

### IN PERSON

**What do you think are the most important roles for accountants today?**

Advising clients on the financial management and taxation aspects of their businesses. These days, the annual audit and accounts are low on the list of clients' concerns.

**How then has your service to clients changed?**

We are far more active than we used to be. We no longer wait for a client to ask for advice. If I think that a client could or should be doing something I will discuss it: helping to develop good regular management accounts, for example.

Of course this is much easier with computers than it was in the days of pen and ink.

**Do you have an instance of how this advice has worked for a client?**

For a firm of industrial psychologists, a new client, we produced cash flow projections for them and their bankers. This included monthly turnover targets for the client to meet so as to ensure outgoing payments could be met.

**What is the best thing about your job?**

Apart from Annie and Sharon, my secretaries (who will read this!), the tremendous variety of clientele Shipleys has and our many different assignments. I enjoy meeting most of my clients regularly, some frequently, but there is one unique exception: a client in the West Country for whom everything is done by post. After 27 years we have yet to meet!

**How are you involved in Shipleys long-standing relationship with entertainment and media clients?**

I started with six film clients and built up from that. We

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now have a team which includes my partner colleagues Ken Roberts and Simon Robinson, and we serve a significant portion of the UK film market. We act for many household names in films, the theatre and TV. And as Secretary of the King George V Fund for Actors and Actresses, the leading theatrical charity, I am in contact with 24 committee members whose names read like a Who's Who of the acting profession.

**What specialist work is involved in the**

**entertainment business?**

Most particularly, this could be the work we do to produce a Certified Negative Cost Audit for film production companies. The purpose of the audit is to show that money for production has been properly spent - despite big debts being incurred before the revenues come in - to satisfy the film's backers.

**How do you manage your time between London and Saffron Walden?**

Flexibly. Where I am depends on the needs of my

### EDWARD OLIVER



Edward Oliver, who services clients from both the London and Saffron Walden offices, has been a Shipleys partner since 1971. He joined the firm that year from the largest accounting practice in Cambridge, where he was a partner at the age of 25.

An FCA, having served five-year articles, Edward is Shipleys' longest serving partner.

During the 70s and 80s he served on Hertfordshire County Council and was Chairman of its Highways Committee. He stood for

election as MP for North East Derbyshire in 1979.

A Governor of Bishops Stortford School, he is Chairman of its Finance Committee.

Amateur dramatics take up some of Edward's leisure time and he performs for several theatre companies in the vicinity of Clavering, Essex, where he lives with his wife, Louise.

Edward confesses to three regrets in life: "I've no eye for a ball, can't paint, can't sing!" But he can trace his Suffolk family origins back to 1101...

clients. On average I probably spend about half my time in Saffron Walden. But in both offices there are staff who also know about our clients' needs.

**What typifies your general assignments?**

Currently, some could be classified as 'Births, Marriages and Deaths'! Four of my clients are engaged in acquisitions, mergers and sales of businesses, for which we are providing financial advice.

**How has the accountancy profession changed?**

It certainly is not the profession that I joined, but my accountant daughter has no complaints.

I think the most significant change has been the move into marketing and selling of professional services.

So we are more active both with our existing clients and in the search for new ones.

**What has been your most difficult professional task?**

With just a couple of days notice, we assembled a client team comprising two directors, their in-house accountant and myself to fly out to the Far East to salvage the client's subsidiary. This company was left in a parlous state by the local manager, who had gone AWOL. The situation was liable to bring the client's main business down. We spent a week shuttling between bankers to gain their support to close down the subsidiary, reform it as a branch and keep the whole operation alive.

**If you had not become an accountant, which career path would you have chosen?**

A wine merchant. Whilst serving my articles, I was hoping to join the family business but, sadly, it was sold before I qualified!

