have your laptop out on the train, there are sensitivities about the material you're working with, in terms of privacy, confidentiality, data protection."

But how much legal responsibility – to employers, clients and the public – lies with the employee for protecting this information, even if they are not technically at work? And how much with their employer, who might be insisting work is done on the commute?

Furthermore, the law states that employees' bad behaviour outside work, including those resulting in criminal offences, are not grounds for dismissal unless they affect workers' abilities to do their job or potentially affect a worker's relations with colleagues, customers or suppliers and thereby bring the firm into disrepute. If you happen to behave inappropriately during your commute, should your rights be affected dependent on whether you happen to simultaneously be sending a work email, or writing a report, even though this is outside your normal paid hours? There is no definitive answer.

"This increasing flexibility around the working day has great potential to radically shift the work-life balance for the better," says Jamie Kerr, head of external affairs for the Institute of Directors. "With the concept of clocking on and clocking off no longer straightforward, defining where leisure begins and work ends will be vital for employers and individuals, as well as a complex task for regulators.

"This increasing flexibility around the working day has great potential to radically shift the work-life balance for the better"



SOURCE: BRINK NEWS

RESPECTING BOUNDARIES

Of course, for every employee who can't resist sending an email or taking a call in their supposed leisure time, there will be another who wants a very clear demarcation between work and life. And there is support for this idea – if you're in the right part of the world. France, Germany and Italy give their workers a legal right to disconnect and negotiate with employers their online availability outside working hours.

In March, New York City councillor Rafael Espinal proposed a bill banning companies with 10 or more employees from requiring their staff to respond to out-of-hours communications. And last month, Lidl's Belgian operation not only banned its staff from sending internal emails after 6pm, but blocked its servers to ensure compliance, following similar stances from German car giants Daimler and Volkswagen.

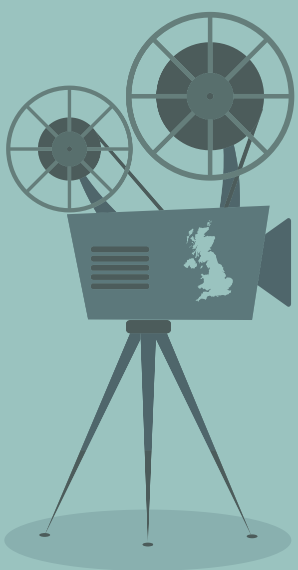
And you are even made to disconnect if you work for one of a handful of UK companies. Booking website Snaptrip has not banned sending out-of-hours emails, but makes it crystal clear to employees there is no obligation to respond. "People would come to work having missed an email conversation the previous evening and think: 'Am I meant to read my emails outside work?'" says Snaptrip's head of marketing Sean Thompson. "We took the step of clarifying that there is no expectation."

An employee should have the right to keep their home life sacrosanct, says Chapman. "You should be able to manage the company's expectations about your out-of-hours availability," he adds. "There will be some companies with managing directors where it will be difficult, but there will be places where you can set your stall out – especially if you are new in a job. It doesn't have to be a big issue – either clarify during an interview or, on the evening of your first day, ignore those work emails and apologise the next day if they were expecting a response but clarify you were doing things with your family and you don't respond to emails in the evening. You might even change the culture of the organisation – or help to come up with a solution that protects people's rights to choose whether or not to work outside office hours."

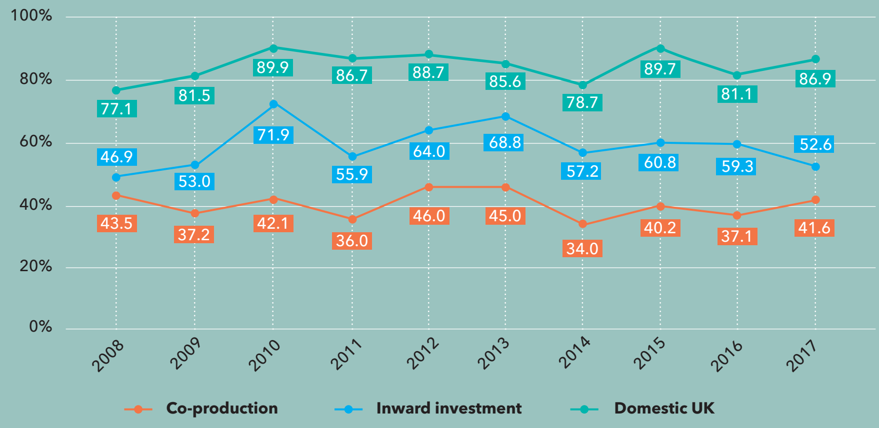
As we get ever more connected, UK business culture does seem to be blurring those work-life lines more regularly, adds Chapman – but says those lines haven't quite disappeared altogether. "I used to work for General Electric – I was in the UK but it's an American company. After my working day there was an expectation that I would join conference calls in the middle of the evening with American colleagues to tie in with US time zones. That's not specific to General Electric, I think it's actually more about the expectations of US corporate culture. I don't think there would be quite that expectation for an American employee working in the States for a British company. We haven't quite got to that stage yet." ●

AT A CINEMA NEAR YOU...

