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Follow the script Tips for Business Planning and Business Strategy and Technology exams



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Entertainment One's Nicola Gascoigne describes her life in television finance during a golden age and explains how the ACA has helped her travel the world



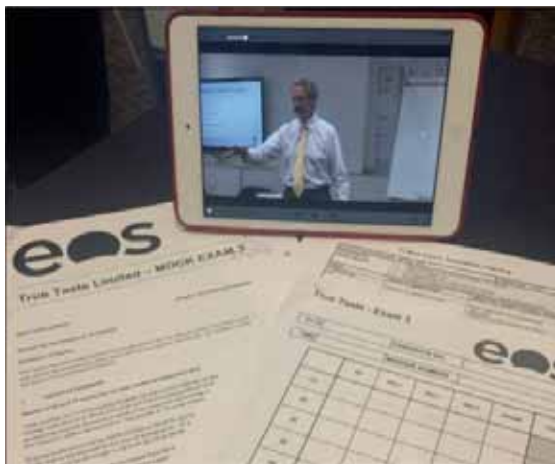
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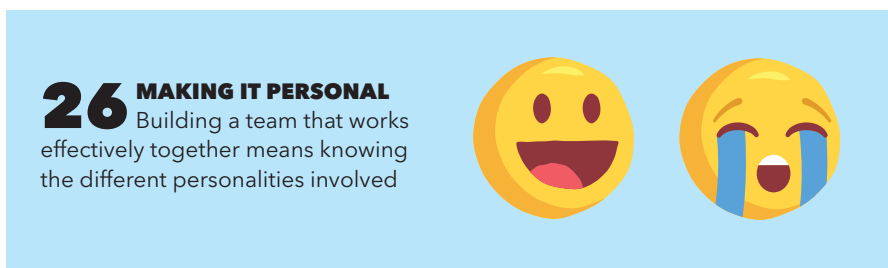
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COVER STORY



Star of the silver screen

Nicola Gascoigne, finance director at Entertainment One, tells her tale of travel, revealing what it's like to live and work in Los Angeles

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Welcome

to the first issue of *Vital* for 2018, which is full of the optimism and opportunities of another new year.



First of all, happy new year. Regardless of where you are in your career or personal development, January is always a good month for assessing how you can improve things.

I guess this is why it's the big month for gym memberships, diet books and the entire self-help industry. But even if you don't subscribe to this idea of new-year resolutions and January fads, there are merits to conducting a personal audit - fixing any weaknesses and building on the strengths. It's a great way to start the year, with a sense of clarity and purpose.

Our cover star this month, Nicola Gascoigne, Entertainment One's LA television finance director, has never been afraid of making new starts. She left the UK to forge a successful career in the glamorous world of

Hollywood TV and here reveals some of the secrets of her stellar career to date.

January is always a busy month for accountants, so we've tried to pack in as much helpful advice for your work and study as possible. We asked our examiners for their tips on ways to prepare for the Business Planning, and Business Strategy and Technology exams, while elsewhere we offer advice for those getting ready for retakes.

As more of us start to enjoy the benefits of flexible working arrangements, we also examine what impact this is having on working lives and on the profession in particular.

We explore the ongoing use of personality tests for team building and investigate the current trend for the scientific evaluation of the importance of sleep. But whatever your personality type, we're sure you'll find some of our top sleep gadgets useful.

We always like to hear from you, so get in touch and send your ideas to vital@icaew.com

Marie

Marie Lake
Vital Editor

FROM THE FACULTIES



Chartech

With HMRC's Making Tax Digital project picking up steam again, the *Chartech* team asked a range of experts for their views on what needs to happen to make sure it is a success.

icaew.com/itf



FS Focus

It's been an emerging technology for almost a decade, but will Bitcoin really transform the world of business, or is it just a massively over-valued asset bubble waiting to burst?

icaew.com/fsf

WORK-RELATED**PUBLIC SPEAKING**

Acumen presents Chris Anderson on public speaking.
[udemy.com](https://www.udemy.com)

**MANAGING TIME**

Time management workshop, Bristol.
tinyurl.com/TimeEventBright

**LEARNING TO CODE**

Decoded masterclass: learn to code in a day, London.
[decoded.com](https://www.decoded.com)

CREATIVE**PHOTOGRAPHY**

Learning the basics: from smartphone to DSLR specialisation.
[coursera.org/specializations/photography-basics](https://www.coursera.org/specializations/photography-basics)

**WRITING**

Start writing fiction on this introductory course.
open.edu/openlearn/history-the-arts/creative-writing

**COOKING**

Reboot your recipes with these courses on improving your home cooking.
[courses.cookingreboot.com](https://www.courses.cookingreboot.com)

Editor's picks

January is the time to start afresh and set some goals for the next year. Here are a few ideas on where to begin

MISCELLANEOUS**LEARNING A LANGUAGE**

Chinese for beginners.
[coursera.org/learn/learn-chinese](https://www.coursera.org/learn/learn-chinese)

**SKILLSHARE**

Access to more than 17,000 online classes.
[skillshare.com](https://www.skillshare.com)

**ROOSTER TALKS**

Tim Jeary talks self-awareness and personality preferences.
tinyurl.com/RoosterTalks

In Review

CHANGES TO FINANCIAL ACCOUNTING AND REPORTING: UK GAAP

The Financial Accounting and Reporting: UK GAAP exam is changing. The current exam will be available until September 2018 only. From March 2019, a new Financial Accounting and Reporting: UK GAAP exam will be available. This new exam will cover micro and smaller entity accounting including FRS 105, as well as FRS 102.

If you have completed or you are studying towards the current exam, a supplement is available to help you prepare for the Corporate Reporting exam.

Whichever version of the Financial Accounting and Reporting exam you pass, current or new, you will be eligible for the Audit Qualification (AQ), as long as you sit and pass the Corporate Reporting exam and meet all other AQ requirements. To find out more, visit the Financial Accounting and Reporting: UK GAAP exam resources web page at icaew.com/examresources

GUIDE TO HOLISTIC ACCOUNTING

ICAEW member Emma Perry shares how becoming a holistic accountant will grow your awareness and understanding of the tangible (body) and intangible (mind, heart and soul) in *The Little Book of Holistic Accounting*.



CELEBRATING SUCCESS

Malaysia

Congratulations to the 86 ACA students from Malaysia who have successfully completed their exams in November.

Malta

The second ACA graduation was held in Malta in October. Congratulations to the successful students, who heard speeches from inspirational ICAEW members including EY partner Chris Naudi and Bettina Mifsud of PwC.



Pakistan

Well done to all our ACA students in Pakistan who have completed the Advanced Level exams and become ICAEW members. A series of graduation ceremonies were held in Karachi, Lahore and Islamabad in October.

STAY ORGANISED IN 2018

You will find the 2018 ACA planner inserted into this edition of *Vital*. The planner provides all the key dates and deadlines you need this year. Use it to plan your studies, check out your student benefits and discover tips on healthy eating to help your revision. You can also download it at icaew.com/acaplanner



KEY DATES AND DEADLINES

8 January - 5 February

Booking session open for March Professional Level exams. If you're booking an exam outside of the UK, you will be able to do so from 15 January

19 January Results from the December 2017 Professional Level exams will be released

12 - 14 March Professional Level exams (please note that all exams at this session will be computer-based)

26 March - 30 April Booking session open to apply for June Professional Level exams

Book exams via your online training file at icaew.com/trainingfile and for results go to icaew.com/examresults

CONGRATULATIONS TO SHAUN ROBERTSON

Well done to Shaun Robertson, director, of qualifications at ICAEW, who braved abseiling down the Forth Rail Bridge. He raised over £1,400 for Chest and Heart Stroke Scotland. Read Shaun's story at bit.ly/2ihETfu



GET INVOLVED WITH YOUR LOCAL SOCIETY OR NETWORK

As an ACA student, you automatically join your local ICAEW student society or network free of charge. Run by students for students, you can attend revision sessions, social events and seminars helping to develop key skills. You can also meet other students in your area. There are societies and networks in China, Cyprus, Middle East, Russia, South East Asia and the UK. Find out more at icaew.com/studentgroups



COMPUTER-BASED EXAMS IN 2018

The next exams to move to computer are Business Planning: Taxation and Business Strategy and Technology in March 2018.

Business Planning: Banking and Business Planning: Insurance exams will follow, moving to computer in June 2018.

The Advanced Level exams will also start to move to computer with Corporate Reporting and Strategic Business Management from July 2018, and July 2019 for the Case Study.

Be sure to check out the variety of support and guidance available for you to prepare for this new exam format at icaew.com/cbe



ICAEW AND DIVERSITY

10 ACA students and young members have been recruited to promote diversity through working with their local schools and universities. ICAEW vice president, Fiona Wilkinson, welcomed our diversity champions in November. Watch our diversity video showcasing the initiative at icaew.com/ourdiversity

HOW CAN WE HELP YOU?

Tell us what you want to hear about in 2018 and you could receive an ICAEW goodie bag. Let us know what you are most interested in learning, from soft skills webinars to study guide articles. Simply email us your suggestions to vital@icaew.com



WEI YUEN LOH

THE TWITTER INTERVIEW

Wei Yuen Loh, head of ICAEW's Malaysia office, answers our quickfire questions

Can you sum up your role in 140 characters?

