Spring 2016

Financial and business intelligence

SHIPSHAPE

Be prepared

Resilience in an uncertain world

shipleys LLP

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Multinational business to pay fair share of tax?

Top tips on getting your pricing strategy right

Recovering VAT on business travel expenses

Client profile: **Yealand Group Ltd**

Contents:

Viewpoint: Simon Robinson 1
Protect what's precious

Are you ready for the new tax year? 2
All change from 6 April?

New weapons in war on tax evasion 4
HMRC steps up its tactics

Employee ownership trusts on the up? 4
Benefits for business owners and employees alike

Financial services news 4
MiFID II and UCITS V directive updates

Base erosion and profit shifting 5
A new future for multinational business taxation?

Mind your own business 5
Getting your pricing right

Tax briefs 6
A round up including pensions, gift aid, stamp duty and new allowances

VAT corner 7
Recovering tax on corporate travel expenses

Client profile 8
Yealand Group Ltd

Shipleys news 9
Our new Tax Director, a new cinema partnership, alumni news and more

AGN focus 9
Profile: WirtschaftsTreuhand GmbH, Germany

Money matters 10
Business resilience – how to keep your company safe
Getting child benefits back

Shipleys LLP is a firm of chartered accountants and business advisers. *Shipshape* is our regular newsletter for clients and contacts.

If you have any suggestions for topics you would like to see covered in *Shipshape*, or have any comments about its content, please contact Stuart Dey at our London office.

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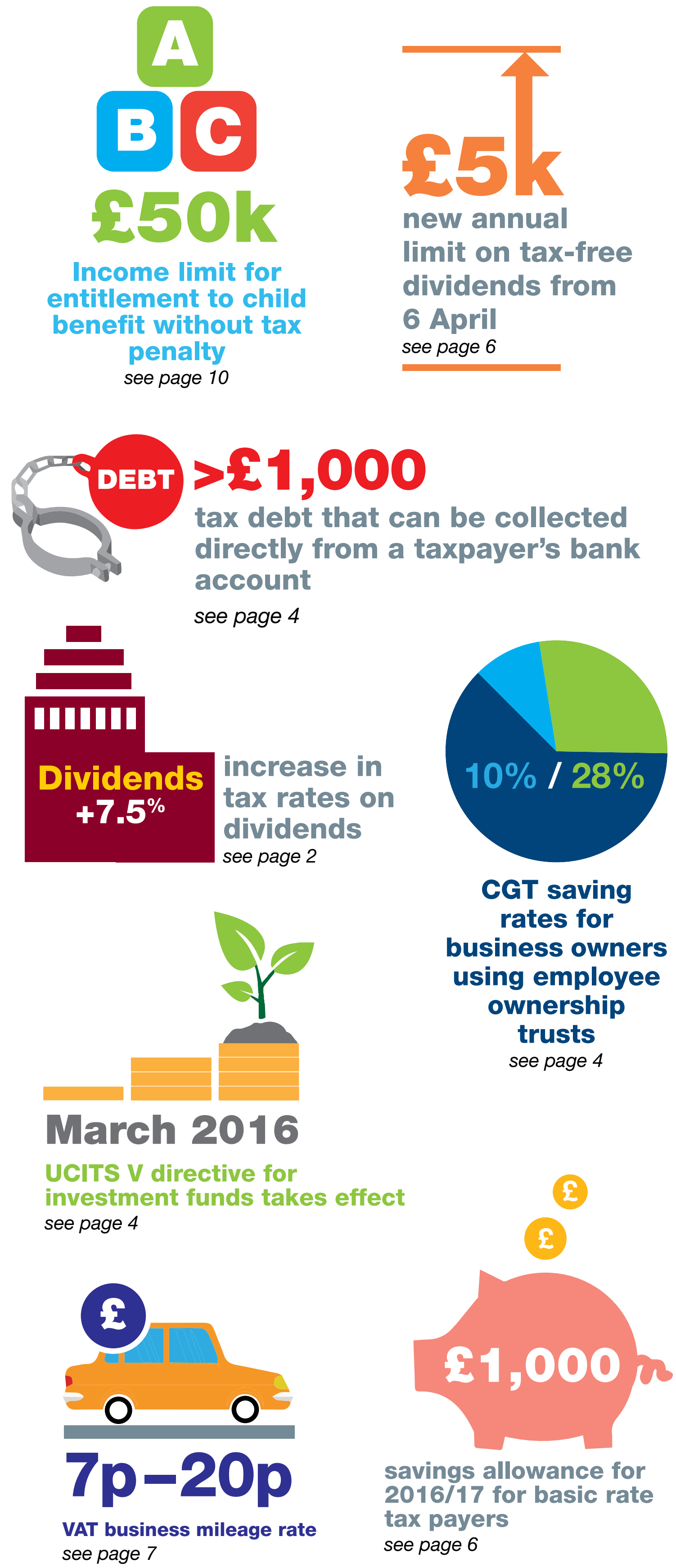

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Protect what's precious

Being resilient, both in our personal and our business lives, is probably more important now than it's ever been. An increasingly uncertain, digitised world constantly throws up new threats, as well as new opportunities. A keep-calm-and-carry-on mentality, whilst admirable, may not be the best way to address these changes.