### IN PERSON

**What do you think are the most important roles for accountants today?**

*In a medium-sized practice such as Shipleys the most important thing is to be accessible to every client and then, with the help of wide personal experience and the firm's breadth of technical knowledge, to be able to provide whatever the client needs.*

**How has the profession changed by having more women in practice?**

*I do not think that the profession has been changed, as yet, by the much larger numbers of women who now enter it. There are still too few women holding senior management positions within private practice. But there is potential: there were five in a hall of 2,000 when I took my first professional exam and now there are more or less equal numbers. The problem lies in the number of women who, after qualification, do not continue to expand their careers.*

**What is it about your general practice work that appeals to you?**

*The sheer variety in what clients may ask us to do. In particular I get a real kick out of being able to get a result which benefits a client. This could be a big fat tax repayment or merely a tidy plan for inheritance tax which gives the client a real sense of peace of mind.*

**How many trust clients do you have?**

*In all I deal with about a hundred trust clients. These range from the tiny trusts set up by a grandparent to pay school fees to larger landed estates where the trusts have as much history*

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*as the family for whose benefit they have existed for generations.*

**How are trusts set up and by whom?**

*There seems to be quite a lot of confusion as to what a 'trust' actually is. The basic concept is that the owner of an asset places this in the hands of others (trustees) with a written deed of instruction as to how the trustees are to use this asset. The owner (settlor) will thus have given up his ownership in favour of others (the beneficiaries) but because of the trust deed the beneficiaries are free to benefit from the asset only*

*in accordance with the instructions already given by the settlor.*

*The tax consequences of setting up a trust depend upon the terms contained in the trust deed. So while anyone may use a trust, it is absolutely vital to get the right advice on the precise content of the trust deed and in relation to the tax consequences.*

**How can trusts help in Will drafting?**

*Each trust is set up in a particular circumstance and will have a specific purpose. A scenario with which most people are familiar is that of a father with two children*

*and a wife, who, knowing death is imminent, wants to make sure that all the family will be taken care of. It would be common for him to want the house to be available for his wife during her lifetime, but for it then to go to the children equally on her death. Such a wish can be translated into a simple trust which ensures that the husband has looked after his wife's needs but stopped her from, say, leaving the house to a second husband on remarriage and thus preventing the children from benefiting from their father's estate.*

**What aspects of work take up most of your time?**

*My time is not concentrated in any particular area. The nature of my role in Shipleys means that my work is widely spread. I mix audit and tax work with trust and business management, letting the needs of the client dictate when and how much of each fills the day.*

**What has been your most difficult professional assignment?**

*One is tempted to say this interview! But in the course of normal duty, I would say the rectification of a client's computerised accounts where the turnover was £30 million, the trial balance difference was £6 million, the purchase ledger had been erased from the system, except for current balances, and the reporting deadline was seven days.*

**If you had not become an accountant, which career path would you have chosen?**

*I think I would have become a veterinary surgeon.*

### JANE HENMAN



Jane Henman, FCA, joined the firm as a qualified accountant in 1973, and became a partner the following year.

Serving clients from Shipleys' London and Godalming offices, she has broad general practice expertise. She also has a particular interest in trust work and the personal services side of accountancy and tax planning.

Among her other duties, she is Shipleys staff partner and serves on the firm's computer committee.

She is a Governor of an independent school and Treasurer for Age Concern Farncombe.

Jane lives in Surrey and has a son Douglas, aged 19. Horses are a favourite pastime, as are holidays in the Algarve.

### IN PERSON

**"As a nation, we need fewer rule books, a higher proportion of people generating wealth and a much lighter tax burden, in line with other expanding economies."**

### Guy Fisher



Like his father and both brothers, Guy Fisher was a student at St Edmund Hall, Oxford. Leaving with a law degree, he became articled to Touche Ross, where he qualified as a chartered accountant.

His career was formed by working in corporate finance for a merchant bank, then joining the City accountants Buckley Hall Devin & Co as a partner in 1978. This established his own, and Shipleys, strong client base with investment business, in particular stockbrokers and unit trusts, when the two firms merged a year later.

Guy has been Managing Partner of Shipleys since 1992, and relishes the high profile marketing role. He

represents Shipleys in the Association of Practising Accountants. His client portfolio typically involves him in corporate finance activities, the AIM and acting for professional partnerships, such as solicitors.