I work with my team in Malaysia to raise the profile of ICAEW, grow membership through the ACA and ICAEW CFAB and support ICAEW members.

What's the best part of your job?

The continuous learning! The profession continues to change in all facets and it is rewarding to be able to stay abreast as part of my job.

What do you find challenging?

To convince some students to have confidence in themselves. Just because ICAEW is premium, it doesn't mean it is unachievable.

What is the key to your success?

Time management and prioritisation - I picked up these skills as part of my ACA training. Having a supportive spouse helps.

How do you relax outside of work?

I take the dog out for walks, hike during the weekends (without the dog), and *lepak* (a Malay word for chilling or doing nothing).

What do you think is the key to healthy work/life balance?

Look for something you enjoy doing and, more importantly, something you do well in and it will then not feel like work.

Do you have any useful advice for students?

Focus on getting things right the first time. Focus on the values and attitudes needed for ethical behaviour. Focus on staying relevant.

The Boss

Ian Wallace, group finance director at Viju, on achieving his childhood ambition

It was my childhood ambition to become an accountant, a bank manager, a mathematics teacher or an actuary.

Having studied accountancy at school, I decided to do a non-relevant degree - BEng in electronic and microprocessor engineering at Strathclyde University. Prior to my accountancy career, I worked for Philips MEL as a junior development engineer in the avionics department designing radar for helicopters.

I trained at Deloitte (formerly Touche Ross) in Crawley. I am now a fellow of the ICAEW (FCA) and, through involvement with its Regional Strategy Board for Scotland, served as a judge at the Scottish Accountancy Finance Awards 2015-16.

My first senior role was commercial finance manager at BOC Edwards. Transactions across Europe were centralised into one database to deliver weekly flash sales reports. State-of-the-art software was used to build the reports and send them automatically by email.

I love the international aspects of my current role - speaking to colleagues using video conferencing across different time zones. I enjoy using my accounting, tax and treasury knowledge and skills to assist on large deals, which often involve multiple foreign currencies. I enjoy working as part of a dynamic team that delivers audiovisual and cloud solutions to its customers.

At Viju, we are spoilt with the latest collaboration tools - I don't have a telephone handset on my desk. We each have a desktop video conferencing unit that operates by touch and is used to share and edit content with others.

The important qualities I look for in junior staff are that they are helpful, intelligent and proactive team players with development potential.

Good leadership and strong communication skills are the most important qualities for entrepreneurs. ●



When I was 15, I won third prize in a university maths competition entered by 802 other people

I worked in the kitchen of a kids' summer camp in Massachusetts when I was 18 years old

I started running when I turned 50 and now I can't stop. I've completed 40 Parkruns and five 10ks



The evolution of exams

GUIDANCE AND SUPPORT FOR ACA STUDENTS

ACA exams will continue moving to computer in 2018.

If you are taking the below ACA exams this year, you should include getting to know the new format as part of your study.

Professional Level

March - Business Planning: Taxation, and Business Strategy and Technology

June - Business Planning: Banking and Business Planning: Insurance

Advanced Level

July - Corporate Reporting, and Strategic Business Management

Prepare for success with our computer-based exam checklist

- Read the computer-based exam guidance
- Watch the computer-based exam webinars
- Use the practise software
- Review the sample exam questions
- Read the instructions to candidates

Find these resources and more information on key dates, how to book your exams and access arrangements at icaew.com/cbe

Tax special: the most important changes for 2018 exams

Are you up-to-date with the Finance Acts 2017? *Vital* looks at the most important changes that will affect your 2018 exams



Last year, two Finance Acts were published, but only one is examinable in the 2018 exams: Finance Act 2017 (enacted on 27 April 2017).

The second Finance Act received Royal Assent on 16 November 2017 and is not examinable. However, we are producing a supplement for students who need an awareness of the main issues relating to 2017/18.

The below summarises the main, examinable changes from Finance Act 2016 to Finance Act 2017.

ALL TAX EXAMS

INCOME TAX

Cash basis From 2017/18 the cash basis of accounting turnover limit increased to £150,000 (previously the VAT registration limit). A trader using the cash basis must stop doing so if turnover exceeded £300,000 in the previous year.

Real time information (RTI) Voluntary payrolling of benefits under RTI, introduced in 2016/17 is extended to include all benefits except living accommodation and beneficial loans. Class 1A is still payable on these benefits, but they are not reported on the employee's P11D.

Corporation tax (see Example 1)

From 1 April 2017 (FY2017) corporation tax is 19% (previously 20%). For Principles of Taxation, questions are within FY2017. For Tax Compliance and Business Planning: Taxation, questions may overlap financial years.

Example 1

Alpha Ltd has taxable total profits of £400,000 for the year ended 31 December 2017.

		£
FY2016	1 January 2017 – 31 March 2017 (3 months)	
	$£400,000 \times 3/12 \times 20\%$	20,000
FY2017	1 April 2017 – 31 December 2017 (9 months)	
	$£400,000 \times 9/12 \times 19\%$	<u>57,000</u>
Or corporation tax liability		<u>77,000</u>
$(20\% \times 3/12) + (19\% \times 9/12) = 19.25\% \times £400,000$		<u>77,000</u>

VAT

Flat rate scheme The flat rate percentage is usually set by the type of business. From 1 April 2017 it is 16.5% for 'limited cost traders' (purchases of goods less than £250 or 2% of turnover per quarter). The rate is given in Principles of Taxation questions.

TAX COMPLIANCE AND BUSINESS PLANNING: TAXATION

INCOME TAX

Salary sacrifice From 2017/18, where salary is sacrificed, the taxable amount is the higher of the cash sacrificed and the normal taxable value (including exempt benefits). A mobile phone could become a taxable benefit!

Property income (see Example 2)

In 2017/18, if a landlord incurs loan costs on a let dwelling, the allowable deduction is only 75% of the cost. The remaining 25% gets tax relief at 20% in the income tax computation. This restriction does not apply to furnished holiday accommodation.

The basic rate relief is restricted if property income or taxable non-savings income is less than the 25% amount.

INHERITANCE TAX

Example 2

Jack has employment income of £26,000 and rental income of £20,000. Costs are loan interest of £2,000 and other allowable expenses of £3,000.

		£
Employment		26,000
Property	$£(20,000 - (75\% \times 2,000) - 3,000)$	15,500
Personal allowance		<u>(11,500)</u>
Taxable income		30,000
Income tax	$£30,000 \times 20\%$	6,000
Less tax reducer	$£(2,000 \times 25\%) \times 20\%$	<u>(100)</u>
Income tax liability		<u>5,900</u>

Residence nil rate band (RNRB) From 6 April 2017, on death of an individual, up to £100,000 is deducted from their death estate if it includes their home and it has been left to a child/direct descendant. ●

Unlocking student benefits

ICAEW is here to support you throughout your ACA journey, and taking advantage of your student benefits can be the key to success. With a wealth of resources on offer for you to help develop technical competence and professional skills, the ACA is much more than just passing exams

ACA STUDENT WEBINARS

From study and exam updates to developing soft skills and wellbeing tips, there's a library of webinars available on demand and for free. With many designed to complement the ACA professional development skills, you'll find relevant subjects for all stages of your ACA training.

ACA PLANNER

Get organised and stay on top of those key dates and deadlines throughout 2018 with the ACA planner. You can find a copy in this edition of *Vital*.

ICAEW APP

Track your exam progress, access quick reference tax tables, or find events and webinars at the touch of a button via the ICAEW app.

EXAM RESOURCES

Access past exams, examiner feedback, sample papers, tutor- and examiner-written articles and exam webinars for each ACA module, freely available to you as and when you need them.

FACULTIES AND COMMUNITIES

Faculties and communities exist to support you in areas of work and sectors that are of interest to you. As an ACA student, you can register free of charge for provisional



membership of one community and receive a monthly e-newsletter from one faculty of your choice.

STUDENT SUPPORT

Our student support team is on hand to help and advise you throughout your training. From queries about your training agreement, exams or updating personal details, don't hesitate to get in touch, and if you're browsing our website, look out for the live help boxes where you can be put in touch directly with an adviser.

STUDENT SOCIETIES

While studying, you receive automatic membership to your local ICAEW student society or network. Run for students, by students, they're a great way to connect with fellow students and get involved in social events.

STUDENTS' EXCEL

Sign up for free, customised online Excel training courses. They are specially designed to further your Excel skills by teaching functions and formulae crucial in the accounting and financial sector.


STAYING UP TO DATE

Join the conversation by following us on social media and joining the student community. We'll keep you current with industry-specific news, key dates and deadlines, and help you connect with other ACA students across the globe.

MAGAZINES

Last, but definitely not least, don't forget to read *economia* and *Vital*. ●

Find out more and unlock your benefits at icaew.com/studentbenefits



Read, reflect and answer

Looking back at 2017's Business Planning, and Business Strategy and Technology exams, Professional Level examiners give *Vital* an overview of the key professional skills you need to show, and what to avoid, to pass your exams in 2018

BUSINESS PLANNING: INSURANCE

Evidence of professional skills is important in the Business Planning examinations.

Two of the most common weaknesses exhibited in the September 2017 Business Planning: Insurance exam were:

- failure to address the requirement; and
- inclusion of information not relevant to the question.

