UHY

global

ISSUE 11

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WORD OF WELCOME

Welcome to issue 11 of *UHY Global,* our twice-yearly magazine for international businesses. This is the second 'lockdown' issue, meaning that at the current time, the Covid-19 pandemic is still throwing a dark shadow across our world. A year on from the outbreak, travel and social freedoms remain restricted in many countries, industries and jobs continue to suffer, and so many people continue to lose their lives. On behalf of UHY International, I extend our sincere sympathies to everyone blighted by this dreadful disease.

While nothing is certain in the world, I am taking heart from the huge progress being made to develop, test, produce and deliver the vaccines we desperately need. A substantial proportion of our most vulnerable populations will be offered immunisation as 2021 moves forward. I am also profoundly hopeful that the amazing resilience we have seen in all of our communities, personal and professional, will help return us to a more normal life – with some new perspectives.

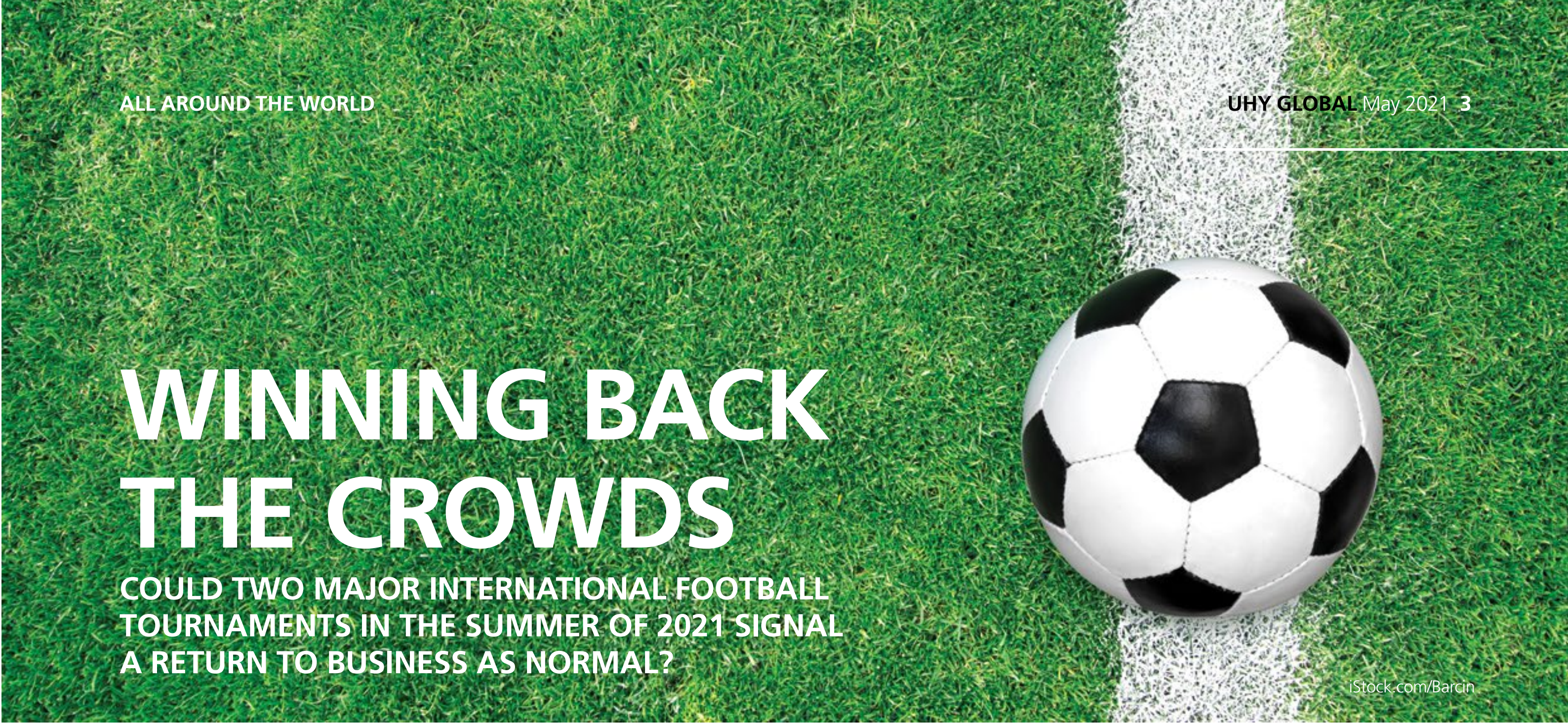
Inevitably, many of our features in this issue of *UHY Global* consider the impacts of Covid-19 on a range of economic and geopolitical activity. For businesses reliant on international supply chains, the pandemic has asked some very tough questions of their resilience. In our article: From 'just in time' to 'not enough', we look at how pre-pandemic production and distribution models fell short, and what lessons have been learned, a year on.

One of the biggest symptoms of managing the virus has been a new nationalism including the closing of borders and contrasting strategies to deal with the threat. In our feature Global Trade Reset, we examine the perfect storm for business of global disruption under Covid-19 with added Brexit, and a new US administration keen to undo many of the policies developed by the previous administration.

I expect to see the resumption of many cultural activities lost to us over the last 12 months. When viral transmission falls, it will be a joy to once again visit the theatre or watch a game of soccer. Our regular All Around The World page, opposite, kicks off this edition of *UHY Global,* with a look at how the 'beautiful game' is already making a cautious comeback. Also in this issue, fans can read about KS Cracovia, a sporting institution in Poland, and a client of our Polish member firm.

These are optimistic stories for a year that promises to put the worst behind us. I hope you enjoy reading them. If you would like to dig deeper and browse our expanded digital edition of *UHY Global,* you can find it online, here: www.uhy.com/publications.

Dennis Petri
Chairman, UHY International



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WINNING BACK THE CROWDS

COULD TWO MAJOR INTERNATIONAL FOOTBALL TOURNAMENTS IN THE SUMMER OF 2021 SIGNAL A RETURN TO BUSINESS AS NORMAL?

Will 2021 mark a return to normal for the beautiful game? Two major international competitions are scheduled to go ahead, delayed from 2020 because of the Covid pandemic. Euro 2020 (as it is still called) is being played across 12 European countries this summer, culminating in the final at Wembley Stadium in London. On the other side of the Atlantic, the Copa America is also underway in June and July 2021.

The arrival of effective vaccines has raised hopes that the matches will take place in stadiums teeming with cheering fans, but UEFA – European football's governing body – has made no secret of the fact that it is planning for several different scenarios.

> There is a feelgood factor that raises an area's economy when a football team is doing well.

As the pandemic swept across the world in spring 2020, many professional clubs were left with plummeting income and no choice but to continue paying the wages of players and staff while maintaining stadiums and training facilities.

Since then, football has returned, first behind closed doors and more recently in front of limited numbers of fans in some regions. The situation is better than it was, but unsustainable in the longer term. Football clubs are grateful for the support of business where they have it. MKS Cracovia, a club in Poland's top division and a client of Polish member firm UHY ECA Group, is owned by international capital group and global software developer Comarch S.A. (see client story, page 19). The organisation's other activities offer some level of financial protection for the team.

LONG-TERM CHALLENGES

In a report for the World Football Summit, which focuses on the business side of the game, industry experts suggested that many of the challenges created by the virus will still be felt in 2024, as the sport struggles with limited attendances, reduced sponsorship and a fall in merchandising and licensing revenues. Smaller clubs that rely on nurturing young talent before selling it to larger competitors may also suffer from a decline in transfer fees.

Elliott Buss, a partner at UK member firm UHY Hacker Young in Newport, Wales, and head of UHY's national sports group, says the wider economy of an area is significantly affected when football fans go missing. "It is the pubs and bars in city centres and around the ground (when they are open), the caterers, the security firms... all these rely on an influx of football fans from the local area and also away fans from other regions," he says.

"There is a kind of feelgood factor that raises an entire area's economy when a football team is doing well," says Elliott. "So when a team gets promoted to the top tier, you see a boost in applications to the local university from foreign students. People want to be associated with success, whether they are college students or potential investors into an area."

Successful sports teams not only bring direct wealth to a city or region, but also contribute economically in terms of city visibility, tourism and investment. That is even more true for host cities of major international tournaments, which are boosted by infrastructure spending before an event, fan spending during it, and an intense media focus on local amenities, history and tourism.

HOPING FOR THE BEST

While football's governing bodies are keen to stage major tournaments in the summer, doing so without spectators – or with only a limited number – will be a major blow for host cities. Elliott says that is especially true when cities have invested in infrastructure in the expectation of recouping the outlay from the economic activity of thousands of visiting supporters.