After years in the doldrums, the UK film industry is back on the up. In 2015, the industry's direct contribution to Gross Domestic Product was £5.2bn and, as the latest statistics from the British Film Institute show, 2017 was a record-breaking year as filmmakers and investors tapped into Britain's rich base of creative and technical talent



UK SPEND AS A PERCENTAGE OF TOTAL PRODUCTION BUDGET, 2008-2017



"UK domestic films have consistently had the highest proportion of UK spend while co-productions have had the lowest"

POWER HOUSE: UK BUDGET FOR 2017 PRODUCTIONS

£2bn
Total spend on UK film production

17%
increase on 2016, a record high

twenty nine
big-budget features

Compared with

£985m
97 projects
UK spend for high-end television

£132m
41 projects
UK spend for video games

FEATURE FILM PRODUCTION ACTIVITY IN THE UK IN 2017

UK spend	UK spend	UK spend
£1.75bn	**£221m**	**£31m**

UK FILM COMPANY ACTIVITY 2017

Number of films produced per company

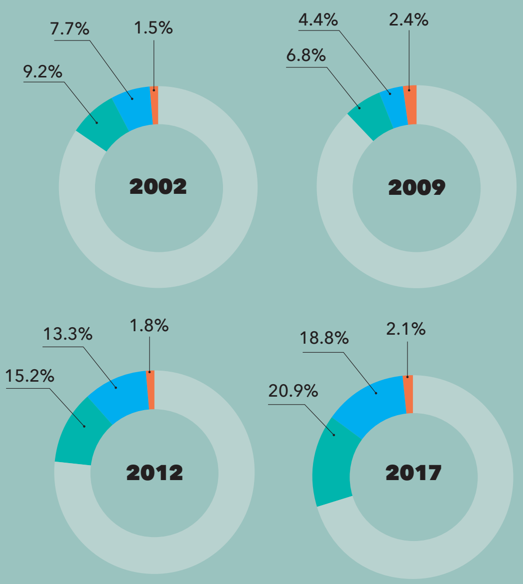
378 COMPANIES EACH PRODUCED 1 FILM

29 COMPANIES EACH PRODUCED 2 FILMS

11 COMPANIES EACH PRODUCED 3 FILMS

3 COMPANIES EACH PRODUCED 4 FILMS

UK FILMS BY % OF GLOBAL MARKET SHARE



UK share overall

UK studio backed films

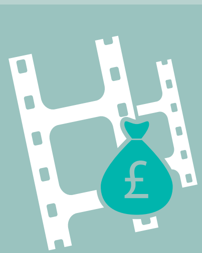
UK independent films

These figures show that the market share of films made in a studio-backed environment can fluctuate significantly from year to year. Figures for independent film vary less wildly

UK FILMS GLOBAL MARKET SHARE: 2002-2017

AS SEEN ON SCREEN

£34.6m



Box office takings for screenings of events other than feature films, such as plays, concerts and sporting events, in 2017

Top three:

Theatre - **£11.1m**

Opera - **£6.8m**

Documentary - **£5.7m**

While only accounting for 2.5% of overall sales, this still indicates that diversifying cinema use is a viable strand of income for the industry

THE CINEMA SCENE

	2016	2017
NUMBER OF UK CINEMAS	766	774
NUMBER OF SCREENS	4,150	4,264

THAT'S 6.5 SCREENS PER 100,000 PEOPLE

AVERAGE UK CINEMA TICKET PRICE

2017 **£7.49**
2016 **£7.30**

59%

Volume of UK box office revenue generated from Friday to Sunday

WORKING IN FILM

The 2017 statistics for UK employment in the film industry haven't yet been released, however...

IN 2016:

80,000

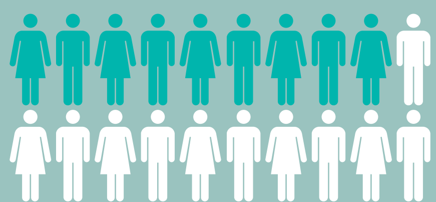
people worked in the industry, with

55,000

in film and video production specifically where most workplaces had 10 or fewer employees and

49%

of workers were freelance



SOURCE: BFI

DOES YOUR IT KEEP YOU UP AT NIGHT?

Does your IT strategy underpin and enable your business strategy?

Are you worried about IT failure leading to loss of earnings?

Can you create new IT services at the pace your business needs?

Quorum Network Resources Ltd are a UK based IT Managed Services provider offering end-to-end services tailored to your business. Working with your executive team, our experienced IT Directors can review, build and deliver a strategy taking your technology to the next level.

As well as managing existing IT services, we are experienced in the migration of legacy platforms to highly available cloud solutions, enabling your digital transformation.

Our proven track record of delivering IT as a Service through first-class cloud solutions, can put an end to those sleepless nights.

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POWER TRIP

Energy-efficiency regulation is just another compliance burden – or is it? Business & Management looks at the potential gains to be had from mandatory energy audits

Sustainability has rocketed up the business agenda over the past five years, not least due to the inclusion of environmental matters in corporate reporting regulations and implementation of the EU Energy Efficiency Directive, manifested in the Energy Savings Opportunity Scheme (ESOS) Regulations 2014. ESOS is mandatory for businesses with 250 or more employees or €50m turnover. They must have an assessment or provide information that shows their existing energy efficiency activities are already compliant (eg, under International Standard ISO 50001). While this might seem like yet more box ticking, there is opportunity for FDs to leverage long-term cost savings from compliance.

While ESOS establishes a minimum requirement for measuring energy consumption and identifying opportunities to save it, using an audit to plan high-level alterations can prove valuable. The Carbon Trust stated that "simply complying with the regulations misses the point of ESOS" when up to 20% of a business's annual energy cost could be waste through inefficient equipment.