Having recently been through a rigorous process to review and update our own business resilience at Shipleys, we wanted to share our observations on this vital topic in this issue of *Shipshape*.

The stranger within

Sometimes the biggest risks to a business can infiltrate without being noticed. Hackers have become very sophisticated, creating email messages with links that appear to be internal and legitimate. It only takes one employee clicking on a single link to put your company at severe risk of a cyber attack.

Just as important as your IT defence is your 'human firewall' – keeping your employees alert to threats. For example, are your staff alert to 'spoof' emails and are visitors to your workplace able to wander around freely?

Let's hope that things have improved since 2004 when, in a survey conducted at Liverpool Street station, 70% of those questioned were prepared to divulge their work email address and password for a Mars bar!

Sadly, internal fraud is another big problem for all types of businesses today. A 2015 report from Cifas (the not for profit organisation that works to prevent fraud and financial crime) found that internal fraud is on the rise, with confirmed cases up nearly 20% year-on-year. Anti-fraud practices are essential to protect your business. For example, a single person shouldn't be the only one to deal with bank payments unless other checks and procedures are in place. With the audit threshold increasing, your risk processes may not be looked at when your accounts are prepared, so it's important that your internal controls are up to the job.

Avoid head-in-the-sand syndrome

Beyond financial risk, you also need to be ultra-protective of your data. It's easy to fall into the trap of thinking your business won't be a target for data theft, rather than preparing for the worst. Simple things, like making sure confidential information is properly stored away at the end of the day so that it can't be snapped on a smartphone, will help.

Another risk in the minds of many, especially in London, is the awful prospect of a terrorist attack. How would you realistically respond to any event that might occur, even if you're not directly affected? Is everything backed up in a different location? Do you have personal files and other important items secure? Equally importantly, does everyone in the organisation know what to do if such an event does occur? You can't control these types of events, but you can prepare so your company can carry on functioning with as little interruption as possible.

Look sharp for the future

In most cases, risks such as data security can be managed with a few fairly simple measures, leaving you free to get on with making a success of your business. Those caught out are often those that simply don't address the risks at all.

Ensuring your company's resilience is an important part of keeping you on the road to success. Identifying and dealing with risks helps you to keep working on, rather than just in, the business. This needs to be a continuous process that looks at your business from all angles. For example, have you reviewed your pricing lately? If your practices in this area are out of date, or fail to move with the market, you can put yourself at risk of underperforming. There's more about this in our 'Mind your own business' section.

On the agenda

As well as helping you become more proactive in protecting your business against the risks of a changing business environment, we look at a number of issues on the short and longer-term horizon. One is the desire of governments around the world to ensure multinational businesses pay their fair share of tax – the so-called base erosion and profit shifting initiative. This may level the playing field and help smaller businesses who compete against the multinationals.

Closer to home, we look at how an employee ownership trust could benefit both you and your employees if you run a business, especially if you want to sell some shares and realise some cash without paying too much tax.

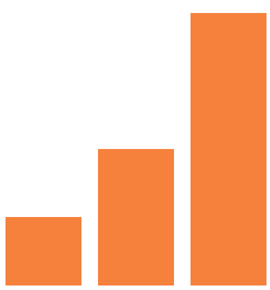
But for many readers, the most pressing issue may be to look at their own financial matters before the start of a new tax year. So we start this *Shipshape* with a round-up of some of the important changes that could affect you.

Enjoy this issue and we wish you all the best for the year ahead.

£10k

limit on pension contributions for higher earners from 6 April 2016

see page 2



x2 to x4

Impact of pricing on profits compared to the other business levers

see page 5

All change from 6 April 2016

Are you ready for the new tax year?

It may still be possible to choose the tax year in which your income, gains or reliefs fall, which can affect the amount of tax you pay and when. This time around, those affected by the changes to the taxation of dividends may see a significant change in the amount of tax they have to pay for 2016/17. And new, targeted anti-avoidance rules from 6 April 2016 could change capital gains into taxable income.

Dividends and savings income

From 6 April 2016 dividends will no longer carry a 10% tax credit. Instead, the first £5,000 of annual dividends will be tax-free, but the tax on dividends in excess of this allowance will be significantly higher. The excess will be charged at 7.5% for those paying tax at the basic rate, 32.5% for those paying the higher rate (individuals with income over £43,000) and 38.1% for those paying at the additional rate (income over £150,000). The corresponding rates in the current year are 0%, 25% and 30.56%.