These problems do not relate to knowledge or understanding, but rather to the application of professional skills.

ICAEW exam questions are not worded haphazardly. Considerable effort goes into producing clear requirements, so there's no cryptic or hidden element. Students who fail to identify exactly what is being asked of them will not produce successful answers.

The section of the syllabus skills development grid, Structuring problems and solutions, includes: "Identify and apply relevant technical knowledge and skills to analyse a specific problem." Successfully achieving this is dependent on correctly establishing the precise problem in the requirement. This necessitates an identification of:

- instruction verbs used, such as explain, analyse or describe;
- other directions, for example "using the information in exhibit 2" or "ignore the effect of taxation"; and
- key information affecting the scope of your answer, for example "from the perspective of..." or "for the year ending ..."

The second issue of including irrelevant material in answers can also arise from a failure to read and understand the requirement; such as providing an answer explaining how something is done when the requirement asks you to explain why. It can also be the consequence of failing to "Filter information provided to identify critical facts", an element in the Assimilating and using information section of the skills framework. The importance of this skill is particularly acute in the scenario-based questions that make up Business Planning exams.

A prime example of this issue from the September 2017 Business Planning: Insurance exam was the significant minority of students who covered currency risk in their answers to question two. The question contained the information that both the insurer's products and its investment assets were denominated in the same currency. These critical facts rendered currency risk irrelevant.

In order to avoid these pitfalls, the



THE SECOND ISSUE OF INCLUDING IRRELEVANT MATERIAL IN ANSWERS CAN ALSO ARISE FROM A FAILURE TO READ AND UNDERSTAND THE REQUIREMENT; SUCH AS EXPLAINING HOW SOMETHING IS DONE WHEN IT ASKS YOU TO EXPLAIN WHY

most obvious step you can take is to read exam questions extremely carefully. As you tackle each requirement, only begin your answer when you are certain of what is necessary. In September's Business Planning: Insurance exam there was evidence of common failures in this respect; for example requirement three of question one referred to catastrophe bonds liability, yet many students provided answers treating this as an asset. Also, the final requirement of question one was to "identify and explain any ethical issues for GM (the audit firm) arising from Giles's (the client) request for advice...", yet some students provided answers from Giles's perspective or, inexplicably, provided the advice itself.

We have considered just two elements of the skills development grid; many others are important to exam success. The development of professional skills is an important aspect of accountancy training. In an age where availability of information is rarely a limiting factor, possession of the skills necessary to filter information, apply it to a specific task in order to reach a reasoned and supported conclusion is a valuable asset.

BUSINESS PLANNING: BANKING

There are now six past exams that you can use in your preparation for Business Planning: Banking. Past exams, and

examiner's comments within the marks plan, are invaluable resources. Examiner's comments highlight common errors that students made and often provide guidance on how to approach similar questions in the future.

The Business Planning: Banking exam tests your application of both technical knowledge and professional skills. It is intended to bridge the gap between Professional and Advanced Level and it will test you in scenario-based questions. You will have to extract the information you need, and there are very few marks for rote-learning of rules. Instead you need to demonstrate the following skills.

Assimilating and using information

Spinnaker Bank in the September 2017 exam required the identification and explanation of audit risks in the context of the proprietary trading in the question. Students needed to use the information provided: a draft statement of financial position; some ratios; and five explanatory notes. There was a great deal of information to be used yet some students gave extremely short answers. At the other end of the scale, there were some answers that gained 100% of the marks because students worked their way through the information provided and discussed each explanatory note, each ratio and any important balance sheet items in turn.

Structuring problems and solutions

Business Planning: Banking questions will be framed in a variety of scenarios and will not necessarily be similar to the previous sitting or year. When you attempt Pavel Bank from the December 2016 exam, you need to read it carefully to understand the scenario. The question is not credit analysis of a potential borrower, which some students expected it to be. Instead, it is the analysis of a potential takeover target, another bank (Tivo). This question needed directed analysis with the purpose borne in mind (should Pavel buy Tivo). Successful students understood this and applied their analysis skills in the correct context by looking at performance, leverage and liquidity.

Applying judgement

You must demonstrate professional scepticism and question information given to you. The first question of June 2017 (Friar) contained assertions from Friar's treasurer about the calculation of the liquidity coverage ratio. Good answers needed to question the treasurer's statements and recalculate the ratio correctly.

Concluding, recommending and communicating

Communication skills are key throughout the Business Planning: Banking exam to articulate your thoughts clearly and concisely. Recommendations are often sought, and the discussion of relevant issues is much more important than the conclusion you arrive at.

For example, the second question in September 2017 asked students to recommend whether the bank should foreclose on its loan to Cocoa Nuts or offer forbearance terms. Good answers discussed flexibility, potential new contracts, previous unreliability of management, the overall outcome for different stakeholders, valuation of assets and other factors. Struggling students mentioned one or two issues and drew their conclusions a little prematurely.

In summary, you need to demonstrate your skills to analyse information, be sceptical and communicate your analysis and conclusions clearly. No mean feat, but with some preparation and hard work you should succeed.

BUSINESS STRATEGY AND TECHNOLOGY

In Business Strategy and Technology, multiple skills are developed and assessed. The exam has a very high level of skills assessment compared with purely technical content, in a roughly 75:25 ratio. Each requirement on the exam assesses a mixture of skills and knowledge. How the marks are split varies, but students can usually assume that a large proportion of marks depend on showing skills.

Assimilating and using information

This is the core skill that underlies each requirement. In the Question 1 mini-case, understanding the situation then identifying and using relevant information to prioritise issues is key. There is a lot to assimilate in different formats: March 2017 had a short scenario then the requirements, then four separate 'exhibits' of information, one of which was a graph; the June 2017 exam had a long scenario - broken up by key headings - with only one exhibit.

To really understand the information, read everything through then stop briefly to identify what is going on. It may be the company is in decline, as in the March 2017 case; or is thriving but in need of adjustment, as in June 2017; or is facing uncertainty and change, or a big decision as in the September 2017 exam. Ensuring you understand the business context, including elements of uncertainty



YOU NEED TO DEMONSTRATE YOUR SKILLS TO ANALYSE INFORMATION, BE SCEPTICAL AND COMMUNICATE YOUR ANALYSIS AND CONCLUSIONS CLEARLY

or specific issues, makes it easier to identify the relevant information for each requirement.

It's also important to manage your time and work effectively by operating to the brief and answering each requirement fully; these are core skills in themselves, and the exam is designed to assess how well you stay on task.

Structuring problems and solutions

You must make sense of, or structure, a range of data - numerical and in word form, financial and non-financial - to define and analyse the key issues and problems in the scenario (and their causes). Typically there is a lot of numerical data in the scenario and at least one exhibit. Some of the data may already be structured - for instance, KPIs in September 2017 - but you must perform data analysis to understand what is relevant and then develop and illustrate your answer. If you have properly established what is going on, then you will understand that, for March 2017's company in decline, calculations for the causes of both revenue and profitability decline are

highly important, while for September 2017's company making a key decision, the achievability of the budget is key. It will also help you identify any information gaps, frame questions to clarify the information provided or ask for more data.

By structuring the problems you will also be developing evidence-based solutions. In March 2017 the analysis of data led directly to discussion of future corporate strategy, which then led to finding an initial solution in terms of the sales and profit margin needed for new products in the year ahead.

Applying judgement

Having structured data and performed calculations, in your written discussion you should apply your judgement: don't simply state in words what is there to be seen in the numbers.

A core skill is to think critically so you can integrate your numerical and descriptive analysis and assess how information - for instance, financial and operating data - interacts. You can then identify any bias or varying quality in the data and also any assumptions you have had to make in the face of evidence gaps. In September 2017 a key point to pick up was the effect of seasonality on the budget - when extrapolating six-months' data to a full year, an assumption of non-seasonality should have been stated.

Another skill is to identify issues that relate not only to each other but also to the broader business environment. Retaining an overview is again key. In June 2017 the balance of financial and operating risks for the package holiday company was critical, and data analysis showed that getting it right depended on accurately estimating demand. This led straight into the next requirement: a discussion of how a business proposal - data analytics of website data - could have an impact on the business.

In evaluating options and providing reasons for the selection of an option, application of judgement is key. In March 2017 the final requirement was discussion of three alternatives. It was important to judge based on the evaluations to date and on relevant conclusions from earlier requirements, to reach a consistent and coherently justified decision.

Concluding, recommending and communicating

This final stage of skills development involves applying technical knowledge, experience and evidence to support reasoning and draw realistic conclusions. In March 2017 the final requirement sought calculations for proposed new

SKILLS FROM BUSINESS PLANNING: TAXATION SKILLS DEVELOPMENT GRID**Assimilating and using information**

Assimilate information provided by internal and external sources	The question included information about individual companies, which had to be read and assimilated to determine what was relevant to the question asked. As is usual in Business Planning: Taxation, this information was included in the body of the question and attached exhibits.
Recognise and explain key ethical issues for an accountant undertaking work in taxation	Ethics and law will always make up between 5-10% of the marks on each exam. In this question, exhibit 2 concerned transfer pricing issues, which may have been motivated by personal gain.