"With ESOS you don't have to make savings, you just have to say that you found all of the opportunities that were available," says Ian Beynon, head of energy reduction and engineering at Cardiff-based amber energy. For example, ESOS requires only that buildings across a company's sites are sampled and the data extrapolated. A full industrial-grade energy audit would involve taking detailed readings of every site to create individualised plans, and still be ESOS-compliant.

Beynon describes an industrial-grade audit as "fully-designed, fully-costed, fully-tendered, fully-risked with a project plan as to what you're going to roll out when". It looks at the flow of energy and analyses metering, sub-metering and controls. Benchmarking and preliminary walk-throughs lead to assessments using building performance simulation tools. The results feed into studies that can take up to a month depending on the size and complexity of a site. This gives FDs the economic and technical specifications required to complete costing exercises.

TIME, COST AND PAYBACK

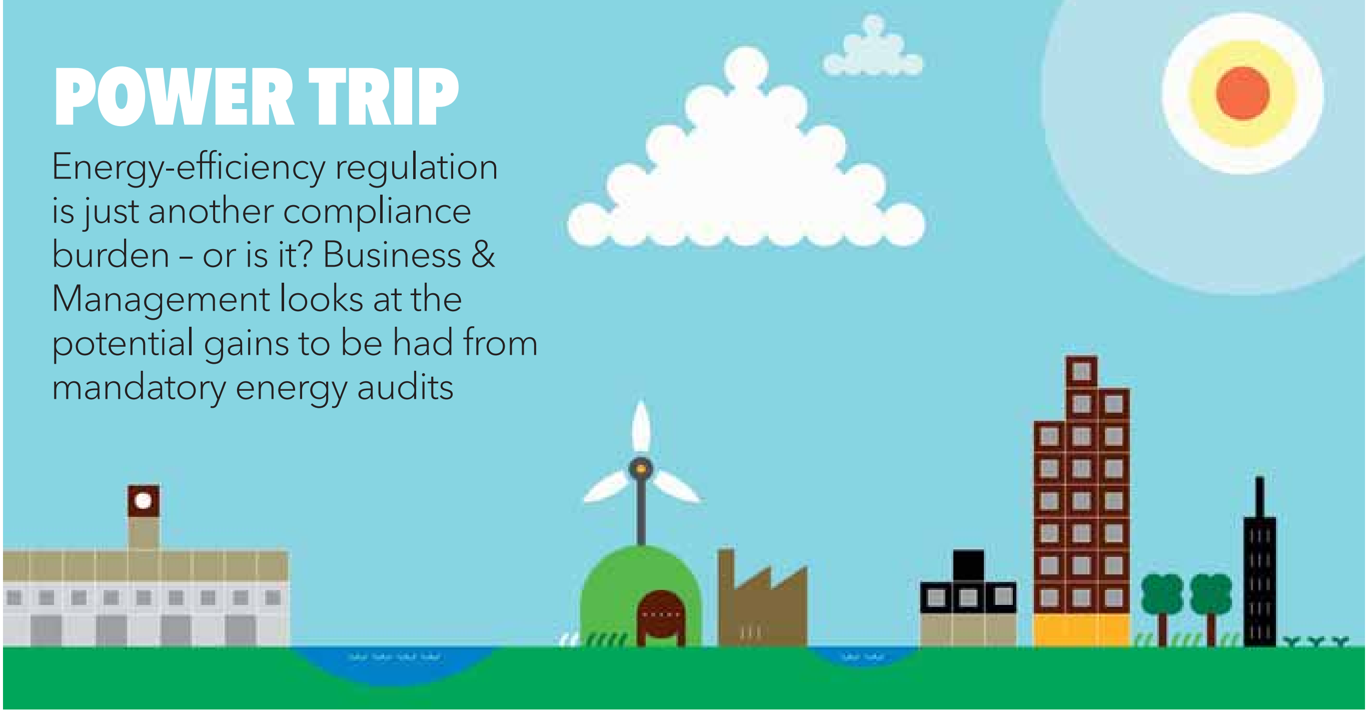
Before all this, the key to a successful audit is for a business to understand its commercial and financial drivers for saving energy. This will determine if a business wants to know what all the opportunities are or just those that will pay back in a set time. "We ask if businesses need cap-ex or other funding, or if the FD will sign off any business case as long as there's an 18-month or one-year payback."

Larger businesses have until December 2019 to seek compliance under phase two of ESOS. See tinyurl.com/BAM-ESOS

Typically, projects with three-to-five year paybacks are those dealing with heating and lighting. Innovative changes (such as renewables) may have eight-to-10-year payback periods. "A good rule of thumb is whatever your annual energy spend is, it's probably how much you need to invest to make a 20% saving with a five-year payback," says Beynon.

Once a business knows the options, there are various paths to the savings. Beynon says you can pick up quick wins – eg, everything with a six-month payback – and "start making returns, and then perhaps look to reinvest that pot". Or you could take the approach that of 10 projects identified, five are particularly attractive, with a mix of payback terms. "A five-year payback is something that a lot of FDs will consider, as they can try to squeeze it down to three or four." He adds that if short- and medium-term projects align with your drivers, you should do them.