For 2016/17 the first £1,000 in savings income, such as interest, is tax exempt for basic rate taxpayers and the first £500 for higher-rate taxpayers. Banks and building societies will no longer deduct 20% tax at source.

Personal allowances

The personal allowance (currently £10,600) is £11,000 for 2016/17. However, this allowance is cut by £1 for every £2 of income over £100,000, so it is lost if your income exceeds £121,200 this year or £122,000 for 2016/17. The effect is a 60% income tax rate on income between £100,000 and that threshold (plus 2% NIC if applicable).

The basic rate band, £31,785 for 2015/16, is £32,000 for 2016/17.

Pension contributions

Unless your marginal tax rate will be higher for 2016/17, it's better to make any pension contributions by 5 April 2016, subject to the maximum allowance. But note that from 2016/17 if your income exceeds £150,000, the usual £40,000 allowance is reduced by £1 for every £2 of that excess, down to a minimum of £10,000.

However, up to £80,000 of pension contributions are potentially tax-deductible in 2015/16, because up to £40,000 may be contributed from 6 April to 8 July 2015 and another £40,000 from 9 July 2015 to 5 April 2016. This is increased by the shortfall between any pension contributions made by you and your employer, and the annual limit, in the previous three years.

Only up to £40,000 of 2015/16 unused relief may be carried forward to 2016/17.

However, pension 'inputs' for those in 'drawdown' are limited to £10,000 a year. Anyone who elected not to make pension contributions should beware of being automatically included in a workplace pension scheme.

Charitable giving

Unless your marginal tax rate will be higher for 2016/17, it's better to do any charitable giving by 5 April 2016. This applies not only to gift aid donations but also to gifts of shares or land, where these qualify for income tax relief. You can choose to treat gift aid cash donations made between 5 April 2016 and the date you file your 2016 tax return (but not later than 31 January 2017) as though they were made in 2015/16 for income tax purposes.

Changes to the taxation of dividends and interest may result in many people, who were previously taxpayers, no longer having a tax liability for 2016/17. These people may inadvertently create a tax liability by making gifts covered by a gift aid declaration, as they must pay the tax equal to the charities reclaim on their donation. Gift aid declarations can't be retroactively withdrawn, but can be backdated, so those potentially affected should consider withdrawing them for now.

Child benefit

The high income child benefit charge is equal to any child benefits claimed, if the claimant or their partner has income of £60,000 or more. The charge is scaled down proportionately where income is less but still over £50,000.

Now is the time to review your tax position – while there's still time to take action before the end of the tax year on 5 April.

Capital gains

There are various benefits in deferring a disposal that gives rise to a capital gain in excess of the annual capital gains tax (CGT) exemption (£11,100 for 2015/16) and losses brought forward until after 5 April. Firstly, it means CGT is payable a year later. It could also mean that you become eligible for entrepreneurs' relief, where gains are taxed at 10% rather than 28%, because a condition for the relief is that the asset has been held for at least a year. The 'lifetime limit' on gains that qualify for entrepreneurs' relief is £10m.

If any assets have become of negligible value, consider a loss claim for CGT purposes. In some circumstances, income tax relief may be available instead. So-called 'bed and breakfasting' is caught by anti-avoidance rules if the purchase takes place within 30 days of the sale. However, these rules don't apply to shares 'reacquired' by your spouse or ISA.

Disposals of shares that result in a controlling interest in a company being held by an employee ownership trust are exempt from CGT.

Liquidations (of close companies)

Legislation proposed could result in some liquidation distributions received after 5 April 2016 (or perhaps Budget Day on 16 March 2016) being taxed as dividends, rather than capital gains. The latter may enjoy a low 10% tax rate. Where possible, any winding-up distributions should be made before the new rules apply.

Inheritance tax

There are various exemptions for lifetime gifts that don't depend on surviving at least seven years. You can give up to £3,000 each tax year, together with any unused amount of this allowance from the preceding year. Up to £250 may be given to any number of individuals annually.

Regular gifts out of income are exempt from IHT without a limit, provided your remaining after-tax income is sufficient to maintain your usual standard of living.

Tax-efficient investments

Income and gains on investments within an ISA aren't taxed. You can invest up to £15,240 each tax year.

A surviving spouse or civil partner may claim an extra ISA allowance equal to the value of ISA holdings of a deceased partner with whom they were living at the time of the death.

The new 'help to buy' ISAs are now available for those saving to buy their first home.

Income tax credit at 30% is available on up to £1m subscribed for shares in qualifying Enterprise Investment Scheme (EIS) companies in each tax year, provided you're not connected with the company and the shares are held for at least three years. Relief for up to £500,000 subscribed for shares this year can be claimed in 2014/15 if EIS relief wasn't fully used that year.

Income tax credit at 50% is available on up to £100,000 subscribed for shares issued by smaller companies qualifying for Seed Enterprise Investment Scheme (SEIS) relief each tax year, provided the shares are held for at least three years.