Structuring problems and solutions

Provide descriptive analysis and explanations	Providing a descriptive analysis of the scenario in the question and explanations of its implications.
Integrate different taxes and jurisdictions	The scenario required the consideration of any relevant tax costs and also the commercial implications of non-tax costs, across jurisdictions.
Evaluate taxation impact of a transaction	The report asked for an evaluation of the tax implications and costs of the migration of two companies.
Integrate descriptions with calculations in a form appropriate for the user	The answer was in a report format, integrating tax calculations to demonstrate the tax effects of given transactions.
Apply technical knowledge to perform relevant, accurate calculations in a logically structured way	The migrations of the companies had implications in terms of the tax due on migration and the mitigation of this tax if claiming appropriate reliefs.
Identify and explain ethical and legal issues	The issues in 1.2 asked for the evaluation of how ethical issues would affect a proposed course of action.

Applying judgement

Applying scepticism to the integrity of information provided in the scenario having regard to its source	Exhibit 2 was prepared by the CEO and considered a course of action which may have been unethical and classified as tax evasion, but which was dressed up as being for commercial reasons. It was appropriate to be sceptical in this context, given the CEO stood to gain financially by his actions.
Evaluating the effects of future events	The CEO was considering moving the tax residence of Tea plc to a foreign jurisdiction in the future, this would have tax implications for the reliefs claimed on any current migrations and would have to be factored into any current explanations.
Identifying key linkages between information provided in a scenario and possible tax treatments	The scenario provided information about the migration of two companies and the financial information needed to calculate the tax costs of migration on these companies.
Exercising own ethical judgement in assessing the consequences of various courses of action	Part 1.2 required an ethical judgement to be made on the course of action suggested by your client.

Conclusions recommendations and communication

A report/memorandum in response to a specific technical or ethical issue and in accordance with client requirements	The question stipulated an answer in the form of a report to the CEO of the companies concerned (a client).
A review of advice or proposed tax strategies making recommendations supported by calculations or analysis of tax issues identified	The question asked for "the tax implications and tax costs of the relocation of... companies". This required the students to review the proposed tax strategy of the client and make recommendations based on their numerical and written evaluation of the scenario.

products, then an assessment of the growth strategies related to them. To make a valid recommendation the defined criteria – the board's targets and need for future growth – should be referenced as well as the calculations.

In this exam, communication skills are assessed because you need to present analysis and recommendations in accordance with instructions clearly and concisely. You should explain and link points, use the relevant format where specifically required (eg, a report, as in March 2017), and write with a professional tone that is suitable to the recipient.

BUSINESS PLANNING: TAXATION

Students often ask "what makes Business Planning: Taxation different from Tax Compliance?". The differences are:

The subject matter of the exam

In Business Planning: Taxation we cover virtually the same tax knowledge as in Tax Compliance, but with some additional knowledge on more complex areas, and the level of knowledge required is often in more depth than in Tax Compliance. To be certain about the contents of the syllabus for Business Planning: Taxation you should look at the ACA syllabus for the exam and the tax technical knowledge grids, which are available at icaew.com/examresources

Skills required in the exam

The Tax Compliance and Business Planning: Taxation syllabus grids provide guidance on the relative weighting between knowledge and skills in each exam.

The emphasis in the Business Planning: Taxation exam is on 65-75% of the marks being available for demonstrating skills as opposed to 25-35%, which is the requirement for Tax Compliance.

Using question one of the June 2017 Business Planning: Taxation exam as an example, the table (left) demonstrates how skills are assessed in this exam.

Question one June 2017**Business Planning: Taxation exam**

This question required students to differentiate between the different tax residence statuses of individual companies in a group, and to reach conclusions about the tax implications of those companies, together with evaluating a scenario that had ethical implications.

To see the skills this assessed refer to the box, left. ●

View a variety of exam resources and support at icaew.com/examresources

Staying zen in the face of exam retakes

Retaking an exam is rarely a pleasant experience, but well structured, thought out revision can make the process less stressful, and ultimately more successful

WORDS BY PHILIPPA HOOD,
ACA TUTOR AT KAPLAN FINANCIAL

For more exam support and resources go to [icaew.com/examresources](https://www.icaew.com/examresources)



In terms of logistics, as ICAEW continues to introduce computer-based exams for the Professional and Advanced Level, ensure that the format of your exam has not changed since your previous attempt. Timelines for each subject can be found at [icaew.com/cbe](https://www.icaew.com/cbe). Additionally, if you are retaking the exam in a different calendar year, check whether there have been any syllabus changes. You should apply for the exam in the same way as normal via your online training file or exams online. Check your employer's policy for any differences on how to apply.

TIME TO REFLECT

As you start to prepare for the exam, don't just plunge into re-learning the entire syllabus. Take some time to try and identify where you went wrong before. Timing? A particular topic area? Misreading a requirement? This will give you an idea of where to focus your attention during your revision. While it may not be particularly enjoyable, for Professional and Advanced Level exams it

is highly recommended that you download the exam and model answers from [icaew.com/examresources](https://www.icaew.com/examresources) for your unsuccessful attempt. Work through the exam again to find out what didn't go to plan, so you can learn from this for next time.

SHOW UNDERSTANDING

Remember, the aim of each exam is for you to demonstrate your knowledge and application across the syllabus to the examiner. Try not to get too caught up in one particular requirement as this may be to the detriment of later requirements in the exam. Instead you should be aiming to show a good level of understanding across all areas.

Question practice is key for all of the ACA exams. However, ensure you are learning from this. There is little benefit to be gained from sitting and doing several hours of question practice straight if at the end of it you haven't learned anything, and would make the same mistakes again. It would be much better to do fewer

questions during a study session, but then take the time to analyse where you went wrong and what improvements you will make the next time you are presented with a similar question. It might be useful to get into the habit of writing down three things you have learned from every practice question that you do.

ABOUT TIME

Make sure you are doing some time-restricted practice - often what you produce in timed conditions is very different to when you don't have a time limit, and of course it is best to replicate the real exam as much as possible to ensure nothing is a surprise come exam day.

Remember - these exams are not intended to be easy. If they were, the ICAEW Chartered Accountant delegation would not hold as much weight as it does. Approach your retake with a positive mindset, knowing that each exam you pass is a step closer to gaining the qualification. ●

Learning from the best

Reed Business School students achieved three of the top four places in the 2016 ICAEW Advanced Level annual order of merit. Here, Robert Deare, Robin Doddrell, Naomi Pitt and Stella Shaw share top tips for exam success and how to achieve a practical work, life and study balance when undertaking a professional qualification



GARY BATES/IKON

HARD WORK

According to Stella Shaw, operations manager at Reed Business School, the most resounding single piece of feedback from all three winners was on the need for hard work. As student Naomi Pitt comments, “Anyone who says you don’t need to work hard is lying.” All three had to be organised in their approach to studying, starting each new module early, and adopting a ‘little-and-often’ tactic.

Setting aside specific study time proved popular with all three students, who dedicated set time during the week (often two or three evenings as well as at weekends). But all also talked about lining up rewards for themselves for doing the work.

Top tip: Allocate regular study time for each module rather than letting it all pile up in the final weeks before the exam.

LEARNING WITH PEER SUPPORT

Reed Business School offers a discursive, classroom-based approach to learning and both Pitt and fellow student Robert Deare found this environment, and the support of their cohort, a valuable part of study. Both took part in regular conference calls with peers to discuss individual chapters, while competition within the group gave them extra drive. When it came to the Case Study exam, the group read it individually then put their heads together to discuss it. Deare believes his success in this exam was down to these discussions.

Top tip: A classroom is a great way to develop relationships, build a support network and is a safe environment to discuss anything you’re unsure about.

QUESTION PRACTICE

Towards the end of exam preparation, students really need to focus on question practice. Robin Doddrell points to his taking up to a week off work before exams to focus on questions from the ICAEW published question banks. It’s a technique that worked for him. Completing practice questions helps get into the exam room mindset, helping you prepare for what the exam room will be like.

Top tip: Practice questions help you to be comfortable when you get to the exam, knowing the kind of answer you’re going to need to write.

INTEGRATING WORK AND STUDY

It’s easy to forget how much study and work are linked, and Doddrell believes students should be open with employers about their priorities and challenges. “If help is there, use it,” he says. Many of the ACA exams are skills-based in relation to real life situations, so Doddrell recommends exploring any crossovers as much as possible to get a thorough understanding of the relevant topic. At work, Doddrell is exposed to a lot of different areas and types of business, and believes having this broad knowledge is useful both for the exams and understanding the profession as a whole.

Top tip: Employers are generally supportive of trainees, so don’t be afraid to use them as an added support resource.

ANOTHER FRONTIER

Nicola Gascoigne, Entertainment One's LA television finance director, is an intrepid explorer and self-professed seeker of opportunity. She tells Danny McCance how a desire to experience new things has driven her career and led to a life in distant lands



Hollywood has long been the destination for any young would-be star, writer or producer wanting to make their name in the movie business. But it's not just a career in the spotlight that draws people there, as Nicola Gascoigne, the financial director of Entertainment One LA TV Group, shows. "TV is definitely having its heyday at the moment," she tells me from her office in Beverly Hills, one of three she operates from in the city. "Film may have been the big moneymaker five years ago, but now it's switching to TV. From my point of view it's just getting busier and busier."