"These cities will have been spending in expectation of full hotels, packed bars and restaurants, as well as fan spending in and around grounds," he adds. "The lack of fans won't matter so much in London or Rome, which will have spent very little, if anything, on additional infrastructure, but remember that cities like Bucharest in Romania and Baku in Azerbaijan are due to host matches too."

For the moment, the football industry is hanging on and hoping for the best. Everyone involved in the economics of the game is hoping that the rivers of revenue from modern top-level football will soon flow freely once again.

FROM ‘JUST IN TIME’ TO ‘NOT ENOUGH’

CORONAVIRUS AND GLOBAL SUPPLY CHAINS

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At the start of the pandemic, manufacturers and retailers struggled to source the parts and products they needed as the global supply chain ground to a halt. A year later, what lessons have been learned?

When coronavirus spread rapidly around the world in the early months of 2020, the effects on global supply chains were immediate and obvious. Health services quickly ran short of personal protective equipment (PPE). Supermarket shelves emptied of staple foods such as rice and pasta as consumers rushed to stock up on store cupboard essentials.

While these shortages made headlines around the world, behind the scenes manufacturers faced their own supply chain challenges. When China went into lockdown early in the pandemic, many businesses struggled to source the equipment and components they needed. As the crisis spread across the globe, supply chains crumbled.

Morito Saito, vice president and director at UHY FAS Ltd, Japan, says that in the early months of the pandemic procurement was a major headache for small and medium-sized businesses in particular. "These businesses could not source the quantity of parts they needed, and they did not know when logistics would recover and parts would be available again, causing great uncertainty. In addition, they did not have the diversified network that could step in and immediately arrange replacements."

In Brazil, too, manufacturers suffered as Chinese workshops shut up shop. Carlos Bernardo Gonçalves, corporate finance partner at UHY Bendoraytes & Cia – Auditores Independentes, Brazil, talks of a perfect storm created by a scarcity of supply and the exchange rate depreciation of the Brazilian real at a time of global uncertainty.

"We also had some cases of clients who suffered from the lack of components and raw materials, especially in areas such as clothing and electronics manufacturing, which had China as their largest supplier," he adds.

Around the world, businesses were hit from both sides. As markets shrunk, companies had to fight for every new piece of business, only to see efforts to fulfil hard-won orders hamstrung by malfunctioning supply chains.

> The pandemic has provided an opportunity to redefine best practice in warehousing and logistics and create stronger supply chains that are better able to withstand global shocks.

BACK TO NORMAL?

The situation a year later is much improved, at least on the supply side. Despite many northern hemisphere nations having endured a winter wave of Covid-19, PPE shortages are not a pressing concern and supermarkets remain well stocked. Manufacturers in many countries might be struggling, but that is more from a dearth of customers than a scarcity of parts and components.

So, is the supply chain crisis over? Is it back to 'business as usual' for manufacturers and retailers who have in recent years favoured lean and 'just in time' procurement policies? The pre-Covid supply chain was focused on rapid delivery and

reducing the costs involved in stockpiling parts and products, but priorities may be shifting. Many experts say it is time for a re-evaluation of our reliance on the kind of complex international supply chains that struggled in the face of a global crisis.

According to these voices, Covid should act as a wakeup call for the global procurement sector. They argue that the pandemic has provided an opportunity to redefine best practice in warehousing and logistics and create stronger supply chains that are better able to withstand global shocks. They argue that resilience should replace cost as the primary criteria of a functioning procurement strategy.

That is partly because the Covid pandemic is by no means over, and partly because global supply chains were stretched to breaking point even before Covid-19. Global warming is leading to more of the extreme weather events – floods, fires, hurricanes – that make 'just in time' delivery harder to guarantee. Then there are geopolitical threats, most recently highlighted by the US-China trade war. Research completed before the pandemic found that companies already expected disruption to production lines for one or two months every three to four years. As the researchers noted, "the fact is that the world has more shocks."

RISKY COST CUTTING

Modern supply chains were created for cost and efficiency, not for resilience. But even stock markets may be starting to re-evaluate the idea that the most valuable companies are those that are best at cutting costs. Lutfey Siddiqi, a visiting professor in practice at London School of Economics' foreign policy think tank LSE IDEAS, believes that the 'de-globalisation' associated with the pandemic "has challenged the value of hyper-efficient, super-optimised supply chains... cost cutting is no longer an unequivocal indicator of returns; it may actually signal increased risk and reduced resilience."

In other words, lean and complex supply chains may make companies less attractive to investors in future, because they are inherently vulnerable. But how to make supply chains more resilient? Using digital tools and AI to model the effects of various shocks and diversify supply accordingly is one potential solution. Insisting that suppliers implement disaster recovery planning is another.

One idea that has gained considerable support since the start of the pandemic is the 'onshoring' of supply chains, which simply means sourcing more parts and materials closer to home. This reduces the risks associated with shipping goods thousands of miles and gives national governments the power to step in and support producers of vital materials who may be struggling.

British economist and author Paul Ormerod believes the pandemic has made the idea of domestic procurement more attractive. "The crisis has obviously led to geopolitical connections being reconsidered in a pretty fundamental way," he says. "The concept of bringing manufacturing back (to the UK) is underpinned by this as well as by the fragility of links which emerged during the crisis."

> Manufacturers and retailers are realising that relying on a single supplier for a vital component or popular product represents a huge business risk.

Is onshoring realistic? Many national governments think revitalised local supply chains can help post-Covid economic recovery. The PPE crisis at the start of the pandemic highlighted the risks of relying on distant producers for vital materials, and at the same time showed that it was possible to create new domestic supply chains almost overnight. Alan Farrelly, UHY Board member and managing director of UHY Farrelly Dawe White Limited, Ireland, says local production of PPE was quickly accelerated as the country's over-reliance on China became clear. "The fact that Ireland needed to acquire 15 years of average annual supply from China

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during the first half of 2020 showed the need to become more self-sufficient," he says. "In the race for supply, quality was compromised, and the fact that alternatives have now been sourced more locally could be the way of the future, for PPE and other vital products or materials. In a short space of time Ireland had to create a new industry, and that will allow the country to become more self-sufficient should the need arise in future."

In the Netherlands, too, there are hints that businesses in some sectors are trying to source parts and components closer to home. "I have heard from Dutch companies in the high-end electronics industry (dominated by low volume and high complexity) that are looking for opportunities to make supply chains more resilient through more regional sourcing," says Paul Mencke, partner at Govers Accountants/Consultants, Netherlands.

In that case, 'regional' sourcing would likely mean the EU, though Paul's own experience is instructive. The pandemic struck just as the Eindhoven office was having the glass roof in its atrium replaced, forcing a long delay as the Italian supplier stopped work for an extended period of lockdown.

AN EVOLVING STORY

While shortening supply chains may increase resilience to some extent, no supply chain is invulnerable. There are other issues with local procurement. Morito Saito says that, while Japanese authorities promote domestic procurement by subsidising the purchase of new factories and equipment, in reality local production will struggle to compete with Chinese imports on price. Nevertheless, there is evidence that Japanese businesses are aware of the need to diversify their supplier base.

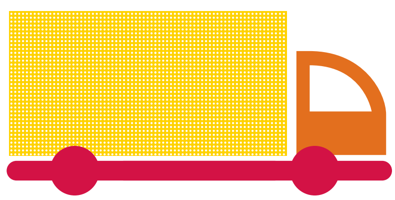
"Some domestic manufacturers have begun to move their supply chains from China to Thailand, as well as Vietnam and Indonesia, and are further strengthening their local procurement and production systems," Morito says. But he adds that many Southeast Asian countries have some way to go before they can match China's advanced manufacturing capabilities, and that China will remain the preferred supplier of a wide range of industrial materials and components in the short term.

> Many national governments think revitalised local supply chains can help post-Covid economic recovery.

In Brazil, Carlos Bernardo Gonçalves agrees that supply chain management is changing thanks to the pandemic, but through evolution rather than revolution. Sectors that are now considered of national importance – the production of basic medical supplies being one – may benefit from public investment and other stimulus measures to encourage self-sufficiency. In other areas, "companies will start to consider the risk of global pandemics and other shocks in supply chain decision-making, tending to geographically diversify suppliers even if margins are reduced," he says.