CGT on a gain may be deferred by subscribing for shares in qualifying EIS or SEIS companies, even if you're connected with the company. Gains on the sale of EIS and SEIS shares that qualify for income tax relief held for at least three years are exempt.

Subscriptions for shares in Venture Capital Trusts (VCTs) of up to £200,000 in each tax year attract a 30% tax credit, provided they are held for at least five years. Subject to limits on the size of holdings, dividends and gains on VCT shares are exempt.

Investments in social enterprises of up to £1m can also qualify for a 30% tax credit.

£10k
limit on pension contributions for higher earners from 6 April 2016

New weapons in war on tax evasion

Accelerated payment notices (APNs) are HMRC's way of getting money out of users of tax avoidance schemes while the scheme, or one that's similar, is being investigated.

Recipients of APNs are required to pay disputed tax in advance (or, more likely, give refunds back) rather than waiting for a tax tribunal ruling. If the taxpayer wins, their money is reimbursed with interest.

A recent challenge to the legality of APNs on behalf of investors in a 'film scheme' has been comprehensively rejected by the High Court, which is good news for HMRC. However, 'time to pay arrangements' can be made and the usual 12-month maximum will not always apply.

The Glasgow Rangers case

Employee Benefit Trusts (EBTs) were the subject of a high profile tax case in November 2015 when Glasgow Rangers FC lost its appeal. An EBT was in operation for nearly ten years before HMRC deemed that cash bonuses paid out as loans were in fact 'disguised remuneration', on which the club was liable to full income tax and National Insurance contributions amounting to £75m, including penalties. This forced the original owners, Murray Group, into liquidation and ensured rival Celtic's complete domination of Scottish football for a decade!

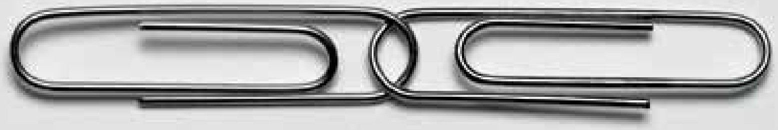
Whilst it remains to be seen if legal action will continue, the case is a clear indication of HMRC's desire to challenge some EBTs.

Arrears collection

It's not widely known that HMRC now has powers to collect tax arrears directly from a taxpayer's bank account. The debt must be greater than £1,000 and a minimum of £5,000 must remain in the account, but the only appeal process is through the County Court. There is in theory a safety net designed to protect the unwell, disabled and bereaved.

Increased insight worldwide

Countries worldwide are increasingly working together to enable tax authorities to maximise revenues. New powers such as the UK-Swiss agreement and the Common Reporting Standard, for example, allow multiple jurisdictions to collaborate as never before and with all this new information, HMRC is aggressively challenging those with offshore assets and bank accounts.



Employee ownership trusts on the up?

Benefits for business owners and employees alike

The Finance Act 2014 introduced two tax reliefs designed to encourage and support the creation and growth of employee-owned companies.

Employee ownership trusts (EOTs) were introduced by the Government in 2014 to encourage employee-owned companies. Bearing in mind that from 6 April 2016, dividends will be taxed more heavily, EOTs may be of greater interest to business owners, especially those seeking to sell some of their shares.

Tax benefits

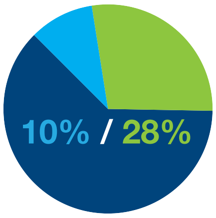
The sale of a controlling interest in a business to an EOT is entirely free of tax. This is especially attractive to owners who do not qualify for entrepreneurs' relief, perhaps because they have already used up the lifetime allowance, and who might otherwise expect to pay 28% capital gains tax.

In addition, shares can be allocated to staff in a tax efficient manner, and genuine bonuses of up to £3,600 a year paid to employees of a company owned by an EOT can be exempt from income tax.

How do I get paid for my shares?

One hurdle is that the EOT will probably need to borrow money to fund the purchase from you. This can be a challenge but there are lenders out there who are familiar with these strategies, so if this is of interest, we can help.

If you have questions about establishing an EOT for your company, please contact us.



CGT saving rates for business owners using employee ownership trusts

More changes in store for the financial services sector in 2016

It looks set to be a busy year of regulatory change in the financial services sector. Trending issues include the upcoming implementation of MIFID II, which is likely to change the European financial landscape. There are new rules around remuneration and customer communication, along with the introduction of a new trading platform specialising in derivatives called an organised trading facility.

The UCITS V directive for investment funds takes effect in March 2016 and introduces rules that bring UCITS in line with similar requirements under the Alternative Investment Fund Management Directive.

Another change for investment funds is the IMA SORP 2014, which includes significant modifications to the disclosures required in the annual accounts of collective investment schemes.

Shipleys works with a wide range of FCA regulated entities, including clients in the broker-dealer, fund management and investment funds industries. For more information on how these changes may affect you, contact your usual adviser.