He lives in Barnes with his wife Pamela and son Edward, who is head boy of Ibstock Place School, Roehampton, of which Guy is a Governor.

Although frequently 'working out' in a gym on his way to work, Guy prefers walking out, in hill country in Britain and abroad. He also likes reading and watching rugby.

**Could you expand a little on your role as Shipleys first Managing Partner?**

My central task is to ensure that our professional practice operates like a modern business, without losing the qualities of service and expertise.

**In what niche category of professional practice would Shipleys be identified?**

We don't pursue big listed company audits, but we do adopt a high profile for specialist support services: for owner-managed businesses, housing associations, lawyers, the entertainment industry, for example. And professionally we are ranked seventh nationally for the volume of work we do for unit trusts, an important part of our services for investment businesses.

**How else does Shipleys differ from the 'Big Six' or the individual professional?**

For client service, we are very partner led. Most clients know one or two partners and can ring them up at any time. Compared with a small firm, we are big enough to attract top quality professionals to our specialisms. We also educate clients on how they can do more of their routine accounts work for themselves, for the better management and profitability of their businesses, so they can use us for the things they really need us for.

**You head Shipleys recently established Legal Services Division. How does this address the needs of your lawyer clients differently?**

By bringing our service into sharper focus, this specialist division is a better vehicle for Mike McCabe, the solicitor in our team, to take a pro-active role in helping legal practices adapt to the similar cultural changes that have faced accountants.

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**Do you see Shipleys establishing other specialist divisions?**

Yes, as activities become more specifically identified we will be looking for specialist consultants to join our team. But we don't want to spread our resources too thinly and are comfortable as a firm with 15 or so partners.

**Is there such a person these days as a typical chartered accountant?**

One always dreads being accused of it! This is the last person we want in this practice, as clients need advisers with a much broader vision to complement the accepted traditional skills.

**What are your biggest concerns for the profession?**

Firstly, professional liability for audits, which should not be a bankruptcy issue for all the partners of a firm. Nor should this force a professional practice to become a limited company. All it needs is a sensible law change, to share obligations more equally.

Secondly, our own Institute, while doing much good work, has to regulate us on the one hand and represent us on the other; these are obviously conflicting roles.

**What about your concerns for business?**

One of my biggest disappointments is that the present Government has added layer upon layer of regulatory bureaucracy, but what does this achieve for the economy? As a nation, we need fewer rule books, a higher proportion of people generating wealth and a much lighter tax burden, in line with other expanding economies.

### IN PERSON

**How did you become a tax specialist?**

I had always found tax law and practice interesting and was able to specialise once I joined Shipleys in 1972. When VAT was introduced in 1973, a casual remark added another tax to my range. I suggested to former Shipleys partner Leslie Ive that someone ought to acquire specialist knowledge. He said: "Yes, you!" Taxation has ruled my life ever since.

**Are tax specialists born or made?**

Both. You must have an odd sort of mind, but it has to be suitably developed and organised to meet deadlines imposed by the Inland Revenue and Customs & Excise or to argue deadlines with them when they get them wrong!

**What aspects of tax take up most of your time?**

This depends on the client, but typically VAT in the context of property and films, tax planning generally - including inheritance tax - for family businesses, professional partnerships and wealthy individuals.

**How much reading do you have to do?**

It must be at least 10 hours a month on tax and other professional journals, but this excludes studying new legislation, special areas of research or preparing the digests we circulate to clients and staff.

I find I can absorb a lot of this in the peace and quiet of my conservatory at home, complete with phone, computer, coffee and cold towels as necessary.

**Are you able to commit a lot of this to memory?**

Yes, particularly the relevance of tax issues, but mostly I have to be able to remember where to look up the details...

**What do you think of this year's Finance Bill?**

Running to 400 pages, it's big! And the Guidance

Notes from the Treasury are 2cm thick. It makes life more complicated but I can't see much joy in it for clients or the economy, though we still await the final story with the Finance Act in May.