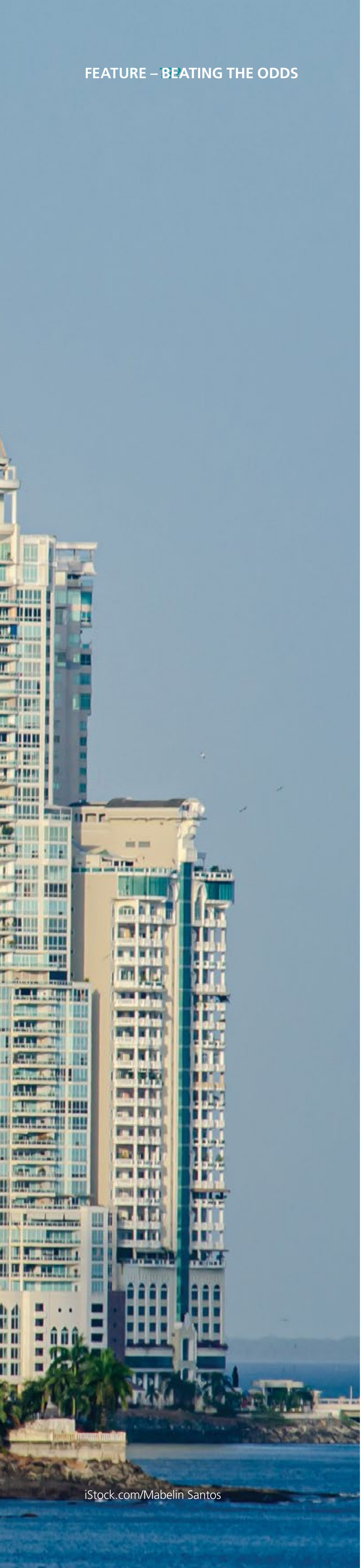
Carlos adds that, for business to become more resilient in the long term, investors and stock markets will have to reward organisations for strengthening supply chains without punishing them for increased costs. But change is clearly needed, and the early signs are positive. Manufacturers and retailers are realising that relying on a single supplier on the other side of the world for a vital component or popular product represents a huge business risk. Supply chain shocks are likely to become more common. One positive outcome of Covid-19 would be the widespread re-evaluation of what constitutes best practice in supply chain management.

For more information about UHY's capabilities, email the UHY executive office, **info@uhy.com** or visit **www.uhy.com**



BEATING THE ODDS

CENTRAL AMERICA LOOKS FORWARD TO A BRIGHTER FUTURE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Few regions have struggled harder than Central America to forge economic and political viability and unity in a globalising world. How is a joined-up approach to trade benefiting traditional and modern businesses – and how far will recent success in these areas make sure they can bounce back from the challenges of Covid-19?

Like the earthquakes and volcanoes which define the region's geology, the eight nations of Central America define its future. Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama are set to drive the region's growth and prosperity. They have fought hard, first for their independence and latterly for their reintegration into a more cohesive whole. 2021 marks 30 years since the Organización de Estados Centroamericanos (ODECA) set a new treaty of cooperation in motion, supported, since 1993, by the Central American Integration System (SICA) which is observed internationally by eleven regional advisors, including the US and Canada. SICA's four main pillars of support revolve around political, socio-cultural, economical and sustainable management of natural resources and their ongoing commitment has always been to achieve 'peace, freedom, democracy and development'.

STRONGER IN RECOVERY

Armed with support from SICA and other organisations, together with clear engagement from regional UHY member firms, clients and governments in individual jurisdictions, everyone is working hard to adapt to global and intra-regional opportunities as well as dealing with difficult public health and political challenges. The will to thrive as a nation is beyond question – indeed, there's a general optimism that the region will be stronger in recovery than ever before.

"According to Omar Pérez, managing partner, UHY Auditores y Consultares SA, in Honduras: "All our UHY member firms across this region agree that a positive, far-reaching response to the crisis must look further than firefighting the immediate post-Covid impact with all its economic and health challenges. Sustainable recovery and new opportunities will only happen with bold emergency measures and these must work hand in hand with a longer-term vision. We are here to support our clients to make these new measures work for them."

"Everything we do collectively now could affect our national development over the next decade, and beyond," he says.

> Everything we do collectively now could affect our national development over the next decade, and beyond.

Foreign investment and technical assistance are key to new economic success. The US, currently Central America's most important trade and investment partner, must target investments aimed at generating new employment opportunities and supporting sectors, essential for growth and regional integration. As with other countries hit by the pandemic, Central America has experienced weakened fiscal positions and strained public resources. Multilateral development banks and international financial institutions must play a major role in financing Central American economies.

POST-COVID PLAN

The region's major income relies on agricultural exports such as coffee,

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bananas and pineapples. Tourism is also fundamental to Central America's sustainability – and this has collapsed in the wake of Covid's travel restrictions.

The impact on both industries has been devastating but UHY member firms across the region are positive about building back.

> An economic reactivation plan needs to create an incentive for individual jurisdictions to attract nearshoring business opportunities.

The Adrienne Arsht Latin American Center (AALAC) points to strong regional benefits, such as dedicated economic zones and tax advantages – designed to improve ease of doing business. The opportunities are out there to trigger success but now Central America must find ways to capitalise on them by creating an economic reactivation plan for a post Covid-19 world.

The AALAC identifies three key areas of opportunity, confirming the region's unique potential to be an integral part of a robust and sustainable recovery. In short, these potential building blocks for long-lasting change are the demographic bonus of a large working-age population, nearshoring of multinational firms to Central America and a renewed appetite for regional economic integration. AALAC delivers constructive, results-oriented solutions to inform how the public and private sectors can advance hemispheric prosperity and position the region as a core partner in the transatlantic community.

The challenges are clear. An economic reactivation plan needs to create an incentive for individual jurisdictions to attract nearshoring business opportunities – and AALAC's support must be harnessed by both public and private sectors working together to train and empower low-income youth. There is also a role for the international community in helping the region to promote growth and investment.

INVEST IN CHANGE

In recent years US companies have been looking to grow their nearshore trade into Central America – attracted by the region's competitive wages, growing young working population and preferential trade access. The understanding is that by diversifying supply chains and relocating, US businesses will be better protected against future global disruptions. The advantages for Central America if this happens, is that the region will be in a strong position to become the first US choice for nearshoring and foreign investment – both of which are critical for boosting job creation and creating competitively priced supply chain resilience. Longstanding foreign investment relies on newly revitalised cooperation between leaders from the public and private sectors so that together they can create workable solutions to address the region's historic barriers to growth.

The region's second-largest trading partner is Central America itself. Intraregional trade between Honduras, El Salvador, Guatemala, Costa Rica and

Nicaragua accounts for 27% of total exports and 13% of total imports – a status quo that will continue to flourish as each nation's understanding of the power of togetherness grows.

It is imperative that governments seize Central America's demographic bonus of a thriving workforce and build initiatives that encourage young people not to move away from home.

> A priority for Central American nations is to achieve structural change for sustainable development.

Central American nations must invest in policies, new sectors and industries that will reduce educational and economic disparities, improve training for work in a changing economic landscape, create new jobs and attract more women to the labour market. The Inter-America Development Bank indicates that these measures could result in a 33% increase in GDP per capita.

An immediate priority for all Central American nations is to achieve structural change for sustainable development. Employment opportunities must be protected and company closures avoided. UHY member firms work closely with clients to strengthen the liquidity of their businesses and to guide them towards operating under a 'new normal'.

"We are introducing new service lines such as forensic auditing and payroll administration and we are working with associated consultants in some specialised areas," says Arabellis Calderón, managing partner, UHY Calderon Gonzalez & Asociados, Dominican Republic. "All our staff understand the importance of excellent service and we are learning to develop new options and new thinking whenever we can."

AN INTEGRATION RESTART

Better understanding and expertise in business technology is central for achieving sustainable development – full economic integration has stalled partly because of longstanding technical and practical hurdles. A sophisticated uptake of technology across the nations will encourage growth and unity. Political leaders must put any tensions aside and prioritise an integration agenda with technology as its beating heart. This will comprehensively boost advances in the implementation in policy, fiscal and monetary coordination, tax harmonisation, the adoption of common standards and financial sector integration.

If the countries of Central America act as one now, they will take their place as a market that offers theeconomies of scale that will lead to new market opportunities, enhanced regional competitiveness and dynamic job creation programmes.

"Our offer as UHY member firms in Central America is to build our reputation on consistent excellence and responsive advisors. Our ability to work across our region's national borders is unparalleled and one which we are very proud of," says René Pérez, founding partner of UHY Peréz & Co in Guatemala. "These are unique times though and we will not rest until we have done everything we can to support our clients through the pandemic crisis and on to much better times."■

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VOYAGE OF DISCOVERY

An idyllic childhood shattered by war made Antonis Kassapis a refugee. The experience gave him tenacity and adaptability, even allowing him to flourish in a profession he vowed he would never be part of.

"We have a saying in Cyprus – 'Whatever you hate and don't want, you see it all over you'. This happened with my career." Despite his admission that accountancy was neither his first or even last choice of career, there is no denying the success Antonis Kassapis has made of it.