With Entertainment One (eOne) putting out hit shows such as *The Walking Dead*, *Designated Survivor* and *Naked and Afraid*, it's difficult to disagree. "It's TV content that everyone is after at the moment," she explains. "From a business point of view, TV is where people are making money." It is this glut of great TV that eOne is taking advantage of and Gascoigne, as finance director, is there to help the company manage.

Founded in Canada by current president and CEO Darren Throop, eOne originally started with Throop selling records in an independent record store. From humble beginnings the company, which has its headquarters in Toronto, has grown to a huge multimedia empire with offices across its homeland as well as all around the world including London, LA, New York, Sydney and Hong Kong. And, it's not just global reach the company has, but a vast portfolio of media across a variety of forms. "eOne has film, music and TV, including family titles, such as *Peppa Pig*. We're quite diversified in the market," Gascoigne says.

The rapid expansion the company has experienced in recent years is due in part to the company's growth strategy and its focus on acquisitions, Gascoigne explains. "eOne is famous for buying companies, it's grown hugely over the last few years by acquiring various production companies, record labels and smaller distributors." This was the reason for her original involvement in LA. After working in the risk team for eOne in

London, she was offered the opportunity to expand the finance element in LA.

True to form the company had bought some TV companies in the area and a financial presence there was lacking. So, in between spreading her time between the three LA offices in which she works, and running her team, Gascoigne also flies between London and Toronto to meet her bosses: "It's just good to get face-to-face time," she explains.

So, for someone who loves to travel, the role at eOne offers substantial choice. But, as Nicola says, this can still cause hiccups, even for an experienced traveller.

"I was in Australia for a month in late February, then flew straight to LA and then got told I needed to fly straight to Toronto, I had to go and buy a whole new wardrobe as I'd packed so inappropriately."

Although Gascoigne has always wanted to travel, and planned to do as much, her choice to move into the entertainment industry was not part of a grand career plan. Neither has LA always been the city she's called home. Gascoigne, born and raised in the UK, studied at Loughborough University and subsequently spent the first part of her career working in London.

Her first role out of university was for the business risk services at Grant Thornton in the UK. After being accepted onto its graduate scheme, Gascoigne started a training agreement with the firm, despite a career as an accountant not necessarily always being on her radar. "I don't think I ever started out wanting to be an accountant, I just followed my nose through school and university," she admits. "I was always encouraged to do what I enjoyed and what I was good at and thankfully, they were the same thing."

Despite studying banking at university, it was always the more general business that Gascoigne enjoyed. Her choice to become an ICAEW Chartered Accountant is in part a process that encapsulates Gascoigne's approach to life. "It



seemed like it opened the most doors and shut the least,” she explains. “That’s why I went for it, for the opportunities it would bring and for the training.”

This approach, of seeking opportunities, also explains Gascoigne’s passion for travel, and her choice to move to the US to continue her career. Working for eOne also facilitated this adventure.

Although Gascoigne had lived and worked in LA previously, the most recent move, to work for eOne there, only happened in February 2017.

Just as any adventure forces one to adapt to ones surroundings, Nicola found herself adjusting to the culture, both of the US and the new company. “I came from quite a corporate company, my clients had been corporate,” she says. With a previous client list of big banks and FTSE 350 companies, Gascoigne says she took time to adjust to the less

corporate nature of the creative industry. “My boss [at eOne] used to refer to meetings as ‘love time’. If you set a meeting it’ll start 10 or 15 minutes later. Or it’ll just be pushed back.” But she has learned to adapt and now takes a distinctly more relaxed response typical of her California locale: “If you book time with someone, you know you’re going to see them some time that day, just not necessarily at two o’clock that day.”

It was not just the idiosyncrasies of meeting times that Gascoigne noticed. She noted that when working in the creative space, the pace was significantly different, particularly from a finance perspective. “In finance we’ve got to be agile, because you’ll get one question one day, and prepare an answer for the morning to find that the question has changed, or that we’re trying to do something different.”

But this is a challenge Gascoigne embraces, as she admits that she prefers roles that provide a diverse workload, and knows she works best when provided with a variety of tasks. This, she says, is part of why she originally got involved with the business risk services at Grant Thornton.

Alongside the cultural obstacles of working outside the UK, there is also the question of practising as a chartered accountant in a different country. However, as Gascoigne explains, she feels lucky in this respect. Within her role at eOne and due to the rigours of her studies, and the knowledge required for the exams as part of qualifying as an ACA, she feels confident operating in the US.

Something she does admit to still finding somewhat challenging is the work culture in LA, which makes it harder to switch off. However, Gascoigne is also pleased with her current choice of home. “Everyone is relaxed, and it’s just the vibe in California, because you’ve got the sunshine all the time,” she says. And it is the variety of entertainment out of work, just as much as at work itself, that she enjoys: “You can drive an hour and spend the evening in a winery or drive an hour and be skiing at Big Bear.”

Gascoigne considers these activities as fulfilling part of the pledge she’s made to herself, the same pledge that drives her to seek out interesting opportunities. She says she wants to make the most of the US while she’s there.

Her exploration does not just extend to California and the US, as regular trips north of the border allow for a variety of adventures for anyone wanting to make the most of new opportunities. “When I was in Toronto we went dog sledding one weekend, and I’ve canoed the big lakes while I’ve been up there,” she explains.

Part of the reason Gascoigne gets to travel to Canada so often is that, as well as working for a Canadian company based in Toronto, the Canadian film and TV industry is currently enjoying something of a boom. This is, in large part, due to beneficial tax credits and, as Gascoigne explains, using Canadian actors, writers or employees provides a large tax incentive.

“That’s why you’ll see shows like *Suits*, which is set in New York but filmed in Toronto,” Gascoigne explains. Another example she gives is one of eOne’s recent successes, *Designated Survivor*, which despite being set in Washington, DC is filmed in Toronto.

TOP ENTERTAINMENT ONE TV SHOWS



Just some of the shows eOne is responsible for: *Naked and Afraid* (top left), *Designated Survivor* (top right), *Sharp Objects* (bottom left) and *Peppa Pig* (bottom right)

“For some of the decisions we’ll make, we’ll look at the tax credits that we’ll be able to generate,” Gascoigne explains. “Based on the time and where the show is made, and also the people that are in and working on your TV shows, whether that’s writers, producers or the talent, we’ll get credits if they’re Canadian.”

And so the expansion South continues, and Gascoigne has plenty to keep herself occupied. A new company, MAKEREADY, was set up with eOne and Brad Weston in May this year in LA, and she still has plenty to do since eOne acquired Renegade and Mark Gordon Company the previous year.

But, being the avid explorer that she is, has Gascoigne thought of a permanent move north, or elsewhere? “I went to Vancouver for three weeks last September, and I found it similar enough to LA, but prettier. The outdoor lifestyle is what I’d go for,” she admits. But she’s not quite ready to give up her life in California just yet. “I’m really enjoying my job at the moment and I wouldn’t want to give that up,” she says. “I will sit and see what opportunities arise, and go from there.” ●

“We’ve got to be agile. You’ll get one question, prepare an answer, then find the question has changed”

Days like these

With only a smartphone for an office, we can work from anywhere - and at anytime. Chris Torney reports on fundamental changes in working practices brought on by digital communication and cloud computing

Technology is transforming the way people work in practically every industry, and accountancy is no exception. Developments such as smartphones and cloud computing are changing the relationships accountants have with their clients, while enabling a shift away from traditional 9-to-5, office-based working within the profession.

"This is something that people coming into the profession need to be aware of," says Sam Wood, lead client account manager at Blu Sky Chartered Accountants in Newcastle. "Technology means your dealings with clients are probably not going to be containable to 9-to-5. Or at least, not in the firms that want to have a competitive advantage."

EARLY ADOPTERS

Wood says that Blu Sky's client base of mainly high-tech and digital businesses has meant that the firm has had to adapt to the latest forms of communication. "The millennial client, which is who we deal with, wants to work with someone who is personable, can speak to them on their level and in ways they expect to communicate with their own clients and their friends. We don't just use email or telephone - we invite people into WhatsApp groups and Slack channels."

While instant-messaging services enable accountants to provide immediate answers and an effectively "always-on" service to their clients, there are potential downsides. "It's a balancing act. You need to make sure clients understand what the appropriate time to contact you is and what about, otherwise I do think it can run out of control," Wood admits. One advantage of such immediacy is that is

gives firms the opportunity to provide a far broader range of services, Wood adds.

"The key with any of those questions is, they are not just about finance. I don't see the role of the accountant any more as just being a person who knows about accounts or about tax."

MEETING EXPECTATIONS

Chris Barnard, senior accounting manager at online accountancy firm Crunch, agrees: "Cloud-based accountancy is changing the way businesses are interacting with customers. The efficiency gained with this technology means accountancy firms can use resources to improve customer relationships and provide additional services such as tax planning or business consultancy."

Barnard adds that it isn't just clients who expect more adaptability in terms of office hours - employees are increasingly attracted by more flexible working practices. "Nowadays, it's quite normal to have early meetings with a customer, to work around their schedule and meet their demands - remember, they have busy days too," he says. "But also, the job market is extremely competitive and an employer can help to attract the top talent if they are flexible with their hours."