**What would you say is the biggest tax issue currently?**

The new 'loan relationships' are proving a headache, but

really the changes in self-employed taxation and self-assessment are the main looming problem areas.

**Which is the most complex?**

Probably foreign exchange gains and losses.

**How often do you talk with the Inland Revenue and Customs & Excise and how have your relationships with them changed?**

It would be a rare day if I didn't speak to one or both of them. With the Revenue, we are dealing with an unpredictable level of inefficiency... The Revenue retains an Inspector and Collector dichotomy which we don't have with Customs & Excise. As Customs & Excise dealings have become more detached from smuggling, so their relationships with taxpayers' agents have got better, though you can get different answers to the same query from two local VAT offices!

**"With the Revenue, we are dealing with an unpredictable level of inefficiency..."**

### Ray Magill



Articled as a certified accountant, Ray Magill became a partner of a practice which merged with Shipleys in 1972. He became a Shipleys partner on qualifying as a chartered accountant in 1975, whereupon he took the Fellowship examinations for the Institute of Taxation.

As Shipleys senior tax specialist, he attends some 30 evening meetings a year with four tax discussion groups; he is currently

Chairman of the London Tax Study Group in the City.

Ray lives with his wife Jean in North Shoebury, near Southend. His elder daughter Deborah has three children, younger daughter Sarah teaches 5-year-olds and son Michael is a chartered accountant in London. His favourite holiday haunts are Swaledale in North Yorkshire and the USA (seven times visited), when he invariably has his camera with him.

**What difficulties do clients have with tax?**

One is in accepting the absence of a level playing field: such as why does the Revenue pay interest on corporation tax at a lower rate for overpayment than it charges for late payment?

**How could clients do more to obtain best value from your advice?**

Principally in two ways: firstly by providing as much information as possible up front and, secondly, in the case of companies, getting into the habit of regularly discussing with us how the business is doing, particularly towards the end of their financial year.

### IN PERSON

**You advise many family-owned businesses. How do you see your role?**

Rather like a general practitioner in medicine: first covering basic welfare and statutory requirements, then looking to improve the health of the business, finding ways to distribute profits and taking care of the personal tax of the owners.

**Do your clients have a distinguishing feature?**

Due to their mainly London location, they tend to be service orientated. One of them is amongst the most significant freight forwarders in the UK. Several clients of mine are consultancy firms.

**One of your specialist areas is housing associations. What does this entail?**

Shipleys has 50 years' experience in this field and housing associations represent a substantial proportion of my own client portfolio. Our services cover external/internal audits, specialist consultancy and tax advice, particularly with VAT.

With me in our team are Louise Barnes, Bill Duncumb and several others have been trained specifically in housing association audit and accountancy issues.

**What are the concerns of housing associations?**

Their biggest problem is funding. Since 1992, they have been forced to approach the private world for finance as Government grants - once 100% of development costs - have been severely cut back. This has made a crucial difference when evaluating potential new housing schemes.

We keep abreast of the main issues by reading the trade press and through attendance at National Federation of Housing Associations' conferences.

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To be good advisers, we must understand the financial constraints of the business so that we can deal with the many issues affecting housing associations.

**What about your trades union clients?**

Their current financial problems stem from falling membership, not only because of the decline in workforces but also the

difficulty in getting their value-for-money message over to working people. They have an important role in looking after their members' funds.

**How do you cope with both general and specialist clients' needs?**

In my role as contact partner, it is not only the advice I provide that is important, but also knowing when to 'wheel in' one of

**"...as contact partner, it is not only the advice I provide that is important, but also knowing when to 'wheel in' one of our specialists..."**

### John McCuin



A graduate in Economics and Accounting from Bristol University, John McCuin qualified with a London practice in 1975. He joined Shipleys as a manager in 1978 and became a partner in 1981.