Growing up in the village of Kormakitis on the northern shore of Cyprus in the 1950s, the director and managing partner of UHY Antonis Kassapis Limited had other dreams. "My father was a teacher, we had plenty of books to read and I imagined myself as many things – a painter or sculptor, singer, boxer, footballer, architect, civil engineer and more. The career I stated categorically I would never follow was that of accountant!"

The childhood idyll ended dramatically in 1974 when Antonis had to flee from the invading Turkish army, leaving his parents at home. "My village was the nearest point to Turkey so we felt the urgency. I ended up a refugee in the UK where I had an older brother at Birmingham University. Having just finished school, I went to college to do A Levels."

Antonis later took a combined degree in architecture and computer science and after graduating had the option to continue in computers or study to become an architect. "To study I needed a job to support myself. Cyprus was not yet an EU member so I needed a work permit."

TAKING OPPORTUNITY

One profession for which it was easier to get a permit was accountancy. "I got a job as a trainee accountant and qualified in 1984. After the trauma of losing my home in Cyprus I felt settled and was at last earning a salary."

The accountancy profession was on the rise in Cyprus, and Greek speaking accountants were in demand. In 1984 Antonis was offered two jobs, one managing a team working with offshore companies. "I started my job in Nicosia in March 1985 and stayed six years. I was one of the first in Cyprus to specialise in international business and I found it fascinating."

Opportunity came knocking when Antonis was 35 and spurred a huge decision – he was offered a lucrative role with a Middle East company. "I turned it down. In my six years as manager of the offshore business team I had gained specialist expertise and many contacts. I decided to start my own firm."

> "The career I said I would never follow was accountancy!"

GOING IT ALONE

Antonis set up in a rented office in summer 1991 with a team of five. "One client brought another and we became a 'one stop shop' for international businesses wishing to use Cyprus. Besides accounting, tax and audit we offered everything our international clients needed for setting up in Cyprus."

The UK was in recession when Antonis left, but things were different in Cyprus. "I saw companies with profits, prospects and hope. With my firm I always had a feeling that this could not last for ever, but 20 years later we had 50 staff and more work than we could handle. But the economy started shaking in the second decade of the 21st century."

Amid the Greek debt and large bad loans the two largest local banks collapsed. Unlike Greece there was no bail-out for Cyprus. "My country was the first item in the international news for months. Not in a good way."

> We became a one stop shop for international businesses wishing to use Cyprus.

ADAPTING FOR SUCCESS

Confidence eventually returned, and today Cyprus has a thriving services sector, strategically important at the crossroads of Europe, north Africa and the Middle East. "It has natural and legal advantages which make it attractive to international business and high net worth individuals," says Antonis.

Antonis's business navigated the crisis years well and he realised his superpower was adaptability. "You have to be able to change fast to cope with circumstances and take opportunities. My relationships with clients were vital. As well as providing good service I was friends with many and they referred me to their associates. This was the main way my firm grew at that time."

THE JOY OF FAMILY

By 1993 Antonis had embarked on another venture – a family. "I married Rona, a lawyer, the following year we had a son, Yiannis. Our second son, Marios, was born in 1995. We separated in 2017 after our sons *(pictured right with Antonis)* had left to study in London, where they now work."

Today, the firm continues to flourish, and engages strongly with the UHY network which they joined in 1992. "UHY has been an important part of my career and life. I have seen it grow from a small friendly group to a global network, and attending meetings helped me think about how to improve my firm. Over the years UHY has referred some good clients to us and helped some of mine to grow internationally. I enjoyed my relationship with UHY people I met over the years.

The Covid-19 pandemic proved a challenge and an opportunity for Antonis's business. "The UHY network support has been invaluable. There have been many positives amid the gloom – Covid forced us to strengthen our IT systems and online working skills. Lockdown gave us space to do things we never had time for previously. Again, it's adaptability that counts."

Among other priorities Antonis is focusing on succession planning which he hopes will enable the firm to continue smoothly after him. "I'm looking forward to an active retirement, doing new things and relaxing with friends and family."

Antonis and his team

> Lockdown gave our firm space to do things we never had time for previously."

MR BEAN AND LIVERPOOL

That may involve his favourite pastimes – reading, his allotment and travel. "At 40, I took up skiing and speedboat, which I found exciting. I love films and TV, particularly crazy comedies like Mr Bean, Monty Python and Borat."

His other great love is football – he and his sons support 'the best club in the world', Liverpool FC. "We are happy when they win and miserable when they lose!"

Asked about his inspirations in life Antonis does not hesitate. "My parents gave me the desire to succeed in a fair and workmanlike way and are my inspiration. My father Elias died in 2020 and is buried in his beloved Kormakitis where my mum Ioanna still lives. Finding myself a refugee from Cyprus in England, I had to solve problems for myself as I had learned to. My 40-year career has brought me personal satisfaction, financial comfort and skills to cope with life situations. Despite its reputation, accountancy has never been boring for me."■

To find out more about UHY Antonis Kassapis Ltd visit **www.uhy.com.cy** or email **antonis.kassapis@cosmoserve.com**

NEW LEADER FOR WORLD TRADE BODY

Economist and international development expert Dr Ngozi Okonjo-Iweala has taken office as the first female and first African Director General of the World Trade Organization (WTO).

Dr Okonjo-Iweala twice served as Nigeria's Finance Minister and was responsible for reforms enhancing the transparency of government accounts and strengthening institutions against corruption. She also had a 25-year career with the World Bank, where she rose to become managing director from 2007-2011 and spearheaded initiatives to assist low-income countries, alongside overseeing a USD 81 billion operational portfolio in Africa, South Asia, Europe and Central Asia.

Speaking on her selection as Director General, Dr Okonjo-Iweala highlighted the importance of a collective response to rebuilding the global economy. "A strong WTO is vital if we are to recover fully and rapidly from the devastation wrought by the Covid-19 pandemic," she said. "Our organisation faces a great many challenges but working together we can collectively make the WTO stronger, more agile and better adapted to the realities of today."

ARM'S LENGTH GUIDANCE

The Organisation for Economic Cooperation and Development (OECD) has published guidance to help address practical challenges relating to transfer pricing rules raised by the coronavirus pandemic.

Developed and approved by the 137 members of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the guidance seeks to provide clarity on applying the arm's length principle (ALP) during periods impacted by Covid-19. Four key areas have been identified where additional limitations and practical challenges are most significant: comparability analysis, losses and the allocation of Covid-specific costs, government assistance programmes, and advanced pricing agreements (APAs).

For further information, visit www.oecd.org/tax/transfer-pricing/guidance-on-the-transfer-pricing-implications-of-the-covid-19-pandemic.htm

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NEW ERA FOR UK AND EU

Following the endorsement of the largest ever bilateral trade agreement on 30 December 2020, the UK has completed its separation from the European Union (EU), with new arrangements now in force for trade, travel, immigration and security.

Under the post-Brexit trade and cooperation treaty, UK businesses will be able to trade products with the EU on a tariff-free and quota-free basis, although customs declarations, border checks and special licences for some products have been introduced. Non-tariff barriers for medical, chemical and other products have been reduced, and UK and EU businesses will have continued access to bid for each other's government procurement contracts. EU stock trading in the UK has ceased and moved to within the single market. A memorandum of understanding around the regulation of financial markets is expected soon and discussions are ongoing. The treaty will be subject to review every five years.


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AUDIT QUALITY UPDATE

The International Auditing and Assurance Standards Board (IAASB) has issued revised standards aimed at strengthening and modernising audit quality management.

Recognising the need for proactive and adaptable quality management, the new standards introduce a risk-based approach focused on achieving quality objectives and the impacts of technology, networks and the use of external service providers. They also look to increase audit firm leadership responsibilities and accountability, increase focus on flows of communication and strengthen the monitoring of quality management systems and the effective remediation of deficiencies.

The standards are effective from 15 December 2022, replacing the current IAASB standards on quality control and audit.


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INSPIRATION AND INNOVATION

How does a global accountancy network stay competitive under duress? The answers lie in knowledge share, relationships and communications.

While it is expected of most businesses to stay competitive and evolve to meet the changing needs of their market, the global pandemic is proving to be a disruptor of the highest order, forcing leaders to re-evaluate existing models and plan more carefully for the future. From supply chain resilience to employee wellbeing, company architectures are being redefined at a rapid pace.

For global accountancy and consulting networks like UHY, comprised of independent member firms, there are additional challenges. Each member will manage its own domestic and international client base, meeting needs, ensuring continuity of service and identifying and implementing necessary change. The risks of insufficient change, not adapting quickly enough or simply being unsure of how to move forwards, are clear. Network management must in these circumstances fulfil its role of catalyst, facilitator and motivator, on top of its quality control and member support obligations – no small task.

WORKING TOGETHER

According to UHY International's chief executive officer Rhys Madoc, the network's longstanding culture of close collaboration and relationship-building between firms has been a key factor in coming through 2020 relatively unscathed.