Beynon adds: "Off balance sheet there will also be quick wins, the low or no cost stuff, such as behaviour and culture change: simple controls that can be put in place and have payback within days, weeks or months." ●



GRUNDINI/IKON

CORPORATE GIFT OR **BUSINESS BRIBE?**

In the corporate world a present could be the difference between improving a working relationship and offending a client. But why is it so important for businesses to be aware of being accused of bribery? David Adams explains

Most of us are familiar with corporate gifting. The practice has probably existed in one form or another for as long as there have been private businesses. It has now evolved into an effective business tool used to thank clients for their custom, though care must be taken to ensure that over-generous gift-giving does not tip into something that could be construed as bribery. Corporate gifting can also refer to gifts given to an organisation's own staff at particular times of year, as a way to thank them for their efforts or to recognise key moments in their professional or personal lives, such as a long period of service, or their forthcoming wedding.

The UK corporate gifting market was worth £78.3m by the end of 2016, according to research from gift card provider One4All. The same study suggested that 49% of UK workers had received some form of corporate gift and the average spend was £50 per gift.

This is in part due to the fact that HMRC allows you to claim business gifts worth up to £50 to any one person in any one tax year. The caveat is that the gifts must be business related (eg, a work diary), so cannot be food, alcohol or tobacco. It also must not be vouchers that can be exchanged for any of the above. The gift must contain an advertisement for your business, such as the company logo, to allow it to be recognised as a corporate gift for tax purposes.

BEWARE FALSE GIFTS

What is clear from the enormous range of gift companies and gifts catering to this corporate market (see box, page 30) is that businesses could easily get caught up in giving items that prove to be out of context with their wider remit and client base, which may then result in unintended negative consequences.

A poorly-chosen corporate gift can cause embarrassment – but a much worse scenario would be the possibility that it could expose employees and their employers to the accusation that they have sought to bribe or are prepared to accept a bribe in the form of an extravagant gift.

There are four offences for which individuals or business can be prosecuted under the Bribery Act 2010 in relation to corporate gifting: offering/giving a bribe; requesting/receiving a bribe; bribing a public official; and the corporate offence of failing to prevent bribery. Each of the first three can be committed by

From top: Build My Gift, 9-5 Essentials, £55; Home Sweet Home, £56

individuals and corporates, and a guilty verdict could lead to a maximum sentence of 10 years in prison and/or an unlimited fine for the guilty corporate – which is also the sentence that might be given out if an organisation were found guilty of failing to prevent bribery.

"The penalties are very severe and the reputational damage can be crippling," warns Thomas Webb, director of the fraud and white-collar crime team at legal firm Burges Salmon. He advises any company or employee concerned about a specific gift that it may be about to give or receive should consider three key factors: the intention, value and timing of the gift.

The intention involves looking at whether the gift reflects good working relations or if there's no business development aspect at all. Value-wise, the inherent cost of the gift is important as it's often the most obvious evidence of an over-extravagant display. Be careful to question whether the expense is proportionate in relation to your business relationship, or whether it could be construed as too much.

"You might have a bottle of wine or champagne, it's Christmas and this is just something that is designed to improve a working relationship. But is a more valuable gift going beyond being just a recognition of a business relationship?" Webb asks. "If you are going beyond that then there's a risk that a bribe will be found to be have been offered or given."

With regards timing, it's generally accepted that gifts are offered simply to mark periods – ie, Christmas – but where one could get into hot water is if it's offered while there's a dispute over services provided or during a tender or procurement process. To be on the safe side, gifts should be occasional or infrequent and small in volume.

BE IN THE KNOW

For a corporate offence, it doesn't matter whether or not senior managers or executives knew a bribe was being offered or accepted, the company still bears liability for the acts of its employees. The defence to be mounted against such a charge is being able to demonstrate that adequate procedures to prevent bribery have been put in place. It is simply not enough to be ignorant of bribes taking place – decisive and dynamic action must be taken to prevent soliciting bribery.

Guidelines published by the Ministry of Justice after the passage of the Bribery Act (see tinyurl.com/BAM-Bribe) set out the steps organisations should take to demonstrate adequate procedures.

One key factor is a commitment made at the top of the organisation to take robust steps to create such procedures. Another is the creation of a gift and hospitality register that is then actively monitored. Businesses should also take due diligence measures to govern the actions of any contractors working for the organisation.

Many organisations, especially in the corporate sector, protect staff from any allegations of bribery by simply not allowing gifts, full stop. Other businesses permit employees to accept small gifts under certain circumstances, but say that such gifts must be recorded in the company register.

There are, says Webb, some easy wins for businesses seeking to protect themselves against allegations of

H. Forman and Son, London Cure Smoked Salmon, £49.95

wrongdoing in respect of gifts being offered or received. He says some clients are surprised how easy it is to put measures in place that will constitute a defence – but notes that “you do need that buy-in from senior management”.

THE THOUGHT THAT COUNTS

There is certainly no lack of buy-in when it comes to corporate gifting as a practice, as both the British Hamper Company and Fine food specialist Forman & Fields can attest. James Tod, co-founder and managing director of the British Hamper Company, says there has been a healthy increase in corporate giving during the past five years, with the market for low-value corporate gifting growing by about a third in the past two years.

“Small gifts like hampers fit well for both staff and clients and we continue to see an increase in overseas gifting as British businesses expand into new or existing markets,” Tod explains. He says that they are given both for office sharing and as an example of showcasing British produce to overseas clients. The same is true for Forman & Fields’s ‘London Cure’ smoked salmon. “We send thousands each year,” says owner and managing director Lance Forman.

ETHICALLY SPEAKING…

As growing interest and concerns about corporate governance have lifted the profile of ethical and sustainability concerns, companies are also seeking to ensure that items they sell are produced by manufacturers with awareness of ethical and sustainability issues.