With his interest in classical music, he is one of the partners involved in Shipleys' sponsorship of the

Portobello Concerts, featuring Britain's most talented young musicians. A chorister from his schooldays, John was a member of Westminster Abbey Choir. As a tenor, he now sings with Chelmsford Cathedral Choir. He lives at Gidea Park in Essex with his wife Judy, daughter Claire (19) and son Christopher (17).

our specialists, such as for complex aspects of VAT or company secretarial or legal matters.

**Do you spend time in other Shipleys offices?**

As Chairman of Shipleys' internal Audit Standards Committee - we are currently in the process of refining our audit procedures - I visit them all in our annual compliance exercise. I also meet my colleagues from other offices at our Annual Audit Conference.

**What is the most important issue for your clients..?**

How to stay in business! With very few exceptions, clients have found the road to recovery out of recession both long and hard. Our clients' caution inevitably affects us too.

**...And for the profession?**

Regulations! Audit work is now very heavily regulated and it is apparent that in protecting clients, a sledgehammer is being used to crack a nut. However, while this extra vigilance is necessary, we will ensure that Shipleys' continues to give a personal service.

#### C&G bonuses

Those with savings accounts in the Cheltenham & Gloucester BS who have received cash bonuses as a result of the merger with Lloyds Bank should bear in mind that these sums are subject to capital gains tax, save to the extent they are sheltered by the annual £6,000 exemption, or losses elsewhere. Those who have received substantial amounts may wish to review the scope for sheltering that gain by setting off losses showing on other investments, if realised in 1995/96.

### IN PERSON

**You have 20 years' experience of dealing with clients in film and TV. Who are involved?**

The specialist Shipleys team comprises myself, Edward Oliver and Shane Moloney, whilst Peter Glanvill provides tax planning advice.

We act for the whole industry chain: from companies which provide the services of actors, producers, directors and so on, to film production companies, distribution companies, sales agents, exhibitors and cinema operators. We work with both corporate business and for individuals. Shipleys as a whole also has post-production clients: in editing, mixing, dubbing and special effects.

**What is specific about Shipleys approach?**

For independent film producers, for example, our involvement may cover three different elements: the individual, the production company and the production itself. We work closely with our clients to make sure that all these elements are addressed properly and that our advice is taken at the right time.

**How does your advice compare with that given to other clients?**

As with all clients, it requires us to keep abreast of changes in the industry: Shipleys is a member of both main producing entities, the Producers' Alliance for Cinema and TV (PACT) and the New Producers' Alliance (NPA), as well as the Guild of Film Production Accountants.

The industry has peculiar rules for income tax status - Schedule D v PAYE - and NIC. Withholding tax is a consideration with the Foreign Entertainment Unit (FEU) and our advice on contracts takes special note of VAT to ensure there are no problems. In addition to

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company audits, we carry out production audits, to provide costing analyses for individual productions and distribution audits to assess how productions have been exploited.

**How are productions funded in this country?**

There is no norm, but more recently they have tended, out of necessity, to involve complex financing arrangements, typically involving British Screen, a government-backed body, providing a loan, a TV company advancing money in respect of a licence fee for TV rights, and also negotiated world-wide pre-

sales, more often than not bridged by a bank.

I believe we will also see a tendency towards co-productions in the future.

**Do the UK tax and grant regimes give film makers any incentives?**

Since the mid-80s, with the abolition of both the capital allowances and the levies raised for British films, government incentives have been few and far between.

This is why many producers/financiers have been taking advantage of incentives in Ireland, made even more attractive by the Irish government early in 1994. Through Shipleys IAA

**"Clients are much more aware now of problem areas and when to consult us."**

### KEN ROBERTS



Ken Roberts joined Shipleys in 1971 and qualified as a chartered accountant with the firm. He was admitted to the practice as a partner in 1988.

A Member of the Guild of Film Production Accountants,

he is a key figure in Shipleys advisory team for the entertainment industry. Married with two children, Ken lives in Woking and enjoys a spot of gardening and dabbling at golf.

connections overseas, we are also developing our working arrangements in other countries for clients' work.

**What general concerns do your clients express?**

Being used to person-to-person advice, they are finding difficulties with the changed internal reporting structure of banks, particularly over help with start-ups. They find they can rarely talk to someone who can lend them money in the way bank managers used to, perhaps on the strength of an informed hunch.