A new era for multinational business taxation?

The base erosion and profit shifting initiative

Base erosion and profit shifting (BEPS) is a concept that relates to the negative impact on a country's tax receipts of tax planning strategies of multinationals that shift their profits from a country where tax rates may be higher to one where rates are lower.

An example is when intellectual property is held in a low tax country and licensed to companies within the group in other countries for a fee. This reduces the profits in high tax countries by 'shifting' the profit into the lower tax country.

The BEPS initiative seeks a globally co-ordinated clamp down so that all companies pay their 'fair share' of tax to the countries in which they operate.

Google hit the headlines earlier this year when it was announced that it would pay the UK Government £130m in back taxes.

The Organisation for Economic Cooperation and Development (OECD), backed by the G20 countries, is recommending an action plan intended to significantly change the tax landscape and the way multinationals do business.

The proposal behind the BEPS initiative lays out a set of international tax rules and principles to combat profit shifting and base erosion, to then be implemented by the individual countries.

The UK Government jumped the gun on the international collaboration between governments on the BEPS programme by bringing in its own version of a 'diverted profit tax' last year. It's not yet known how this will apply once the BEPS proposals are implemented.

Shipleys' regular business club breakfasts are a great forum for some lively discussion on a host of issues. 'Mind your own business' brings you an overview of a recent session on the subject of pricing.

Pricing can play a key role in the success of a business, particularly in the services sector. A recent Deloitte review concluded that pricing has "two to four times the impact on profits compared to the other business levers".

During the economic downturn many service businesses experienced pressure to cut their prices, and there was a general feeling that customers wanted 'more for less'. Is this still true or are some suppliers lacking confidence that the economy has moved on?

So how should you go about pricing your services? Here are tips on how to deliver perceived value and get paid fairly for it.

Setting your prices

Pricing strategy should be a key part of your business plan. Know your position in the market and the state of the market. If your charges are in line with market price, be confident about achieving them. Give evidence of your skill, expertise and past performance to justify your prices.

Hourly rates

Few customers are prepared to accept an indeterminate cost based on what they perceive to be an unreasonably high hourly rate. Consider offering alternatives to counteract this.

Be careful about discounting

Pulling the discount lever can be dangerous. For a business operating on a 20% profit margin, even a modest 5% discount will trigger a 25% reduction in profits. And isolated action in one service line could hinder the rest of the firm's efforts to win decent margin work. For services, price is an indicator of perceived quality – it can both attract and repel.

Working out your costs

Be very clear about the scope of the work involved and monitor changes carefully to avoid any surprise costs. Ask yourself: "What's my cost base compared to my competitors, locally, nationally and globally?", "Am I using the right people, at the right level with the right skills?", "What are my real costs and margins?"

Demonstrating value

Convey value instead of focusing on cost. Have conversations with your client to understand their position, so you can deliver on what's important both in their personal role and to the organisation. Sometimes clients don't know the questions to ask or understand what's involved, so make sure they thoroughly understand what they'll gain from the work performed.

Transparency

Discuss the price up front; it's usually better to know if your prospect perceives the value of your work to be lower than your costs in advance, rather than having to spend time resolving the ensuing dispute over the bill.

Payment

Be flexible. If a potential customer doesn't have the budget for your service in the current period, could part of the work be deferred with a clear agreement on payment at that time? Sending bills promptly when the work has been completed helps customers to remember what was involved and recognise the value.

Protect your pension pot

There is a cap on the value of your pension fund that can enjoy favourable tax treatment. This 'lifetime allowance' was cut from £1.5m to £1.25m from 6 April 2014, and falls again to £1m from 6 April 2016.

Those whose pension savings at 5 April 2014 exceeded £1.25m still have until 5 April 2017 to claim 'Individual Protection 2014' under which they can preserve their lifetime limit at the 5 April 2014 fund value (subject to a maximum of £1.5m). There are now two new elections to consider: 'Fixed Protection 2016' where the lifetime limit stays at £1.25m provided no contributions are made after 5 April 2016; and 'Individual Protection 2016' for those whose pension savings at 5 April 2016 exceed £1m – their lifetime limit is then set at that value subject to a maximum of £1.25m.

Pay attention to gift aid declarations

Donors could find themselves facing an unexpected tax liability as a result of tax changes applying from 6 April. When a donor makes a gift aid declaration, the charity is able to reclaim basic rate tax on the amount given and, if appropriate, the donor can claim tax relief at the higher rates. However, the donor's tax liability for the year must exceed the charity's reclaim and if it doesn't, HMRC can ask the donor for the shortfall.

The combination of the increased personal allowance, the 0% starting rate on up to £5,000 savings income, the new savings allowance and the change to the tax on dividends from April means some donors don't actually have a tax liability and therefore can't add tax to the gift without getting a bill from HMRC!

Charities may need to amend their gift aid declarations to explain this, as from 5 April 2016 those that do not will be invalid.