"Working together has been a foundation stone of the way UHY operates, right from the network's inception nearly 35 years ago," says Rhys. "It provides consistency, quality and joined-up personal service to multinational clients working with our members in different countries. While we see this in normal times as a competitive strength, it has now proved to be a major factor in surviving the pandemic."

Through regular video calls between the UHY Board and member firms across the world, and by taking its usual regional and global conferences online, the network has been able to maintain the momentum of cooperation and communication between UHY colleagues. While on-screen relationship-building will never replace face-to-face networking, Rhys recognises that there have been unforeseen benefits.

"Our online conferences had a wider audience, with more participants working at an operational level within their firms. They have provided an additional value to discussions and knowledge sharing, and further strengthened the practical working relationships between firms."

AGILITY AND IMAGINATION

As member firms shared their Covid-19 journeys throughout 2020, valuable insights emerged. Not least, the importance of maintaining proactive communications with clients, providing trusted advice to help steer businesses through the maze of government support schemes – and with an eye to the future, helping clients to establish resilient, more agile infrastructures.

Top of the list for Rhys has been the speed at which member firms have adapted to remote working.

"The rapid deployment of relevant technologies to provide clients with uninterrupted service, has been impressive," he says. "It feels like our members have squeezed years of learning into just a few months. By sharing this on calls and through our regular communications, ideas, experience and recommendations have effectively rolled out through the network very quickly."

PEOPLE FIRST

The wellbeing of over 8,500 professionals worldwide has also been a priority for firms, and the network. To ensure support – both technical and personal – is always available, UHY member firms have been scrupulous in assessing the new working environments and meeting the needs of their people. With such a changing mix of Covid restrictions and guidelines across the 100 plus countries in which UHY operates, a plethora of measures and solutions has emerged. Leadership, teamwork and personal resilience were all issues studied and debated during the Annual Meeting online in 2020, and member firms have been quick to share their concerns and find solutions with their colleagues across the network.

"Keeping staff safe, effective and motivated through lockdowns has been of paramount importance for the UHY Board and the membership of this network," says Rhys. "Technology has played a massive part, the key enabler, but I have to credit the innovation, imagination and endeavour of our colleagues around the world, to find ways through. There has always been an almost familial culture within and between UHY member firms. The pandemic has challenged people like never before, but I am proud of the practical and emotionally supportive responses I have seen from our firms, which perfectly exemplify this close-knit network."

As 2021 moves forward with a Covid-experienced network of member firms, and with mass vaccinations a reality, recovery and growth beckons for UHY. ■

A NEW WORLD OF AGILE BUSINESS

STICKING PLASTER SOLUTIONS ADOPTED IN 2020 ARE MORPHING INTO NEW WAYS OF WORKING THAT WILL OUTLAST THE PANDEMIC. UHY EXPERTS DISCUSS THE WAYS BUSINESS HAS BEEN CHANGED FOREVER BY COVID-19.

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In January the chief executive of Unilever told a conference that a significant part of the firm's 150,000-strong global workforce would never go back to the office full time.

His words made headlines. Here was further proof that the adoption of remote work, an emergency measure when Covid-19 swept across the world in 2020, was no longer seen as a temporary fix. Alan Jope's comments showed that for Unilever, there would be no going back. Instead, the company would join a growing list of businesses determined to offer a hybrid working model (in which employees split the working week between the office and home) after the pandemic ends.

In that way – and in many others – the pandemic has changed business for good. Emergency measures that were adopted overnight when Covid first struck are morphing into permanent solutions that will outlive lockdowns and social distancing. The pandemic-fuelled transformation of business goes beyond remote working to include the reimagining of office space, the accelerated adoption of new technology and prioritisation of more secure supply chains.

The world is in the midst of perhaps the biggest shake-up to business practice since the invention of the internet. UHY's global network of member firms is part of this change, working with businesses on the ground.

REMOTE WORKING HERE TO STAY

According to some estimates, three or four times as many people could be working at home after the pandemic than before it began.

But making remote work as productive and collaborative as its office-based counterpart can be a challenge. Adil Buhariwalla, partner at UHY James Chartered Accountants, UHY's member firm in UAE, says the supervision of remote workers requires physical distance but 'virtual closeness'. There is a fine balance to be maintained.

"Remote supervision of work is untrodden ground for many organisations, and threats arise from either too much or too little of it," Adil adds.

"If there is too much remote supervision, employees feel distrusted, resulting in possible compromise on work ethics. If it is too little, work and productivity could slacken."

Still, remote work is likely to continue for many employees as part of a hybrid model, when they spend some of the working week in the office and some at home. Employees want it – in a recent UK survey, 73% of knowledge workers said they favoured a hybrid arrangement after the pandemic, meaning companies that refuse to offer it could face a recruitment and retention problem.

> "Remote supervision is untrodden ground for many organisations."

DIGITAL TOOLS FOR REMOTE SUCCESS

For companies considering a move to hybrid working, new digital tools that promote virtual communication and collaboration are vital. This could mean videoconferencing and file sharing software, teamwork tools, and cloud-based unified communications systems that let employees make professional calls from anywhere.

"You don't necessarily need to spend a ton of money; there are many cost-effective solutions out there," says Adil. The worry, he adds, is "the digital highway suddenly widening, exposing businesses to a huge magnitude of potential threat traffic, be it unintentional or malicious."

Eran Amir, partner at UHY Shtainmetz-Aminoach & Co CPAs, Israel, says the use of digital tools that give businesses the ability to switch quickly to home working has become a key measure of business resilience, and that remote working will make cybersecurity even more of a challenge.

"It's essential to make sure business clients have secure remote access to essential systems from any internet connection including encrypted connectivity to employees, suppliers and invoices," he says.

BIG CHANGE AHEAD

If remote and hybrid working models do become the norm after Covid, the consequences will be significant. Hybrid's appeal goes beyond its flexible working benefits for staff. Businesses are eyeing potential savings in equipment costs, bills for utilities (power and lighting) and even reduced office space.

A well planned hybrid work programme could mean companies having to physically host less than 65% of their workforce at any one time. That fact is leading to the reimagining of offices as digitally advanced, fluid spaces for meetings, hotdesking and team bonding, with most of the day-to-day work carried out elsewhere. Research by Cisco Systems found that over half (53%) of larger organisations plan to reduce the size of their office space after the pandemic.

The result of this shift away from large, centralised offices is potentially transformative. UHY firms around the world have already seen clients reduce office space in preparation for a post-pandemic world. In addition, the flight from city centres could see an increased requirement for co-working spaces in the suburbs and small towns where many of us live. Remote workers may replace the social aspect of office life by renting communal desk space closer to home.

The appeal of smaller offices away from city centre locations is one Roman Seredynski, managing partner at Polish member firm UHY ECA Group, knows well. Lockdown has shown that it is possible to work efficiently remotely, and has opened up the possibility of working from smaller offices and premises away from the expensive centres of major cities.

"Our own firm has set up an audit subsidiary in a small town near Warsaw," Roman says. "It's much cheaper and it's a university town, so there isn't a problem finding talented people. It's one possible model for the future."

COLLATERAL DAMAGE

Both the increase in remote work and the flight from city centres have consequences beyond office space and location. UHY's professional advisors predict that businesses relying on the daily commute – food vendors near train stations, for example – may suffer, or they may decide to relocate in tandem with the workers they serve.

Hospitality businesses that rely on corporate bookings may also lose out in the 'new normal'. In some cases, marketing efforts will need to target remote working teams who will still come together regularly for team building days, social contact and creative workshops.

Roberto Macho, managing partner at UHY Macho & Asociados, Argentina, believes that some businesses, especially in badly hit sectors like tourism and hospitality, will have mothballed large parts of their operations during Covid, and that reshaping them for the post-lockdown world might require "a pivot through organic innovation and inorganic growth. Some may be forced to abandon the market in the longer term," he says.

RETHINKING THE SUPPLY CHAIN

UHY experts agree that changes to supply chain management may be one of the lasting hangovers of Covid. "Supply chain disruption has clearly materialised with Covid-19," says Donna Frye, director of transfer pricing, UHY Advisors Inc., Michigan, US. "Supply chain reorganisation has been constant for many (during Covid) and accounting firms like UHY have been helping our clients manage the change."

Donna adds that management of multinational entities (MNEs) are now focused on developing greater supply chain resilience for the months and years ahead. "That might involve finding local suppliers, redefining supplier relationships and using technology to change the cost structure where applicable," she says.

Adil agrees, but adds that sourcing new suppliers can prove tricky for many firms. "Businesses have to forge partnerships with new often, untried and untested suppliers. This poses threats in terms of reliability, quality, costs, and production and distribution delays," he says.