Some corporate gift suppliers use ethical and sustainable sourcing as a key selling point, such as Green&Blue, for garden lovers, and Everything Environmental, which is the UK’s leading trade-exclusive supplier of eco-friendly and ethically-sourced gifts.

Similarly, Elvis & Kresse produces gifts including notebooks, bags, travel wallets and cufflinks, made from recycled materials such as decommissioned firehoses, reclaimed Burberry leather and military-grade parachute silk.

MARKING THE OCCASION

Whatever type of gift a business might consider sending, it is important to consider carefully its purpose and choose the right gift for the right person – alcohol is not always a safe choice, for example.

Picking the right gift could significantly affect a client relationship or help secure an employee’s commitment to the business. One consolation is that, of all the administrative tasks you might have to undertake during the course of an average year, choosing corporate gifts can be one of the most enjoyable.

“As companies search for more bespoke gifting solutions, branded and personalised gifts have become more popular,” says a spokeperson for Thorntons’ parent company, Ferrero. “Such gifts provide a lasting impression, increasing engagement with recipients who appreciate the extra time, thought and effort.” Asked if the company ever receives any particularly unusual requests for bespoke gifts, Thorntons was once asked to create chocolate fireguards by a stove manufacturer.

Many well-known UK retailers offer extensive ranges of corporate gifts suitable for a very wide range of budgets. For example, Harrods corporate gifts range from biscuits and chocolate to cufflinks, high-end perfumes, and even some four-figure-price items that might raise eyebrows or represent unusual generosity.

As we all know, it really can be a great pleasure to give, as well as to receive, just beware of any over-extravagance. Happy gift hunting! ●

A WHOLE NEW WORLD OF GIFTS

To give an idea of the scale of gifts available for a variety of clients, here’s a selection of items currently on the corporate shopping gift list:

The **British Hamper Company**’s ‘Christmas Cheer Hamper’ (£33.97) contains Cocoa Loco chocolate Santas, a mini Christmas cake, fudge, hickory smoked almonds and cashews, and mulled wine spices. Top of the range is its £650 ‘Grand Extravagance Hamper’.

Forman & Field’s hand-sliced side of ‘London Cure’ smoked salmoncost just under £50 each.

Harrods has gifts in an enormous range of prices: from a box of Cartwright & Butler strawberry and white chocolate biscuits (£9.50), to Deakin & Francis mother-of-pearl and aquamarine cufflinks (£270). Its gift hampers are similarly wide-ranging, from a champagne and truffles selection (£35) to a ‘Celebration of Christmas’ hamper for £750, and ‘The Ultimate’ hamper – actually three hampers – for £5,000, with delights including vintage champagne and caviar.

Online retailer **Farrar & Tanner** offers belts (£30-£60), pocket watches (£70-700), garden tools (£12-£50), flasks (around £20) and travel shaving sets (£75-£91), many of which can be personalised.

Build My Gift offers readymade selections including its £25 box containing Charbonnel et Walker chocolates and a hip flask, and a £75 box containing a 75cl bottle of Veuve Clicquot champagne.

BJORN RUNE/IKON

TECHNICAL UPDATES

Our regular roundup of legal and regulatory change

TAX

NEWS AND UPDATES FROM THE TAX FACULTY WEEKLY NEWSWIRE. VISIT ION.ICAEW.COM/TAXFACULTY AND CLICK THE SIGN-UP LINK TO SUBSCRIBE FOR FREE

MTD FOR VAT PILOT OPENED UP TO MAJORITY OF BUSINESSES

The Making Tax Digital (MTD) for VAT pilot moved into its public beta phase on 16 October 2018. This means any business that meets the eligibility criteria and has acquired MTD compliant software can now join the pilot. HMRC has also announced a deferral to the start date of six months for some more complex businesses.

From 1 April 2019, VAT registered businesses that have turnover above the £85,000 VAT registration threshold will need to submit their VAT returns to HMRC using software or an API enabled spreadsheet (see icaew.com/mtd for more information). Approximately 600,000 of the 1.1 million businesses that will be required to comply with the MTD for VAT regulations from April 2019 are now eligible to join the pilot. The eligibility criteria is expected to be relaxed as the pilot progresses, but HMRC has yet to release a timetable for these businesses.

Certain businesses and organisations still can't join the pilot. These are any that:

- are a trust or charity;
- are part of a VAT group or VAT Division;
- trade with the EU;
- are based overseas;
- are a partnership;
- submit annual returns;
- make VAT payments on account;
- use the VAT Flat Rate Scheme;
- are a business that is newly registered for VAT and has not previously used their VAT online account to submit their VAT Return; or
- have incurred a default surcharge in the last 24 months.

Note that businesses that pay their VAT by direct debit cannot sign up during the 15 days leading up to the submission date.

A six-month deferral will apply to about 3.5% of businesses that fall into one of the following categories:

- trusts;
- 'not for profit' organisations that are not companies (including some charities);
- VAT divisions and VAT groups;

- public sector entities that are required to provide additional information alongside their VAT return;
- local authorities and public corporations;
- traders based overseas;
- those required to make payments on account; or
- annual accounting scheme users.

These groups will be mandated to use MTD from 1 October 2019.

Businesses can sign up to the pilot at tinyurl.com/BAM-UseSoft1

Agents can sign their clients up to the pilot at tinyurl.com/BAM-UseSoft2

HMRC has also published new videos (tinyurl.com/BAM-HMRCVids) including step-by-step guides to creating an agent services account and signing up to MTD for VAT.