Stamp duty land tax updates

If you buy a second home in England, Wales or Northern Ireland, be aware of changes to stamp duty land tax (SDLT). The Government is consulting on the extra 3% SDLT on 'second homes'. The higher rate will apply to purchases of a second residential property completed after March 2016 unless contracts were exchanged before 26 November 2015. Your 'first home' can be anywhere in the world. It's not currently known whether freehold reversionary interests of over £40,000 will be counted.

If the only property initially owned is your main residence and you dispose of it within 18 months of buying its replacement, the extra SDLT initially paid will be refunded.

Separately, the Government is considering requiring SDLT to be paid within 14 days of a sale rather than 30 days as at present.

Savings allowance and interest received

A tax-free personal savings allowance is being introduced for 2016/17 which means that many people will not have to pay tax on their savings interest. The allowance will be £1,000 for basic rate taxpayers and £500 for higher rate taxpayers. There is no allowance for additional rate taxpayers or trusts.

From 6 April 2016, banks and building societies will not deduct 20% income tax when paying interest.

£5k new annual limit on tax-free dividends from 6 April

Dividend changes

For 2016/17 the way dividends are taxed is changing as the dividend tax credit will be abolished. No further tax will be payable on dividend income up to the £5,000 dividend allowance, irrespective of the level of your other income. Dividends over the allowance will be taxed at 7.5% if they fall within the basic rate band, 32.5% in the higher rate band and 38.1% if in the additional rate band, or they're received by discretionary trusts.

Changes to Venture Capital Trust investment opportunities

Venture Capital Trusts (VCTs) may now only invest in 'young' companies, i.e. those that haven't been trading for more than seven years, or ten years if it's a 'knowledge-intensive business'.

Inherited ISAs

Currently, a surviving spouse or civil partner may claim an additional ISA allowance equal to the value of the deceased's ISA. The tax advantages of securities in an inherited ISA will continue during the administration of the deceased's estate. As yet the start date is unknown.

Recovering VAT on business travel expenses

There are many situations in which an employee may be asked to undertake business travel on behalf of their employer and will, in most cases, be reimbursed for out of pocket expenses.

If car (or motorcycle, etc.) journeys are involved, the employer may be entitled to recover at least some of the VAT element of any road fuel expenses subject to the normal partial exemption position of the business.

Likewise, some or all of the VAT incurred in respect of road fuel expenses incurred by directors, partners or proprietors of businesses may be recoverable.

So what needs to be done to enable the VAT to be recovered?

Mileage allowances

Many businesses will reimburse road travel expenses by means of a mileage allowance but may not realise that there is a VAT element hidden inside it. It is, however, so small that many businesses conclude that it's more trouble than it's worth to claim it.

Although the mileage allowance itself is likely to be based on the HMRC 45p per mile rate, the VAT element relates solely to the fuel component, which is based on the HMRC advisory fuel rates for company cars or rates published by recognised motoring agencies such as the AA or RAC.

As at 1 December 2015, the HMRC car rates ranged from 7p per mile for a 1400cc car running on LPG up to 20p per mile for a car with a petrol engine of more than 2000cc.

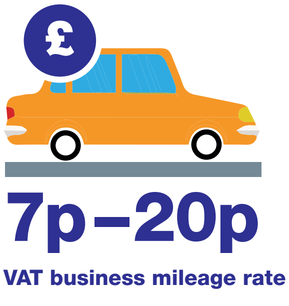
The rates are deemed to be VAT inclusive, so the amount of VAT that is potentially claimable ranges from just over 1p per mile up to 3.3p per mile.

To support any VAT reclaim, the business must keep records for each employee showing:

- **mileage travelled**
- **whether the journey is both business and private**
- **the cylinder capacity of the vehicle**
- **the rate of mileage allowance**
- **the amount of input VAT claimed.**

In addition, the business will need to hold fuel receipts to cover the amount of VAT claimed.

Faced with such a high administrative burden for such little reward, it's not surprising that many businesses reimbursing relatively small mileage claims choose not to pursue the VAT reclaim.



Road fuel

As an alternative to paying a mileage allowance, the business may opt to make reimbursement based on fuel receipts. In this situation the business has three choices when it comes to claiming input VAT:

1. Claim all of the VAT shown on the receipts submitted by the employee including private mileage (such as home to work travel). This is not, normally, worthwhile as the business will be obliged to pay VAT to HMRC to reflect the private mileage but this will be based on the HMRC VAT fuel scale charge rates which are often more costly than the input VAT actually claimed.
2. Keep detailed mileage records (see above) in addition to the expense claim and fuel receipts, and only claim VAT in respect of business journeys.
3. Do not claim any VAT.

Direct payment

The employing business may, instead of reimbursing employees for expenses, choose to pay the road fuel suppliers directly using an account with a garage or via a fuel card. In this situation, the same three options as noted above will apply.