Leanne Finch, director of innovation and transformation in audit at Mazars, says that her firm is looking to embed "agility, flexibility and collaboration" within staff's roles. "In a practical sense, this means people being more mobile," she explains. "That might mean working from different offices, sitting at different desks, networking across the business and opening themselves up to new perspectives and knowledge."

Different forms of non-standard work appear to be gaining popularity, such as compressed hours or where employees work smarter to fit a standard working day into fewer hours; and the "coffice" - the café/office, where professionals choose to spend long periods in the more convivial, and potentially more productive, atmosphere of a coffee shop rather than their normal workplace.

"Technology is a part of this, definitely," says Finch. "But it is an enabler rather than a cause. The reason we're making these changes isn't just because the tech exists: it's because we're looking to attract and retain the best talent, and to give our clients exceptional service."

INDUSTRY VARIATIONS

"There is certainly greater interest in the availability of more flexible roles than there was five years ago," says Adrian O'Connor, founding partner of recruitment consultant Global Accounting Network. "But expectations vary between sectors. Flexibility is more commonplace in creative, media and tech firms than it is in the harder industries. This is perhaps linked to the fact that scope for effective work-life integration depends on how technology-driven your business is."

O'Connor believes that the current trend is set to become more widespread. "In the future, it is likely that both accounting professionals and employers will become increasingly open-minded about the benefits of working outside of non-traditional office hours," he explains. He feels that companies need to be competitive to take advantage of the supply of talent: "Slow adopters in terms of flexibility risk missing out."



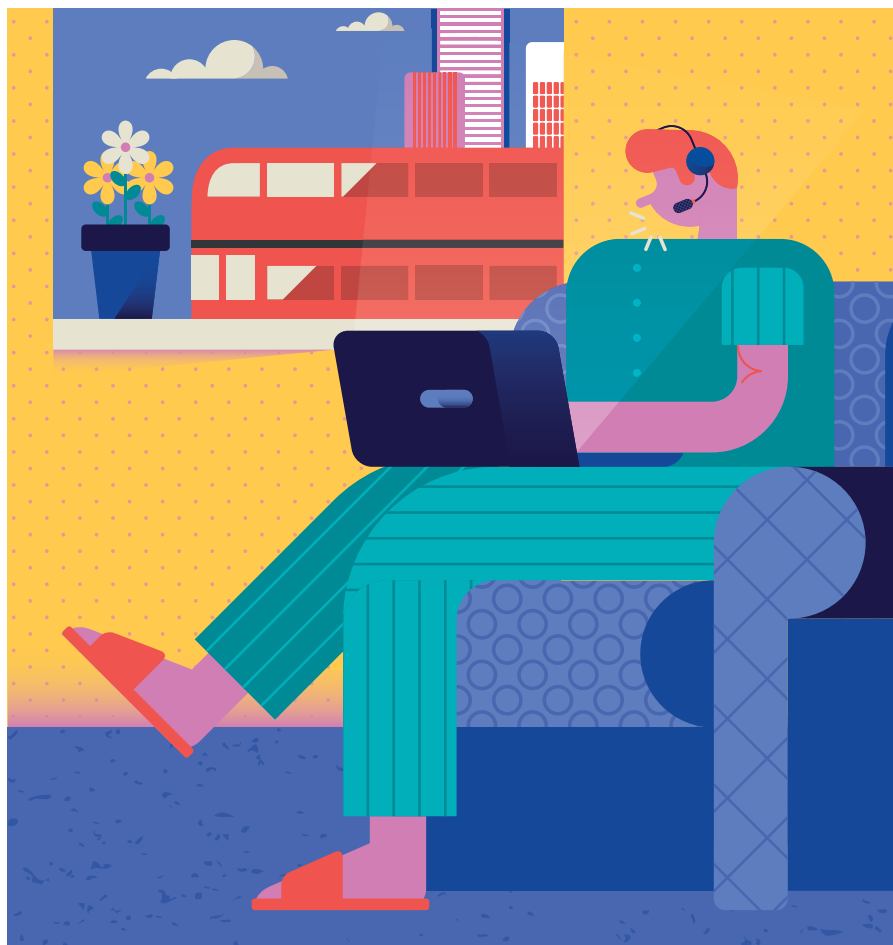
ILLUSTRATIONS BY FERNANDO VOLKEN TOGNI

CASE STUDY: PILLOW MAY

For Jessica Pillow, founder and managing director of accountancy practice Pillow May, the benefits of flexible working are huge: "What you give in flexibility, the team give back tenfold." Flexible schedules mean an individual can fit their life around their work. This, Pillow says, leads to increased productivity and loyalty. "Commercially it pays for itself, as it's a benefit people really value."

Since setting up the practice in 2009, as a way of offering mums the ability to continue working in accountancy, Pillow has offered flexible working solutions. To her, the need to be flexible was obvious and comes from her own experience and appreciation for flexibility: "In the last couple of years I've had to change my working hours basically every year, sometimes more, to accommodate the rest of life." She highlights the benefits for employment, too. Providing flexibility makes more people available for her to employ, as she says, it doesn't eliminate those that might be unable to work the standard 9-to-5.

The change in attitude towards work patterns is in part, Pillow thinks, due to increasing number of women in the workforce, and a desire from employers to accommodate a better work/life balance. She also points to technology as an enabler of change: "We've always been completely paperless and cloud-based, so you can work anywhere." This means that her employees can log on from home if, for example, their child is sick and they're unable to make it to the office. "I think it's really empowering," she says.



Finch adds that Mazars' flexible and collaborative environments can enhance productivity and employee engagement.

"We've done this by redesigning our offices and including collaboration areas, equipping people with the technology they need to work from any location, and encouraging mobility," she explains. "Whether you are a parent who wants to take a couple of hours to watch your child in the class assembly, or someone who wants to save commuting time to spend on a hobby, this flexibility allows you to keep up with these commitments and still perform your job to a high standard."

Individuals who enjoy flexible working are likely to have to make a trade-off, Wood says. "Our philosophy is that you should work when you need to. That might be on a weekend for half an hour, but if that saves you from working late on a Friday night, I don't see that as an issue."

IN TOUCH

According to Wood another advantage of accountants being able to manage their roles more flexibly is the insight this can give them when it comes to dealing with the challenges that their clients are facing. The majority of students today are millennials and "they have grown up with

smartphones and this technology has impacted on their lives", he says.

Wood thinks this puts accountants in a great position. If they can adapt to the changes in the accountancy profession, then they will be in a good place to advise clients on changes in their businesses.

Contrary to the general attitude of the importance of work/life balance, his opinion is that it's counterproductive for accountants to have a mentality of being either at work or off work. "If I'm on holiday, I'm going to be checking my emails and messages while I'm away," he says. "I'll respond to some queries, and pass others on to my colleagues - but I know I'm not going to go back to an inbox with lots and lots of issues to sort out. The technology means you can't get away from work - but in a way, I wouldn't want to."

The benefits of adaptability go even further, as O'Connor adds: "Accounting professionals are sensible - they understand that accounting and finance has cycles, with busy periods when they need to manage deadlines and control workflow. The best people can organise their own flexibility, but in reality, not all clients have the benefit of staff that can manage this. Therefore, professionals who do possess this skill are likely to be highly sought-after." ●



EMPOWERING



business minds

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who are you?



Different individuals have different personalities, and testing how these character traits mesh could determine the make-up of a team. Jessica Fino looks at the thinking behind the most popular tests

We are now familiar with the idea that, as well as being unique individuals, we all also fit into a personality type. And it's more common than ever when looking to build a new team, or recruit into an existing one, to think about personality team fit and how the personality dynamics will work out. Every episode of *The Apprentice* provides plenty of evidence that picking people able to work well together is often more important than picking teams purely on the basis of individual talent.

It makes sense, therefore, for organisations to place emphasis on finding people who will fit best within a team or organisation. This explains the glut of services and consultants providing personality tests for both team building and recruitment. Getting the right mix of personalities can not only improve a team's atmosphere, but help create and drive a positive culture throughout the organisation. Such tests can also help organisations identify shared values and compatible personalities.

One of the most well known and commonly used tests is the Myers-Briggs Type Indicator (MBTI), which places the candidate into one of 16 different personality types. According to Adam Grant, professor of management at the University of Pennsylvania, 89 of the Fortune 100 companies use MBTI, to assess tendencies towards extraversion or introversion, intuition or sensing, thinking or feeling, judging or perceiving.

Another popular test is the California Psychological Inventory (CPI), which is designed to predict performance and is arguably better for both team building and hiring. The MBTI is often used for conflict resolution and leadership development, as well as fixing dysfunctional teams and other workplace and career development objectives.

According to Petra Merne, director of global marketing at CPP, a company specialising in administering personality tests, the MBTI is not designed for selection purposes: "It should be used to help companies make the best use of the talent they have," she says. "By helping people understand tendencies and inclinations, the Myers-Briggs assessment and others allow individuals and organisations to optimise talents and abilities based on what they have already."

The company's research points out that 71% of businesses that purchase CPI aim at improving group coaching and only 28% buy assessments to select talent for leadership roles. Moreover, only 15% use the tests to refine selection strategies for making hiring decisions.

TALENT LIFECYCLE

Aberdeen Group, a research organisation that specialises in human resource management, argues it is important to continue to use assessments throughout the talent lifecycle. The theory is that, to be effective, such tools should be used to inform an individual's longer-term career path.