The Tax Faculty will update the information on the ICAEW MTD hub and will consider further support for members such as webinars. The IT Faculty will update the software for MTD content.

IS THE UK TAX SYSTEM A BURDEN?

The Administrative Burdens Advisory Board (ABAB) is surveying businesses to gather feedback on their experiences of the UK tax system.

Employers and payroll agents were invited to complete this year's *Tell ABAB* survey. Its focus was business awareness of MTD for VAT.

ABAB is a committee independent of HMRC, including members from a range of businesses and professions who represent the small business community. Paul Aplin, president of ICAEW and a past chairman of ICAEW's Tax Faculty, and Rebecca Benneyworth, past chairman of the Tax Faculty, are both members of ABAB.

Results from the survey will be published on the GOV.UK website during spring 2019.

For information on the details of the survey visit tinyurl.com/BAM-TellABAB

CHILDCARE VOUCHERS AND DIRECTLY CONTRACTED CHILDCARE SCHEMES

As previously announced, the childcare voucher and directly contracted childcare schemes closed to new applicants on 4 October 2018.

These schemes are being replaced gradually with tax-free childcare.

Workplace nurseries are not affected by this change.

TRADING AFTER BREXIT: WEBINAR

If you are confused by what the trading landscape will look like after Brexit, then you should watch our latest webinar *The Trading Landscape after Brexit: The Customs Perspective*.

Presented by Frank Haskew and Cróna Brady of Chartered Accountants Ireland (CAI), the webinar was a follow-up to the CAI/ICAEW joint publication *Taking the lead: chartered accountants and Brexit* (tinyurl.com/BAM-TakingTheLead), which was published in July 2018.

The webinar was designed to provide members with a helpful summary of what the future trading landscape could look like and what customs procedures and processes will be needed for future trading between the UK and the rest of the EU.

Topics covered included:

- an overview of trading under Free Trade Agreements, World Trade Organisation rules and Customs Unions;
- how customs and duty arrangements work under the different types of arrangements;
- proposed changes will happen to the VAT rules; and
- latest developments including the Cross Border Trade Act 2018 and government preparations for a no-deal Brexit.

Visit tinyurl.com/BAM-TradeWebinar

SELF ASSESSMENT TAX: ONLINE FILING EXCLUSIONS

The 31 October 2018 deadline for filing self assessment returns for 2017/18 on paper has passed. But this deadline for processing paper returns is effectively extended to 31 January where the return is covered by an exclusion from online filing.

It is advisable to file paper returns as soon as possible; there were considerable delays to the processing of 2016/17 paper returns for exclusion cases. A backlog of approximately 5,000 returns accumulated and 150 of these cases have still to be cleared. HMRC is also working through a considerably larger number of returns filed online where one of the exclusions means that the tax calculation may be incorrect.

2017/18 exclusions

The latest exclusion list for 2017/18 is version 1.1, published on 11 May 2018. HMRC was expected to publish a revised exclusion list on GOV.UK by 22 October 2018. Version 1.1 includes several new exclusions for 2017/18 (numbers 82 to 90). Many of the exclusions that were new for 2016/17 have been removed, but notably one of the exclusions relating to dividend income and the two exclusions relating to top-slicing relief remain on the list.

A further six exclusions have been identified and will be included as numbers 91-96 when the next version is published. These exclusions concern Lloyds underwriters, relief for property finance costs and Scottish taxpayers:

- #91: all Lloyds underwriters' dividends on 2017/18 returns should be received after 6 April 2017 and therefore not have a tax credit. The SA tax calculator is allowing a tax credit in error.
- #92: where a taxpayer who has income from property is claiming finance relief and has transferred some of their personal allowance as marriage allowance, they will have a reduced amount of 'adjusted total income' at Step 3 of section 6 of s274AA ITTOIA which will result in relief not being given in error where the higher amount of personal allowance restricts the relief amount.
- #93: a taxpayer claiming relief for finance costs in box FOR24.1 on the foreign pages where there are losses brought forward at FOR26 set against adjusted profit in FOR24 will have an incorrect calculation where FOR24 is greater than FOR24.1 and FOR27 is less than FOR24.1.
- #94: taxpayers with Scottish status that are claiming remittance basis will be taxed as if they are not a Scottish taxpayer on all income. Where there is non-savings income of more than the extended Scottish basic rate band (usually £31,500) after deducting reliefs and allowances (if due) the customer will be charged less tax.
- #95: taxpayers with Scottish status that have non-savings income of more than the extended Scottish basic rate band (usually £31,500) before deducting reliefs and allowances (if due), and, after reliefs and allowances, have taxable savings income of up to £500 in the higher rate band 40% where there are allowances set against dividends at higher rate 32.5% the customer will be charged more tax.
- #96: taxpayers with Scottish status liable to tax at or above the higher rate who have made pension

payments with relief at source and/or gift aid will receive excess relief where the Scottish basic rate band is increased and the UK basic rate is increased by the same amount and this takes more than the payment amounts out of charge at the higher rates.

We understand that HMRC will attempt to correct the calculations where an exclusion case is filed online. The importance of checking calculations very carefully is highlighted once again.

EMPLOYMENT LAW

THIS SECTION IS SUMMARISED FROM THE BULLETINS OF VARIOUS LAW FIRMS AND ASSOCIATIONS. NONE OF THE INFORMATION IN THIS UPDATE SHOULD BE TREATED AS LEGAL ADVICE

EMPLOYEES CALL IN SICK TO COVER UP MENTAL HEALTH ISSUES

A new report into the state of workers' mental health reveals that significant numbers are covering up their condition by claiming to be physically sick.