Putting clients first

Yealand, a fund administrator based in Peterborough, has shown impressive growth since its inception in 2008. Shipshape talks to Laura Russell-Young, Yealand's CEO and managing director, about its unique culture and how the firm is planning for the future.

Yealand Administration Ltd was established in 2008, initially to administer the OEIC funds of Sand Aire's Investment Office, a multi-family office comprising that of the Scott family and other family clients. Sand Aire was founded by Alex Scott to manage the wealth of the family following the sale of Provincial Insurance and Exeter Bank in 1994. Starting off with eight members of staff and £500m under administration, Yealand has grown to just over £2bn under administration across 41 funds, with 29 members of staff.

Yealand Group Ltd is solely owned by the Scott family and incorporates Yealand Administration and Carvetian Capital Management, which was set up in 2010 to service external clients through bespoke funds tailored to their specific needs. Yealand typically acts on behalf of individuals or groups setting up and administering UK regulated funds or umbrella structures for them. Carvetian offers an independent Authorised Corporate Director (ACD) service, meaning they look after the legal side of investments funds as well as the FCA regulations.

"Having previously been a client of Yealand's, I'm quite familiar with what clients need, so I'm using that knowledge to create experiences that exceed their expectations," explains Laura, who was appointed in January 2014, having previously worked as Sand Aire's head of operations. "The business is very closely aligned with the Scott family's culture of inclusivity – it's open, transparent and communication is encouraged across the business. It is set up for future generations so longevity is very important."

Demonstrating its expertise

The company has a range of clients and because the funds are bespoke each presents its own unique set of challenges.

"A particular success for Yealand was its involvement in the conversion of the Electric & General Investment Trust into a regulated OEIC, " says Laura. "It's very unusual to convert a trust into a fund and it was quite complicated and took time."

Staying on top of regulatory changes is a key challenge for the firm. "As a small business with limited resources, keeping up with all the regulations which are constantly changing is very challenging."

A complicated move

Yealand's growth in recent years prompted the business to move to a new office in Peterborough three times larger than its previous premises, allowing it capacity to more than double its client base. What might normally be fairly straightforward for most companies became especially complicated for a firm that prices funds on a daily basis.

"The whole move revolved around making sure the IT systems were working from the start of business on Monday morning to ensure it was 'business as usual' for the firm and its clients."

The future?

The entire company is on one floor with no closed-door offices, in order to support the free flow of ideas and align with the Scott family's inclusive culture.

"Apart from our clients, the staff are the most important part of our business and we offer very flexible working practices time-wise. We encourage staff to challenge their managers, and are always open to ideas – however farfetched.

"The plan for the future is to continue to grow the business steadily, increase the profits for our shareholders and look at different avenues as appropriate, perhaps even expansion geographically – depending on regulation. It is particularly important that we do not disrupt the current high level of client service for the sake of new business."

Proactive support from Shipleys

Laura says that collaborative communication from Shipleys advisers Rob Wood and Joe Kinton has been an integral part of Yealand's relationship with Shipleys.

"Shipleys is our preferred auditor and carries out audits on most of our funds, says Laura. "Rob ensures there is good communication and visits regularly, taking the initiative to pass on regulatory information relevant to our business. Shipleys has been very responsive and worked with us effectively as we've grown."

www.yealand.com

YEALAND

"As a small business with limited resources, keeping up with all the regulations which are constantly changing is very challenging."

Laura Russell-Young, Yealand

A warm welcome to our new Director

David Hartles has joined Shipleys as Director of Trusts & Estates. David looks after tax issues for private individuals, their businesses and trusts, both in the UK and offshore. His expertise includes compliance and planning covering income tax, capital gains tax and inheritance tax, which is a particularly specialist and important area for wealthier clients. David came to Shipleys from Moore Stephens.

Shipleys supports newly renovated Regent Street Cinema

Shipleys has enjoyed a long relationship with the film industry, and we are pleased to have been able to help with the renovation of the famous Regent Street Cinema by sponsoring a seat. Built in 1848, the cinema has recently undergone extensive renovations to restore its original splendour. If you go to see a classic film or the latest blockbuster, please look out for the Shipleys seat!

Looking for more business insight?

Head to *http://www.shipleys.com/resources/ideas-library* for tips and tools that you can put to use in your business straight away.

shipleys LLP Alumni

Where are they now?

Zayd Maniar started his ACA training contract with Shipleys in September 2001. He worked with a variety of clients, from the local sandwich shop to large conglomerates. When we asked him what areas of work interested him most, his answer was clear: the British film industry. Sadly, his acting skills were not up to par, but training under Shipleys principal Steve Joberns provided him with some wonderful insight into the film industry – everything from seeing a film come to life through all stages of production, to dealing with the stringent regulations of the Department of Culture Media and Sport. There was never a dull day!

Today, Zayd is the International Liaison Partner for Crowe Horwath UAE. Happily married to Ilhaam, they have two children who study at Repton School, Dubai.