> Lean and agile businesses that quickly adapt to new business realities will thrive.

OPPORTUNITIES AS BUSINESS RESUMES

There is no doubt that the post-pandemic era will be a challenging time for many businesses. But UHY advisors also predict a period ripe with opportunity. Lean and agile businesses that quickly adapt to new business realities will thrive.

Some economists are even predicting a 21st century version of the 'roaring twenties', a consumer-led spending spree driven by a post-pandemic determination to make up for lost time. Entrepreneurial opportunities will be unlocked and the widespread shift to digital platforms also offers possibilities for tech-focused firms and niche retail.

Roberto says that entrepreneurs are already sensing this shift. "Some entrepreneurs see opportunities to get into new markets now, and venture capitalists are making money available. Risk takers and adapters will be the winners."

Agile businesses with flexible workforces, a 'digital-first' philosophy and low costs will be in the best position to exploit this wave of consumer spending. Eran believes professional advisors can help businesses remodel themselves for the post-Covid landscape. Could workforces be leaner and more agile, perhaps by merging roles or the greater use of contractors and freelancers, he asks? Businesses may require short-term credit to increase stock during a period of limited income, and UHY member firms are on hand to help clients find the very best sources of credit for their needs.

Roman also believes that a professional services network like UHY can help entrepreneurs grasp opportunities. "Through an 'ask the expert' platform, supported by the Polish Chamber of Commerce, UHY ECA Group shared information in the areas of labour law, civil and commercial law, digital transformation, finance, company liquidity and debt, bankruptcy, restructuring and taxes," he says.

With good advice and an agile mindset, many companies will do well but for others, the post-pandemic world will present challenges, as measures adopted during Covid become permanent. UHY member can help businesses navigate a new reality of hybrid work, accelerated digital transformation and a fresh focus on secure supply. ■

For more information about UHY's capabilities, email the UHY executive office, **info@uhy.com,** or visit **www.uhy.com**

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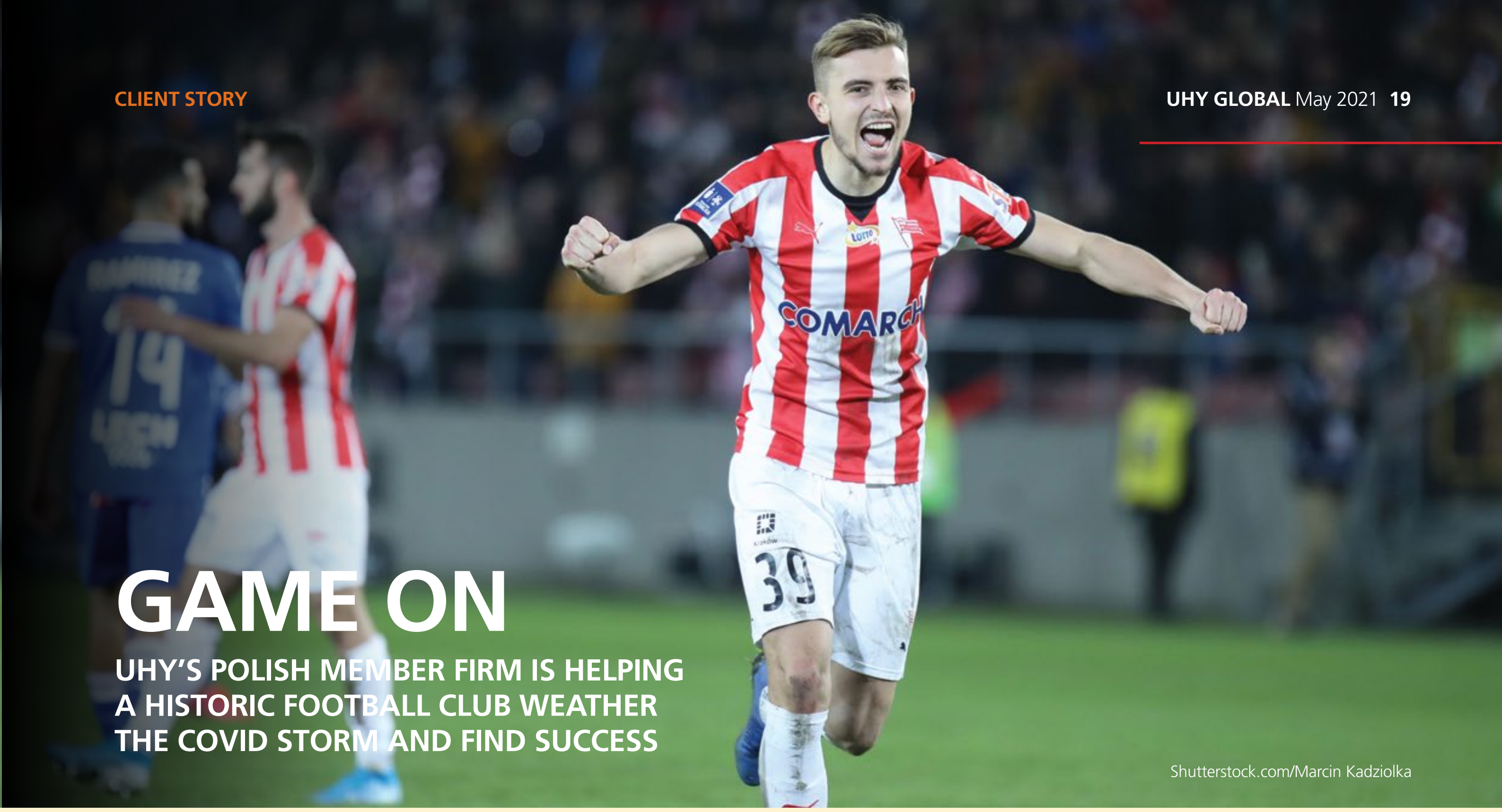

GAME ON

UHY'S POLISH MEMBER FIRM IS HELPING A HISTORIC FOOTBALL CLUB WEATHER THE COVID STORM AND FIND SUCCESS

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Founded in 1906, MKS Cracovia is the oldest football team and active sports club in Poland. Its volatile history includes triumphs in the Polish top division (the Ekstraklasa) at one end of the spectrum, relegation and near bankruptcy at the other. Today, after years in lower leagues the club is re-established in Poland's top flight, and last year competed in the Europa League for the first time in decades. In 2020 Cracovia won the Polish super cup for the first time. Off the pitch Cracovia's fortunes are also on the rise – it is now a subsidiary of Comarch S.A., the club's Cracow-based sponsor and global software business listed on the Warsaw Stock Exchange.

Football club finances are a complicated business, with income generated through gate receipts, media earnings, sponsorship, club shop sales, hospitality franchises and player transfers. Income can rise and fall on an almost weekly basis. A poor run of form dampens matchday receipts and shop sales, and success has the opposite effect. Outgoings are equally unstable. Player wages usually make up the lion's share, and transfers can dramatically alter the short term financial picture.

STRONG PARTNERS

Comarch first acquired shares in Cracovia's holding company in 2003, and now holds 66.11% of Cracovia share capital. In 2019 the club turned to Polish UHY member firm UHY ECA Group to audit its financial statements and licensee documentation, and to help ensure that the club's performance on the pitch would never be undermined by financial issues off it.

For Comarch, UHY ECA Group's reputation for excellent service was well established. "We already had positive opinions and credentials around UHY ECA Group and UHY is a well-known brand," says Konrad Taranski, CFO and vice president of the management board of Comarch S.A. "We could draw on the experience of earlier cooperation between UHY ECA Group and other entities related to Comarch, so we were happy to trust the firm with the Cracovia account."

For UHY ECA Group, Cracovia is a labour of love. "Cracovia is more than a football club, it is part of our football history," says Dominik Biel, partner at UHY ECA. "It is the oldest Polish club, and the beloved club of Pope John Paul II. Being an auditor of Cracovia is both a private and professional passion."

Associate partner Patryk Steidten agrees. "Football is my greatest hobby, so the analysis of the business was one of my favourite projects."

CLINICAL FINISH

The trust between UHY ECA Group and Comarch was reinforced by the smooth handling of the first audit. UHY ECA Group was contracted in 2019, and completed the audit during the first wave of Covid in 2020. Comarch was impressed by the firm's commitment despite the challenges presented by lockdown.

"We quickly agreed on the method of cooperation with UHY ECA Group and the first audits went smoothly," says Konrad. "All deadlines were met despite the occurrence of *force majeure* during the audit period in the form of the pandemic. We are satisfied with the quality and timeliness of UHY ECA Group's services as well as with a fully professional approach to cooperation."