According to Aberdeen's research, 87% of "best-in-class" organisations use assessment data as part of the criteria for promotion to leadership roles,



**"VALID PERSONALITY ASSESSMENTS
ENABLE INDIVIDUALS AND
ORGANISATIONS TO OPTIMISE THEIR
TALENTS AND ABILITIES BASED ON
WHAT THEY HAVE TO WORK WITH"**

as opposed to 73% of others. While skills and knowledge can be learned and developed over time, an individual's personality traits tend to remain the same. Insights from these assessments can be used again and again throughout the talent lifecycle to guide decisions around team building, assigning work and helping managers and peers work with an individual to achieve the most positive results.

DIVERSE PERSONALITIES

One of the advantages of the assessments is that they can provide a plan for how an individual may best learn and develop, which is vital to understanding their long-term value to an organisation. And research backs up the common sense idea that there are considerable benefits to having a diverse personality types within a team.

For example, a team built entirely of those rated as ISTJ under MBTI (which stands for introversion, sensing, thinking and judging) would be a team of what might be called quiet types. They would probably get on well, as thinking types all rely on objective advice and want just and fair leadership. This harmony and agreement might produce positive results. But it might be the case that adding in some people at the other end of the scale (ENFP types - extraversion, intuition, feeling and perceiving) might lead to even better results. There would be differences as the ENFPs seek supportive advice and compassionate leadership.

There are both positives and negatives to single type and diverse teams. The key to success is that team leaders are aware of the personalities they have in a team and can therefore offer appropriate style of leadership and can intervene in the right way to resolve conflicts that may arise. While having



CREATING A PERSONALITY ASSESSMENT THAT IS VALIDATED FOR ACCURACY AND MEETS ALL THE REQUIREMENTS FOR EDUCATIONAL AND PSYCHOLOGICAL TESTS TYPICALLY REQUIRES A TREMENDOUS AMOUNT OF RESEARCH



different personalities runs the risk of tensions, such tensions can be harnessed for a positive outcome. It's also true that conflicts can arise for lots of reasons other than a clash of personalities and filling a team with the same type is no guarantee of avoiding conflict.

PROBLEM SOLVING

While a more diverse team might start to appreciate different approaches to tasks and new points of view, a single-type team will need to be aware of the potential danger of groupthink, where everyone is in agreement the whole time and there isn't enough constructive challenge or debate. This can lead to complacency in problem solving and a loss of quality in decision-making. Groupthink can also lead to a team missing obvious challenges.

Diverse teams can learn to capitalise on the strengths of all of their members, with different people providing important alternative perspectives. In many cases, they'll find that one is able to cover another colleague's "blind spots".

The International Personality Item Pool test, better known as IPIP-NEO test, is commonly used to understand if a candidate has the ability to fit within a multicultural environment. This test assesses someone's openness, conscientiousness, extroversion, neuroticism and agreeableness.

If you want to work at and succeed in a global business, being open-minded, flexible and able to communicate with all kinds of people will be important for your career.

TRUSTING THE TESTS

There are many different personality tests available and but not all are of equal substance. Creating a

genuinely useful personality assessment tool, which has been validated for accuracy and meets the requirements for educational and psychological tests takes a lot of research. Twenty years of research preceded the initial publication of the MBTI, for example, and updates have been documented in four technical manuals since.

As Merne points out, unfortunately there are a lot of free online assessments that aren't based on any sort of research, and people often use them under the mistaken impression that they're using the MBTI, which can be problematic. Moreover, while these tests can be really helpful for some businesses, many believe there is not enough scientific proof that they should be used at all to make business decisions.

CHANGED CIRCUMSTANCES

There is a school of thought that considers such tests are destined to fail before they're ever taken. Psychologist Walker Mischel published *Personality and Assessment* in 1968, and his argument was antithetical to the idea of personality tests. Mischel claimed in his book that personalities are not fixed, but rather change and develop depending on circumstances and contexts.

While many big firms use personality tests as part of the process of building a successful team, there are health warnings to be heeded as to when and how they are used, both in selecting which tests to use and when making important decisions based on the results. As Annie Murphy Paul pointed out in *The Cult of Personality Testing*, when tested a second time, three quarters of participants achieved a different personality type than they did when they were originally tested. ●



A good public speaker can change the world. While there's no secret recipe for a perfect speech, there are several ingredients they each have in common. Vital magazine is here with our top tips for public speaking

1 HAVE A HOOK

"When you advertise fire extinguishers, open with the fire," advertising executive David Ogilvy once said. His point is that you want to grab the attention of the audience from the outset. That might mean upending expectations with a surprising revelation or by providing a 'what if' scenario. You need to make an impression in the first 30 seconds.

2 10/20/30

American marketing specialist and venture capitalist Guy Kawasaki has a theory about PowerPoint presentations. He calls it the 10/20/30 Rule - the presentation should have no more than 10 slides, it should go on for no more than 20 minutes, with a minimum font size of 30.

3 KEEP IT SIMPLE, STUPID

The above phrase is often attributed to American aeronautical and systems engineer Kelly Johnson, who created revolutionary technologies for more than 70 years. Since then, many other industries have adopted the no-nonsense mantra, benefitting from the healthy dose of simplicity. So, taking Johnson's advice, review your presentation and if it is not essential, cut it.

4 TELL A STORY

Storytelling is central to human existence. We're hardwired to recognise storytelling and the patterns held within information. So rather than present your information as a series of data points, tell a story with a beginning, middle and end.

5 ASK AND ANSWER A QUESTION

Questions turn your presentation from a passive lecture into an active journey. But if you ask a question, you must make sure a) it is a question worth asking and b) one that can be answered. Remember, there is nothing worse than being left hanging.

6 MORE METAPHORS

Metaphors can help an audience understand the unknown by connecting your topic with a prior experience. While you won't be expected to be as memorably poetic as Shakespeare, a well-placed metaphor can elevate your presentation to new heights.

7 FOOD FOR THOUGHT

There's an argument here for leaving your audience with something to think about at the end of your presentation, which is probably sage advice, but we're going to take the literal route on this one. Presenting can be physically and emotionally exhausting, so it's important you're properly fed and watered.

8 RELAX YOUR MIND

Presentation anxiety, often caused by imagined nightmare scenarios, is common. However, speakers often find that when finished there was very little to worry about. Half of the battle is recognising when thoughts are helpful and when they are not. There are hundreds of methods for staying calm and focused; find one that works for you.

9 CONTINGENCY PLANNING

While we advocate not overthinking, it does help to consider a contingency plan. For example, learn how to recover a corrupt PowerPoint file, know what to do if the internet cuts out and be prepared to present without your tech.

10 HAVE FUN

To have fun during your presentation, you need to have fun with the subject matter, so don't take things too seriously. If you find the topic entertaining and speak with passion, it's likely your audience will find it entertaining too. However be careful; the biggest mistake you can make is to try to emulate a comedian - especially if you're not one. ●

Watch webinars on presentation and communication skills at icaew.com/listenagain

“Success never sleeps”, people say. But is that really true? There has been increasing talk about the importance of sleep for our wellbeing, with recent studies pointing out that adults should sleep at least seven hours every night or risk serious health problems.

Many people see the capability to sleep for fewer hours as a superior quality and a potential sign of mental strength. The macho implication that sleep is for the weak has even been suggested by US President Donald Trump. In his book *Think Like a Billionaire*, he said: “Don’t sleep more than you have to. I usually sleep about four hours per night. I have friends who are successful and sleep ten hours a night, and I ask them, ‘How can you compete against people like me if I sleep only four hours?’ It rarely can be done. No matter how

brilliant you are, there’s not enough time in the day.”

But, despite this lax attitude towards sleep, adults who sleep only 6.75 hours a night would only live to their 60s without medical intervention, according to the Sleep Council’s *Great British Bedtime* report. Long-term sleep deprivation can lead to health issues like obesity, arthritis, diabetes, depression and heart attacks. Which means that watching that extra episode of the series you’re bingeing when it’s past bedtime probably isn’t worth it.

This is not to mention the simple fact that we all know that when we have a bad night we tend to see some side effects, like irritability and lack of patience and concentration, and that can have an impact in our workplace. For accountants in particular, sleep seems to be a real struggle, with more

than three-quarters of those surveyed admitting to having their day affected by a bad night’s sleep.

WAKING UP TO THE REALITY

But, despite some disruptive attitudes towards sleep and in a world where it is becoming harder to switch off, awareness about the importance of proper rest is on the rise.

Proof of the growing interest and awareness in the role of sleep in our society came in the form of this year’s Nobel Prize winner in the category of medicine, which was for a study into the internal clock of living organisms. American scientists Jeffrey C Hall, Michael Rosbash and Michael W Young were recognised this year for their efforts trying to understand how our body clock works. They found that when there is a mismatch between our internal clock and our

Charging your batteries

Jessica Fino takes a look at the current thinking around how much sleep the human body and brain needs, and the effects of sleep deprivation



surroundings (jet lag, for example), this could affect our wellbeing.

Why we sleep, a book recently published by the neuroscientist Matthew Walker, has also been making people talk about the importance of sleep and how it can improve our lives. In his book, Walker explains that midnight is no longer the middle of the night.