Annual audit conference: fun across the capital

Shipley's annual audit conference includes a chance for all members of the audit department to get together outside the work environment. This year's conference featured a Dragon's Den-themed challenge, as well as a treasure hunt around Covent Garden finding iconic buildings and answering questions about them, while taking some rather silly photos on the way around. All in all, a fun day of bonding and growth for our audit department.

Celebrating exam success

Congratulations to Stephen Hume and Jack Thomson who have passed all three of their final Advanced Stage qualifying exams and are now ACA exam qualified.

AGN member focus

WirtschaftsTreuhand GmbH, Germany

AGN member firm in Germany, WirtschaftsTreuhand GmbH, has around 150 people based in offices in Stuttgart, Munich, Bietigheim and Schorndorf. In addition to its core accounting and tax services, the firm has lawyers, business consultants, a training academy and subsidiaries dealing with investments in Turkey and Greece.

The group focuses on working with mid-cap companies and entrepreneurs mainly in industrial sectors such as automotive, construction, chemical, textiles and property, as well as non-profit organisations and the public sector.

A number of the firm's partners are active in academia, in professional bodies and as commentators on technical issues. Managing partner Dr. Werner Kleinle is a board member of AGN Europe and a member of the board of the Institute of Public Accountants in Germany.

WirtschaftsTreuhand

Unternehmen Neues Denken

Outlook from Germany

Our German AGN colleagues report that besides the problems surrounding the refugee crisis, the EU's low interest rate policy as well as falling demand from the Far East are the key issues currently facing the German economy. While concerns about debt-ridden countries like Greece have been put on the back burner for now, they are likely to return to the forefront soon.

After a robust 2015, with growth of 1.7% driven mainly by private consumption, the economic outlook for Germany in 2016 is again positive, with anticipated growth of about 1.8%. Falling oil prices and the weak euro are likely to have a positive impact on German industry.

Business resilience

How to protect your business from the unexpected

One way to do this is to embrace, embed and promote a robust business resilience programme throughout your organisation.

Return on your business resilience investment

The benefits of a business resilience programme will vary from company to company, but will typically include:

Reduced insurance premiums

Increased new business wins

Process improvements

Increased client retention

It is often said 'nobody ever got fired for buying IBM' and this typifies the buying process within many large organisations. This attitude makes the credibility hurdle much higher for smaller businesses to overcome. So how do you convince a potential client to trust your business to deliver on its promises regardless of the setbacks, interruptions and challenges you may face along the way?

The business resilience process

A bit like getting fit or losing weight, companies don't become resilient overnight, but with specialist advice and a modest amount of investment, a significant improvement in business resilience can be achieved.

Having recently been through a rigorous process to update our own business resilience at Shipleys, here are three main areas on which to focus your business resilience efforts:

Readiness

Understanding and documenting your critical processes, resources, risks, mitigations and risk transfer (insurance) is imperative. Design and implement plans to manage down risks to a tolerable level and recover critical business processes if they were to become interrupted for any reason.

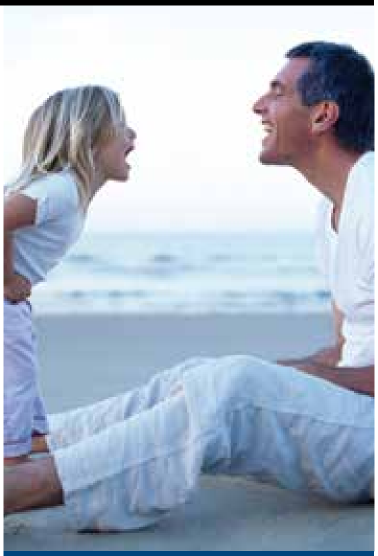
Avoidance

Make sure you have processes in place to monitor all the factors that could change your risk profile and manage new risks down to tolerable levels. Be sure to regularly test your crisis management and business recovery processes.

Guidance

Have expert support on call 24/7 (this will usually be through an external provider) to advise and work alongside your in-house crisis management and business recovery teams should the worst happen. This will ensure a fast and expert response to any incident you face.

We thoroughly recommend all of our business clients embark on their own resilience journey. If you would like to discuss any aspect of Shipleys' own resilience programme or how to go about this within your own business, please don't hesitate to contact us.



Did you decide not to claim child benefits?

Many people don't claim child benefit payments if they expect their own or their partner's income to be over £60,000, because it ends up being paid back through the high income child benefit charge. However, if your income turns out to be lower than expected, you have two years from the end of the tax year in which to reinstate your child benefit claim.

Rather annoyingly, HMRC will normally pay the full child benefit for the year and leave you to amend your self-assessment tax return if some part of it should actually be paid back to them via the high income child benefit charge!

It is possible to change your decision and ask for payments to start again if your circumstances change. This is known as a 'revocation.'

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