UHY ECA Group is now tasked with completing the next Cracovia audit, which may be more complex still. The Polish Ekstraklasa was one of the first leagues to suspend matches due to the pandemic in March 2020. The league resumed in May, with games played without fans until the end of the competition in July. So far, 2020/21 season matches have been played behind closed doors.

As well as shortfalls in ticket revenue, the audit will take account of other financial pressures caused by Covid, with reductions in hospitality and media income. Cracovia will weather the storm thanks to the support of Comarch, but for UHY ECA it will be a football club audit unlike any other.

Happily, the firm has the complete confidence of the club and its parent company to perform to the highest standards. Konrad says the cooperation between Comarch and UHY ECA Group, and the quality of the work so far has put the firm in a strong position to be considered for further contracts as the group expands. ■

GLOBAL TRADE RESET

HAS THE PANDEMIC FUNDAMENTALLY CHANGED THE PRINCIPLE AND PRACTICE OF GLOBAL TRADE OR SHOULD WE EXPECT BUSINESS AS USUAL, WITH ALL ITS FLAWS?

Some argue that without globalisation there would be no coronavirus pandemic, and that the pre-eminence of international trade and travel is the architect of its own downfall. Others see the pandemic as a turning point, a catalyst for a more equitable, sustainable globalisation.

Meanwhile, trade tensions and popular unrest continue to shift the basics of global relationships, redefining both threat and opportunity. As we look towards a post-pandemic recovery, can a safer, fairer, and greener renewal take place, or will everything simply revert to a pre-pandemic status quo? Early signs are mixed.

LEARNING FROM THE PAST

Many have likened the opportunity for change presented by the coronavirus pandemic to the immediate post World War 2 recovery, a time of significant investment, change and new blueprints for peace and security through economic co-operation and social rebuilding.

But perhaps a more sobering comparison is with the global financial crash of 2008, which saw free market economics in freefall and governments across the world scrabbling to keep the boat afloat. The world then as now, needed to address climate and biodiversity change, and poverty, as well as the state of global healthcare and risk preparedness. Planning and implementing the 2008 recovery was an opportunity to address these issues – but the opportunity was missed.

Instead, governments dug in and appeared to bail out the few at the expense of the many, committing to the preservation of financial systems and a faith in market forces to restore economies, largely at the expense of people and communities who suffered most from the fallout. It was not enough to prevent a global recession, since when most developed and many developing countries have seen sluggish growth. It also served to exacerbate underlying problems, inequalities and increasingly underfunded public sector infrastructures. As a consequence, too many governments were cruelly exposed by the pandemic. Developing nations are more vulnerable, already nursing high levels of debt and poor healthcare. On top of all that, environmental stress has emerged over the last decade as probably the pre-eminent global challenge.

COVID CROSSROADS

It is hard to imagine that global trade is not at a crossroads. After a year of Covid restrictions that have impacted lives, livelihoods and liberties, and produced the deepest global recession since post-war records began, the way out is still uncertain. Having to put people before profits has sent a shockwave through the global economy.

As a result, decades of prudent financial management have been turned upside down (in some countries more significantly than in others) and governments have borrowed trillions of dollars to fund domestic aid packages, to keep people and businesses from collapse, and to stimulate economic recovery. A number of pandemic-hit nations have turned inwards to protect themselves and their economies, which is understandable but does not address a global crisis with a global solution. Fortunately, after an initial 'vaccine nationalism' from some countries, a more equitable distribution model is now being created, recognising that global vaccination is a prerequisite for global recovery.

"Having to put people before profits has sent a shockwave through the global economy."

According to the United Nations Conference on Trade and Development (UNCTAD), governments need to recognise that expansionary fiscal measures need not be confined to emergency response, and that ongoing investment will be critical to global recovery. In its Trade and Development Report 2020, 'From global pandemic to prosperity for all: avoiding another lost decade,' UNCTAD asserts that "Our main concern remains a misplaced optimism in the rules, practices and policies of the hyper globalized economy." In other words, returning to the old ways will be a

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return to pre-existing problems. The world needs to step up to the challenge – and a global reset has to be part of the deal.

Nevertheless, some finance ministers are already talking up debt reduction initiatives – cuts to public services, increased taxation – even while their citizens and businesses are struggling with a second or third wave of the virus. The danger, as UNCTAD sees it, is premature fiscal tightening and a return to the same market-driven economics as before. It would solve nothing and be another opportunity missed.

A RACE TO THE TOP

What nations do next has rarely carried more significance for the future wellbeing of the global family. In the United States, a new administration under President Joe Biden has shown positive early signs of grasping, not missing, the post-pandemic opportunity. On his first day in office Biden signed the papers to bring the US back into the Paris Agreement on climate change, and the country is now formally readmitted, sending a strong signal of intent.

What is more, the Senate has approved a massive USD 1.9 trillion stimulus package to aid US recovery. Like many other countries struggling under Covid in 2020, ongoing crisis response saw spending that was not entirely environmentally friendly, with large sums shoring up beleaguered sectors such as oil and minerals extraction. But the US package and Biden's intentions going forward are a cause for optimism. An early boost to consumer spending is anticipated, much of it likely to result in the purchase of imported goods.

China will be a beneficiary and – despite lingering tensions over the current trade imbalance between the two superpowers – a resurgence in both economies is good news globally, the US and China between them accounting for c.40% of global GDP.

> A 'race to the top' on green spending for jobs and infrastructure would encourage everyone.

Importantly, the US administration wants to boost renewable energy with substantial investment over the next ten years, starting now. Targets of net zero emissions by 2050 and a zero carbon grid by 2035 are ambitious, given the country's relationship with fossil fuels, but a big step in the right direction. With both China and the US vying for economic and technological leadership, a 'race to the top' on green spending for jobs and infrastructure would encourage everyone.

EXISTING TENSIONS

Unfortunately the coronavirus pandemic has only served to exacerbate many of the geopolitical tensions that have been impacting trading relations around the world before and during the crisis, and this reinforces high barriers to a collaborative and swift recovery for all nations.

It remains to be seen how the Chinese and US administrations in particular manage their relationship over the next crucial months and years. 2021 has already seen a sanctions-led response from major players and others, to alleged human rights breaches. Meanwhile the complex challenges of Middle Eastern nuclear diplomacy, border issues between India and China, massive social unrest in much of Latin America, East Africa's internecine conflicts, a potential power vacuum in the European Union (EU) with Germany's Angela Merkel stepping down this year, and the burgeoning threat of cyber hostility everywhere – all of this will continue to occupy policymakers and populations as countries struggle to reboot trade and development.

In Europe the United Kingdom, Europe's second largest economy in 2019 (with a GDP of USD 2.8 trillion, according to World Bank statistics), left the EU single market and customs union on December 31st 2020. For both parties, the full impact on trade is unclear, and Covid lockdowns (now in a third wave in many European countries) only muddy the waters. Geopolitical tensions present a further challenge to the UK government, which must meet the needs of a restless Union. Scotland's ongoing call for independence, and Northern Ireland's dissatisfaction with a sea border between itself and the rest of the UK as a result of Brexit, are major obstacles to a collaborative strategy for recovery.

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However, despite all of the world's tensions, early signs of economic recovery in 2021 at a global level are more positive than many had anticipated. The OECD Economic Outlook, Interim Report March 2021, for example, predicts a global GDP growth of 5.6% for this year, up a full percentage point from the December forecast, and more than most analysts had predicted as the pandemic stopped everything in its tracks during 2020.

ON THE GROUND DIRECTION

What is more, at a microeconomic level, there is a lot that can be done to help steer recovery in a more sustainable direction. Greta Thunberg's determination to shame the developed world governments into action over climate, would be an extreme example, but business has a critical role to play too. Given that there is an international regulatory commitment to tackle corporate issues like tax evasion and profit shifting, then leaders and stakeholders on the ground might also want to consider putting their weight behind environmentally beneficial investment programmes, better corporate governance, greener pensions and more purposeful corporate social responsibility.

BlackRock, Inc. in New York, US, is the world's largest investment and asset management company, with USD 8.67 trillion in assets under management (as of January 2021). In his 2021 letter to CEOs, the BlackRock Chairman Larry Fink provided an upbeat perspective on sustainable stocks, and the accelerating movement of investors into environmentally sound assets. An advocate of the belief that climate risk is investment risk, Fink's message for business is clear. "Companies with a well-articulated long-term strategy, and a clear plan to address the transition to net zero, will distinguish themselves with their stakeholders – with customers, policymakers, employees and shareholders – by inspiring confidence that they can navigate this global transformation," he says.