“For many of us, midnight is usually the time when we consider checking our email one last time - and we know what often happens in the protracted thereafter,” he says. Compounding the problem, he argues, we do not then sleep any longer into the morning to accommodate those lost hours. “Our circadian biology, and the insatiable early-morning demands of a post-industrial way of life, denies us the sleep we vitally need,” he adds.

TOO TIRED TO TELL

So, what are the consequences of sleepless nights? As Walker explains: “Low level exhaustion becomes [an individual’s] accepted norm, or baseline.” This, he says, leads to a failure to “recognise how their perennial state of sleep deficiency has come to compromise their mental aptitude and physical vitality, including the slow accumulation of ill health”. In other words, we become so used to not sleeping enough and feeling tired that exhaustion is our new normal. But why can’t we sleep?

Although difficulty sleeping for some may be hereditary, 60% of insufficient sleep causes are non-genetic, according to Walker. Long commutes to work, long working hours and levels of anxiety at the highest rates we’ve ever seen can all be seen as contributing factors. Also,

GOLDEN SLUMBERS



Mariah Carey
Singer
15 hours



Albert Einstein
Scientist
10 hours



Heidi Klum
Model
10 hours



Duke of Wellington
Statesman
Took naps before battles



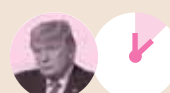
Barack Obama
former US president
6 hours



Theresa May
UK PM
5-6 hours



Marissa Mayer
ex-CEO of Yahoo
4-6 hours



Donald Trump
US president
3-4 hours

SCRAPPY NAPS

the tendency to spend all day running around and spending too little time reflecting means that when our head hits the pillow, our brain goes into overdrive - and that can be stressful.

We are also a dark-deprived society, says Walker, and that darkness, you may not be surprised to learn, is important to sleep. Caffeine is a well-known problem that not only affects how easily you drift off but the quality of your sleep. But one of the most misunderstood barriers to a good night's sleep is something that might have been thought of as an aide - a little nightcap.

While one might be tempted to think a glass of wine will help us relax and sleep better, Walker notes that alcohol is perhaps the most misunderstood substance when it comes to its effect on our slumbers. Alcohol is a sedative, and sedation is not the same as sleep. Alcohol also affects the quality of your sleep, as research from Timothy Roehrs and Thomas Roth for the National Institute of Alcohol Abuse and Alcoholism states, alcohol can cause disturbances during sleep.

THE COST OF A BAD NIGHT

Sleep deprivation is also costing our economy, according to a report by RAND Corporation. The research group found sleep deprivation correlates to productivity losses at work. The US loses an equivalent of about 1.2 million working days due to insufficient sleep, while the UK and Germany lose over 200,000 working days. In total, the UK loses \$50bn a year due to employees' sleep deprivation. However, the US is the biggest loser, at \$411bn a year.

In an interview with the *FT*, Walker suggested the reasons behind our underperformance in the workplace is because we are not sleeping well enough. He spoke of research that has shown employees will come up with fewer solutions and put in less effort when working in groups. They are also more likely to lie and engage in deviant behaviour if they are sleep-deprived.

According to a YouGov survey commissioned by AXA, when employees have problems with their sleep or insomnia, almost half (45%) say that this adversely affects their work and career; while 8% say this has a severe negative impact.

The RAND Corporation research found a further worrying correlation



ONE OF THE MOST MISUNDERSTOOD BARRIERS TO A GOOD NIGHT'S SLEEP IS SOMETHING THOUGHT TO BE AN AIDE - A LITTLE NIGHTCAP

between sleep deprivation and mortality. Those who sleep fewer than six hours a night have a 13% higher mortality risk than people who sleep for at least seven hours. So, if those people were to start sleeping one extra hour, this would add \$29.9bn to the UK economy.

PUTTING THE PROBLEM TO REST

So what can we do to improve our sleep and, as a result, our productivity? What tactics can we use to actually fall asleep? First of all, there are certain foods that are recommended to skip at night as they can cause digestive issues, such as spicy or fried foods, or those high in fat or sugar. Caffeine is clearly a no-no and, as mentioned earlier, alcohol can be disruptive to sleep.

When studying for an exam, it is often tempting to pull an all-nighter. However, this causes the need to nap in the afternoon due to lack of sleep. This is often counterproductive as, with fewer hours to reach the REM phase (the restorative part of our sleep cycle), our brain doesn't get enough time to lay down what we've studied the night before.

Sleeping it all off at the weekend is also a problem, as it affects your biological clock and perpetuates unhealthy sleep patterns. However, there is a simple solution. Work sleep into your schedule like you would anything else. Think of the long game and try to avoid leaving everything to the last minute.

While these tips can be helpful for those who cannot fall asleep easily, some argue we are living in a society that overthinks sleep. Our body knows how much sleep we need, so if we cannot fall asleep straight away it could mean our body is not ready to turn off just yet. ●

CABA

GETTING A HANDLE ON STRESS

By Kelly Feehan, services director, CABA

While a certain amount of pressure may be part of modern life, it's important to keep an eye out for the early warning signs of stress.

Some signs might include feeling short-tempered or anxious, feeling unsociable and eating more or less than normal. Too much stress can lead to impaired cognitive function and high blood pressure.

Other symptoms include being unable to relax, which can affect sleeping. Sleep, both in terms of quality and quantity, is heavily linked to stress. Moreover, lack of sleep can increase the negative symptoms of stress, forming a vicious circle. So, if you find yourself becoming stressed, why not try some of these techniques to promote a more relaxed state of mind and, hopefully, lead to a restful night.

Be positive

Try to be 'glass half full' instead of 'glass half empty'. You can train yourself to be more positive by following a few simple steps. Why not start by writing down three things at the end of each day that went well, or that you're grateful for. This should help you to look at your situation in a more positive light.

Challenge yourself

Pushing yourself to learn something new, such as a language or sport, builds confidence. In turn, this can help you to become more emotionally resilient and therefore, better able to deal with stress.

Be active

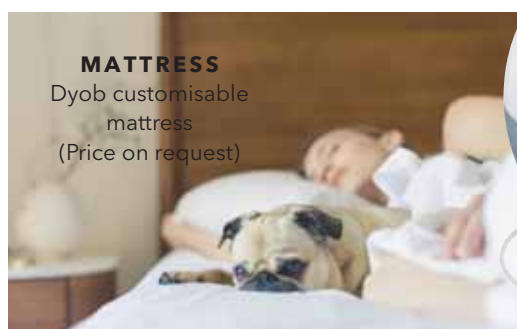
If you're feeling stressed, physical activity can help to clear your mind, helping you to identify the cause of your stress and deal with your problems in a more calm and effective manner. Exercise also helps to bump up the production of your brain's feel-good neurotransmitters, called endorphins.

For more information and tips on wellbeing visit caba.org.uk
CABA provides free independent support for ACA students and ICAEW Chartered Accountants.

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waking up is hard to do, these
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MONITOR**
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£129



I realised I wanted to learn more and went back to school. Between banking and finance, and accounting and finance, I realised that accounting was a bit broader, so decided to do it as a degree. I was 31 when I went back to school. My finances were not enough to go back to school earlier, so I had to work first to support myself.

How did you choose where to study?

When I was about to graduate from my degree, I got introduced to the ICAEW programme. I was fascinated by it. I knew it would be a rigorous certification and I decided I wanted to do it. From then on I only looked for a place I knew was an authorised employer. I narrowed it down to a few companies that were supportive of the ACA qualification, and that's how I ended up at UHY. There was only one other person in the company studying through ICAEW. But my boss is also an ICAEW Chartered Accountant. He gave me some advice and I felt comfortable.

You teach swimming, is it your passion?

I was already teaching before I decided to go back to school full time. It helped pay my bills and school fees, plus the timing allowed me to cope with studies. I keep doing it now as it is my passion to nurture and impart skills to our future generation. I feel immensely satisfied and fulfilled when I'm in the water with the children.

And for the future?

I've just finished one exam, the first of three Advanced Level (final) exams. They're quite difficult, so I just want to focus on finishing them now. I am interested in compliance and forensic audit as I think they are interesting fields. In the longer term, I may consider teaching. ●

Fighting spirit

From serving in the Navy to training to be an accountant at UHY Lee Seng Chan & Co, JessieSoya Ng enjoys taking on a challenge

What made you join the Navy?

When I was in school, the Navy ran recruitment days. In Singapore, military service is voluntary for women and mandatory for men. I've always liked the sun, sand and sea (the Singaporean Navy recruitment slogan at the time), so I thought I'd be doing something I'd enjoy. I joined shortly after I got my diploma and spent four years there.

What was your role?

When I first signed up, I went through the basic military training and then I was posted onboard a ship. I had two postings - the first was on a minesweeper. I was a navigating officer. I made sure we didn't run aground and helped plan the routes. I basically had to get from point A to

point B. Singapore is a shipping hub, so we swept for mines to make sure the water was safe. For my second posting I was onboard an anti-submarine vessel. We scanned the sea for possible submarines.

How did you get into accounting?

When I left the service I began to work in a bank. I sold financial instruments. I started working at a branch after passing all the qualification tests, but it was right in the middle of the Lehman Brothers situation, during the sub-prime crisis. It was tough; I thought I was going to lose my job. I learned a lot, but I still thought I didn't know enough and that I would never be the top salesperson if I didn't understand the product that much.



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