The report, *Hiding in plain sight: mental health in the workplace*, was published by BHSF Occupational Health. It revealed that 42% of staff ringing in sick have been doing so to hide their anxiety, depression or stress. Just 15% admitted they would tell their boss the truth.

According to BHSF, around 40% of work absence is due to illness related to poor mental health. It expects this to rise to 70% over the next five years.

The report offers a nine-step plan for creating a mentally healthy workplace.

Download it at tinyurl.com/BAM-BHSF

COMMITTEE REPORT ON IMPROVING APPRENTICESHIP SCHEMES

People from disadvantaged backgrounds need more help to access apprenticeships. That was one of the findings of a government select committee on education, which has just released a report on the subject.

The apprenticeships ladder of opportunity: quality not quantity lists 27 separate recommendations relating to the quality of apprenticeships and to social justice issues arising around them.

It stated that providers should be monitored to ensure they have enough resources to fulfil the roles they set out to; if found to fall short, they should be removed from the register of approved apprenticeship training providers.

The committee also recommended that the government should increase incentive funding for SMEs and social enterprises and extend the co-investment waiver for small investors to cover young people up to the age of 24. The limit is currently 18.

One of the key social suggestions was to create a bursary scheme to help people from disadvantaged groups access places, potentially to be modelled on the care leavers' bursary. This scheme already gives those raised in care £1,000 if they take up an apprenticeship, with the money used to help them transition to a workplace environment and get to grips with the cost of living.

Apprentices are currently entitled to a minimum training wage of £3.70 per hour. The select committee also want this raised to significantly above the rate of inflation, and ultimately abolished.

The report comes as government inspector of education, Ofsted, found that up to a fifth of apprenticeship providers don't make the grade – 60 providers were insufficient in making progress.

See tinyurl.com/BAM-AppLadder

SURVEY OF CARER VULNERABILITY IN THE WORKPLACE

More than three quarters of workers think that remaining in a job is tough for people with caring responsibilities, with 47% believing that workers who doubled as carers were discriminated against.

The survey of 3,000 public sector workers by the Unison union and YouGov revealed that three-quarters also made alterations to their career in order to absorb caring roles, such as looking after parents or children. Almost a fifth were forced to quit, and about two-thirds had a period of unpaid leave. Workers also reported being passed over for promotion as a result of their caring role.

The results of the survey were discussed in parliament on the back of an earlier poll that called for greater support in the workplace for carers and parents.

Unison and the family charity Coram have been calling for a change to the law granting people 10 days of paid leave for caring duties and up to a year of unpaid leave, plus support for employers.

Visit tinyurl.com/BAM-WorkCarers

FREE LEGAL ADVICE FOR EMPLOYERS

Did you know that the workplace arbitration service Acas offers free legal advice to employers? Any business with an employment law, HR or management conundrum can call its free hotline around the clock, with no limit on the number of times you can call.

The advisers can point businesses owners and managers in the direction of free resources helping them to comply with employment law.

Call 0800 398 0286 or visit tinyurl.com/BAM-VisitAcas

FINANCIAL REPORTING

YOU CAN FIND OUT MORE ON THE LATEST FROM THE FINANCIAL REPORTING FACULTY AT ICAEW.COM/FRF

BREXIT

On 12 October the Department for Business, Energy & Industrial Strategy published some guidance on the implications for accounting and audit if the UK leaves the EU with no deal.

Currently, the UK follows the EU rules and regulations in the areas of accounting, corporate reporting and audit. These rules and regulations are mainly reflected in the Companies Act 2006 and associated regulations.

The guidance states that the government will ensure that the UK continues to have a functioning regulatory framework for companies and, as far as possible, the same laws and rules that are currently in place continue to apply.

UK incorporated subsidiaries and parents of EU businesses will continue to be subject to the UK's corporate reporting regime. However, certain exemptions relating to the preparation of individual accounts will no longer be extended to companies with parents or subsidiaries incorporated in the EU.

UK businesses with a branch operating in the EU will become third country businesses in the Member State in which they operate. Compliance with the accounting and reporting requirements of the Companies Act 2006 may no longer be considered sufficient by the Member State.

UK companies listed on an EU market may be required to provide additional assurance to the relevant listing authority that their accounts comply with IFRS in accordance with EU third country requirements.

See tinyurl.com/BAM-NoBrex ●

ON A LIGHTER NOTE

CORRECTING A DECADES-OLD SPELLING MISTAKE

New York governor Andrew Cuomo has approved legislation allowing the Verrazzano-Narrows Bridge to have its name spelled correctly for the first time since it opened in 1964. Despite being named after Giovanni da Verrazzano, the first European explorer to sail into New York Harbour, the bridge's name was spelled with just one 'z' – a decision made by the then-governor Nelson Rockefeller. "The Verrazzano Bridge is a vital transportation artery," said Cuomo. "We are correcting this decades-old misspelling out of respect to the legacy of the explorer and to New York's heritage." The correction will mean 96 incorrect signs will be replaced.

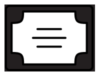
WORLD'S TALLEST STATUE

India's prime minister, Narendra Modi, unveiled the world's largest statue last month in the state of Gujarat. Standing at almost 600ft (182m), nearly twice the size of the Statue of Liberty in New York City, the statue of Vallabhbhai Patel cost £330m to build.