**What changes for the better have you seen?**

Clients are much more aware now of problem areas and when to consult us. This means problems are dealt with as they arise; all part and parcel of knowing our clients and ensuring that our advice is constructive and timely.

**On the downside, what has become worse?**

Without a doubt, this has to be the all-pervasive bureaucracy. We have to perform the same rituals for the largest and smallest clients. This is a nonsense for the small family-run business and detracts from what clients perceive to be the real value of our services.

**Are you seeing signs of an upturn in your specialist area?**

Yes, we have been doing more work with independent producers now that the major TV companies are required to provide access for their product. But this work will still be at a lower level than the industry merits, because of the lack of government support. Until this is forthcoming, even though the UK has the talent and the technical expertise, upturns in the British film and TV industry will remain only sporadic.

### IN PERSON

**“The 1990s will provide a more modest base for growth than is generally appreciated”.**

### MICHAEL LISTER



Michael Lister is Senior Partner of Shipleys. He has a wide ranging portfolio and acts as Trustee for a number of sizeable Trusts, in addition to providing general practice services to his many clients.

On the Finance Committee of the Leathersellers Company (and its Master in 1988/1989) he is Chairman of Governors of Colfe's School in Lewisham which retains strong associations with that Livery Company.

He is President of Old Haileyburians FC, retiring as a player only at the advanced

aged of 55! He is Financial Consultant to Wolverhampton Wanderers FC, though his birthplace of Woolwich makes him more of a Charlton fan. He has been a committed tennis player in the Surrey League, took up skiing when he retired from football, and plays golf at Foxhills GC, not far from his home in Virginia Water.

**What do you see as the main concerns facing clients?**

As always, making a profit and maintaining cash flow. Debt collection is a nightmare in this country. Wishy washy legislation gives an unfair advantage to the unscrupulous person whose ability to pay often seems linked to being beaten with a big stick. Why is there still no statutory interest chargeable on debts?

**Have you seen signs of the lift in the recession?**

The overriding point is that we have a totally different business environment to the 1980s. The 1990s will provide a more modest base for growth than is generally appreciated. On a positive note, whilst the upturn has been patchy and there may only be a small swing, the future looks brighter now than it has for some time in the last few years.

**How do you think clients can derive full benefit from their advisers?**

Mutual trust is an essential element in a client/advisor relationship. A client's needs can be identified more easily when this exists. For example, a very close relationship with a client is essential to help him or her to plan how to deal with inheritance tax.

**Are Shipleys clients affected by changes in the accountancy profession?**

Yes indeed. Everything has become more regulated. The accounting requirements for companies - despite some relief for small companies - are far more onerous. Audit regulation means a great deal more must be recorded in our files; and the rules are continually changing. We have to commit a great deal of resource to training in order to keep up with it all.

**Where does a medium-size firm like Shipleys fit in?**

In the national 'league table', Shipleys is placed in the top thirty. Our strong point is our commitment to significant partner contact with all clients. At the same time, we ensure that clients have access to in-house specialist expertise whenever this is needed.

Many of our clients are family companies and we believe that in this way we can provide them with the highest quality of service.

**Are the bigger accountancy practices becoming too dominant?**

With their aggressive targeting of the clients of smaller firms, they have certainly put a strain on some of our more cherished professional ethics.

The major firms are facing a tidal wave of enormous claims. Many of these are as a result of the recession and we have the amazing sight of Big Six liquidators pursuing auditors from the same six firms in a circle of litigation.

**What future do you see for Lloyd's?**

This great institution of ours now, sadly, seems an anachronism. With catastrophic claims figures and internal litigation it is unlikely to be able to return to its former pre-eminence in the insurance world.

What other country has individuals putting their entire assets forward to underwrite such risks?

**If you had just one piece of advice to give to a client in business, what would it be?**

Make profits. Without profits any problems that you have will get worse. And you will never be able to take advantage of the many opportunities that exist.