With the tilting of capital into climate-secure investment, more nations pledging net zero carbon targets and an increasing realisation by business that a genuine commitment to the principles and practice of environmental, social and corporate governance is the path to a brighter future, then there are reasons to be optimistic. Global scientists working together on finding a vaccine delivered a truly astonishing result. Now governments and business must do the same. ■

For more information about UHY's capabilities, email the UHY executive office, **info@uhy.com**, or visit **www.uhy.com**

MAKING IT ADD UP

Global accountancy networks like UHY will have an increasingly important role to play in business sustainability, because their member firms are uniquely placed to turn rhetoric into action. The profession's representative body in the UK – and increasingly internationally – the ICAEW, (Institute of Chartered Accountants in England and Wales) talks of regeneration with 'a triple bottom line'. Profit. People. Planet.

It is a neat truth. Throughout 2020, UHY member firms have been supporting their clients through the worst of the pandemic, not only by delivering engagements on time and without compromise, but also by helping them navigate and benefit from the myriad Covid compensation schemes offered by many governments across the world: grants, loans, tax breaks, furlough and other labour support programmes, restart funds, filing deadline extensions and so on. Taking care of the profit and the people.

Soon, professional advisors will step up again, knowing that the triple bottom line includes the planet. Environmental, social and corporate governance (ESG) is fast becoming a watchword for boards, shareholders and capital markets. Brands know this, and today's consumers are smart enough to know the difference between lip service and genuine commitment. An essential component of the deal will be a company's non-financial reporting of its environmental, social, diversity and other measures. UHY accountants have the detailed knowledge, process experience and expertise with data that can inform clients' strategic thinking, and help them embrace a successful and sustainable future.

STAR QUALITY

AFTER A YEAR LIKE NO OTHER, WE CELEBRATE THE MAGIC THAT MAKES UHY SO SPECIAL – OUR PEOPLE.

EMERALD ISLE'S PINK ARMY

During Covid UHY Farrelly Dawe White Limited, Ireland, sponsored and took part in the 100K in 30 days challenge in June 2020 to raise funds for Breast Cancer Ireland.

Teams joined the 'pink army' along with 15,000 people worldwide to raise EUR 1.2m (USD 1.47m). "When we were working from home this was a great way to maintain team spirit," says Alan Farrelly, managing director. "For 30 days our firm walked over 10,000 kilometres, raising more than ten thousand euros (USD 12,300). We plan to play an even bigger part in 2021 and have just registered as sponsors again. We were also very lucky to have world class football players Rio Ferdinand, Sergio Aguero, John Hartson, and other stars, support the event."

MAXIMUM TALENT

Max Whiteley of UHY Hacker Young, Manchester LLP won an Apprentice of the Year award at the 2020 Made in Manchester awards, where judges praised his commitment and outstanding client feedback.

Max was also nominated for Best Digital Rising Star at the 2020 Digital Accountancy Awards and Insider's Young Apprentice of the Year Award in 2020 (assistant manager Ellie Driver, was also shortlisted in the Young Accountant category) and in 2021 for Young Accountant of the Year. The Manchester team won Large Firm of the Year at the 2021 UK and EMEA Xero Awards.

BEST INVESTMENTS

The Crain's business network is one of the most respected in the US and does not hand out awards to just anyone. Two exceptional UHY professionals caught their attention in 2020.

Julie Manteria, (above left) director of marketing at UHY Advisors Inc., New York, US, has been driving public relations and digital marketing initiatives to support our brand for over five years. Last year she became the first UHY marketing professional in the US to be appointed principal. Despite Covid, Julie's efforts kept UHY Advisors' profile in the spotlight.

Crain's New York Business honoured her as one of its 'remarkable cohort' of Notable Women in Accounting and Consulting. "She worked on the firm's complete redesign of their website, led the marketing integration of a multiple office merger, and swiftly launched the firm's crisis management services campaign in response to the global pandemic."

Julie says, "It is an honour to be counted among this talented group of women."

Meanwhile Crain's Detroit Business arm recognised 'inspiring' Kathy Crockett managing director, UHY Advisors Inc., Sterling Heights, Michigan as a Notable Woman in Finance.

"She led the firm's Great Lakes region of Women Invested in Success & Excellence (WISE) programme, which focuses on leadership, the advancement of women and enhancing career opportunities. She inspires others to develop expertise in policies, trends and technology affecting the industry."

Kathy was also nominated for a 2020 ATHENA Award, which honours 'an established leader and mentor who assists women in reaching their full potential and demonstrates excellence, creativity, and initiative'.

LET US HELP YOU ACHIEVE FURTHER BUSINESS SUCCESS

To find out how UHY can assist your business, contact any of our member firms. You can visit us online at **www.uhy.com** to find contact details for all of our offices, or email us at **info@uhy.com** for further information.

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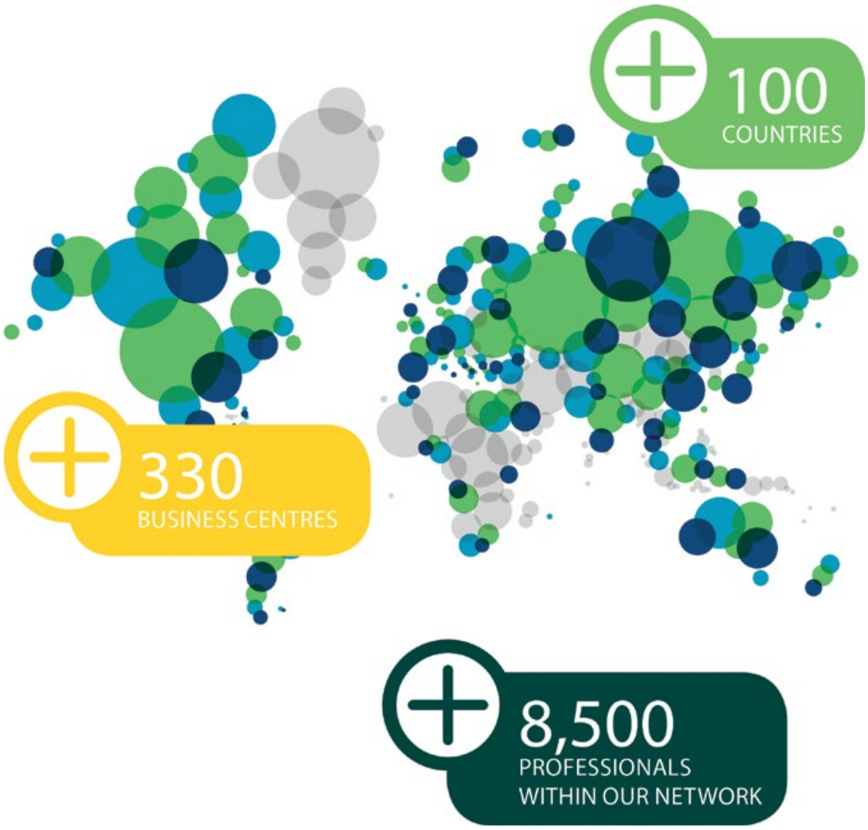

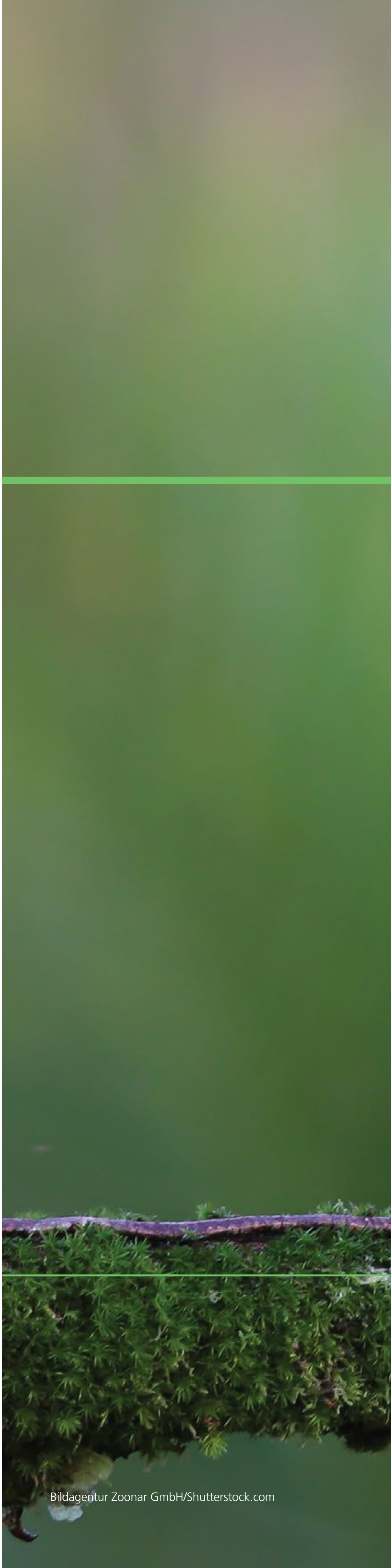
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