Modi claimed the memorial would be a "worldwide tourist attraction". However, it has drawn criticism from poverty action groups, and the heads of 22 surrounding villages have signed an open letter criticising the cost and environmental destruction caused.

IRELAND CLAMPS DOWN ON HOME SHARING

Ireland has announced plans to tackle the rising popularity of home sharing by regulating sites such as Airbnb and short-term lettings. The regulations, announced by housing minister Eoghan Murphy, will come into effect next June and look to discourage landlords from taking properties off the long-term rental market in favour of short-term arrangements. Ireland was left with a surplus of houses following the financial crash of 2008, but a recent surge in population has created a shortage.

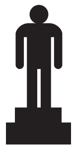


96

NUMBER OF SIGNS TO BE REPLACED ON NEW YORK'S VERRAZZANO-NARROWS BRIDGE

$2.8bn

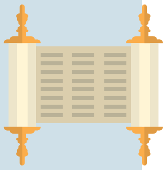
PREDICTED GLOBAL ANNUAL REVENUES FROM SELF-DRIVING CARS BY 2030



600ft

THE SIZE OF THE STATUE OF VALLABHBHAI PATEL IN GUJARAT, INDIA

WRONG END OF THE SCROLL



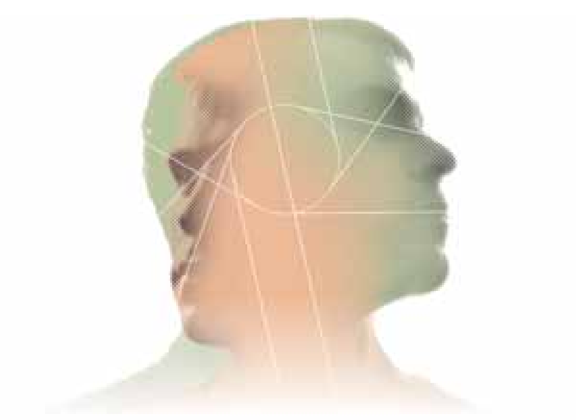
Manuscripts thought to be part of the Dead Sea Scrolls have been revealed as forgeries. Researchers testing fragments from the scrolls found five artefacts showed "characteristics inconsistent with ancient origin". As a result, the Museum of the Bible in Washington, DC – which currently houses the five artefacts – said it will no longer have them on display. Almost all of the scrolls, which were discovered in the 1940s, are currently housed in the Shrine of the Book at the Israel Museum. "My studies have managed to confirm the high probability that at least seven fragments in the museum's Dead Sea Scrolls collection are modern forgeries," said Kipp Davis, an expert on the scrolls from Trinity Western University.

WAYMO TO LEAD SELF-DRIVING REVOLUTION

Last month, UBS issued a report estimating that global revenues from self-driving cars could reach $2.8bn per year by 2030. The investment bank predicted that Waymo – Google's self-driving vehicle branch – would be a global leader, taking 60% of the market. Waymo has been testing hundreds of its vehicles in Arizona for the past six months, allowing passengers to call a taxi using its phone app. The cars use radars, lasers and cameras to feed information to its onboard computers to see up to a quarter of a mile in each direction. At this stage, however, it is not clear how self-driving cars would operate in heavily populated areas.

STAY AHEAD WITH ICAEW THOUGHT LEADERSHIP

ICAEW is required by its Royal Charter to advance the theory and practice of accountancy in all its aspects. One way we do this is through papers published in our ICAEW Thought Leadership series. Some papers are more practical in nature and aimed at helping members do their work, others consider how law and standards might develop for the future professional.



Business performance management

WORKING WITH TENSIONS

Driving business performance is one of the biggest challenges for senior finance professionals. Confronted with tensions, such as conflicting stakeholder needs, honing your judgement is essential. Help is at hand.

icaew.com/BPMtensions

Finance business partnering

PROVIDING PRACTICAL ADVICE

For many years finance professionals and finance departments have been looking to become genuine business partners. This guide focuses on how to do so by discussing how you develop the skills, structures and processes required.

icaew.com/businesspartneringguide

The finance function: a framework for analysis

CONTRIBUTING TO ORGANISATIONAL SUCCESS

The many and varied solutions suggested to develop effective finance functions can make selecting the best course of action intimidating. Our careful and thorough analysis helps to inspire confidence in your decisions.

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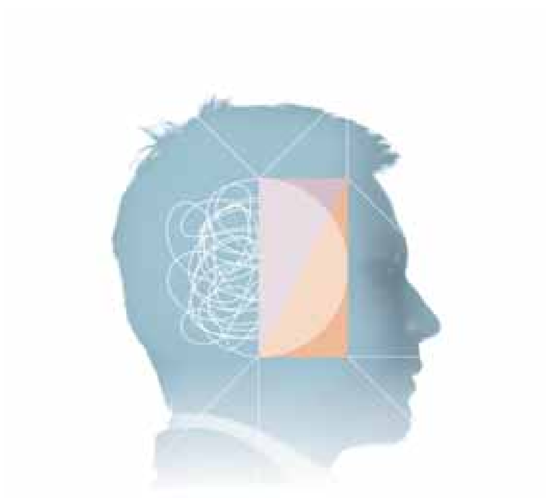

The CFO and business strategy – Part one

BALANCING PLANNING WITH AGILITY

Vision, mission, strategy – what do they all mean? Reflecting on them will help finance professionals make a greater contribution to business strategy. The paper explores the concepts, based on interviews with CFOs.

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