



# TALKING

Panellists opened the conference with discussion on some of the profession's hot topics – risk management, centralisation and Brexit

# TREASURY



The conference's opening panel discussion explored the fit between treasury and the wider organisation, and looked at how treasurers can add value as risk managers for their organisations.

Beginning the discussion with a look at Brexit, Peter Matza, ACT's engagement director and conference chair, asked the panellists how they evaluated the prospect of the UK exiting the EU in terms of its impact on their businesses.

Julie Fabris, treasurer at Britax Childcare Group, said that, while an exit might have fairly limited impact on the company, FX volatility would be her concern. "There's a lot of FX volatility out there and we have a lot of FX exposure," she said. "First and foremost in my mind is, how do you manage that?"

Coming out of Europe would mean the UK would have a status in relation to the rest of the EU not dissimilar to Sweden. Redrawing EU Fair Trade Agreements would then become an issue, she said. "Longer term, I think there is also a risk in Europe itself."

Asim Iqbal, head of treasury at the Automobile Association (AA), was also concerned with the regulatory implications. Exiting the EU would bring about the repealing of a lot of EU-driven legislation and a redrawing of UK law in its place. While the AA is very UK focused, the implications did not bear thinking about, he said.

Graeme Middleton, head of European group treasury and tax at Honda Motor Europe, said that, as a UK business supplying customers and outlets across Europe, Brexit was an issue that was taxing the company at its highest levels. The priority was to consider how to do business in a world where the UK is outside of Europe.

Any macro change of this order would put a call on the treasury function's role as risk manager and adviser to the board. Depending on the outcome of the referendum, the adaptability and flexibility of treasury professionals will also be very



The conference's opening panel (from left to right): conference chair Peter Matza, Graeme Middleton, Charles Barlow, Asim Iqbal and Julie Fabris

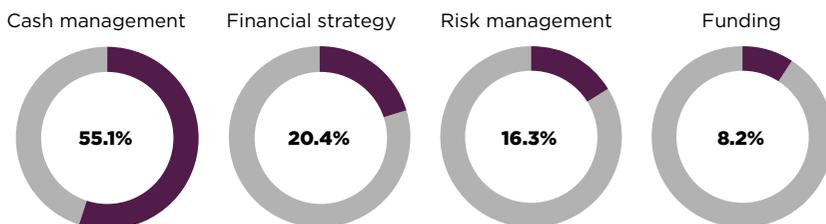
much in the frame. The role of the treasurer in terms of pointing the way on risk management becomes a really important one in these kinds of circumstances, said Julie Fabris. "You need to align yourself with what the business is doing and keep up the pace. Businesses are in any case changing their strategies quicker and quicker. You need to be able to point at the risks on behalf of your CFO and board."

Charles Barlow, group treasurer at Coats, said: "In any risky situation it's about having even better knowledge of your business, and even better knowledge of cash and understanding of what facilities are being utilised, particularly off-balance sheet."

For treasurers, the question of which functions might or should be centralised are relevant here because policies on centralisation or decentralisation have

## DELEGATES WERE ASKED

What is your treasury department's main priority?



implications for the movement of information and intelligence around the business.

Middleton's experience at Honda is increasingly a global one. "We're becoming more centralised. We're trying to make contact globally and looking at global cash management tools, attending global tax conferences, and so we're attacking risk from that perspective." The treasury function follows the same model, he said. "We've brought everything into the centre with a central treasury function [for Europe] in the UK and a shared service centre in Kraków."

As a private equity-owned business, Britax has a highly centralised model, with financing imposed top down. "We've got a secured financing basically layered in from the top. The treasury function itself, as far as transacting FX or interest-rate hedging goes, is always done from central head office. The

regions are important as cash management positions, but it's paramount for the treasury function to get visibility over what they're doing. We've got very good systems and a global banking platform to enable us to have that data," said Fabris.

"One of the things I make sure of is that the regions don't use me as a bank," she said. "The regions are cash managers, but they are responsible for their own cash flow and making efficient use of their data and cash."

Repatriating cash back to the centre is very much dependent on the friendliness or otherwise of different jurisdictions. Accessibility, the panel agreed, can be highly variable.

Technology is, of course, an important enabler for centralisation. At the AA, a recent treasury management system installation and cash management project is expected to bring much-needed benefits in terms of cash

visibility. With more than 100 bank accounts, getting an aggregate balance could previously take up to two and a half hours. "We've looked to technology to put a solution in place and we're hoping for benefits way beyond what we'd originally thought," said Iqbal.

With technology, it's a question of paying out to get back, said Fabris. "We have visibility on cash held every day. It's not quite real-time, but it's getting there." Britax puts a strong premium on centralisation and global policies for bank accounts, cash management and tax. "We install a quarterly sign-off on that policy. New people understand exactly what they can and can't do," she said.

For these organisations, this level of centralisation has a strong pay-off.

"The technology we have gives us visibility on cash. It enables us to invest it overnight or longer," said Iqbal. ♦

## SPEAKERS

### Elpida Adamopoulos

Assistant manager, money markets  
National Grid

### James Allan

Head of UK cash management  
Barclays

### David Baker

Head of card payment  
innovation unit  
The UK Cards Association

### Mike Banyard

Head of development  
Faster Payments

### Charles Barlow

Group treasurer  
Coats

### Antony Barnes

Director of corporate finance  
Experian

### Stephen Baseby

Associate policy and  
technical director  
ACT

### Tim Colyer

Partner  
Oliver Wyman

### Clive Cooke

Securities executive  
R3

### Fiona Crisp

Treasury consultant  
Crisp Consultants

### Dimos Dimitriadis

Founder  
Treasury Technology Associates

### Julie Fabris

Treasurer  
Britax Childcare Group

### Nataliya Frolova

Head of corporate financing  
Gazprom Marketing and Trading

### Andrew Griffiths

Assistant treasurer  
(cash & covenants)  
Anglian Water

### Nick Hall

MD analytics, information business  
Barclays

### Frances Hinden

Vice president, treasury operations  
Shell International

### Asim Iqbal

Head of treasury  
The Automobile Association

### Phil John

EMEA treasury director  
Mars Nederland

### Chris King

Group treasurer  
Vita Group

### Mike Laven

CEO  
Currency Cloud

### James Lockyer

Development director  
ACT

### Mike Loginov

Founder and CEO  
Ascot Barclay Cyber Security Group

### Paul Mallon

Head of customer engagement  
and legal  
Bolero International

### David Marsh

MD and co-founder  
Official Monetary and Financial  
Institutions Forum

### James Marshall

Head of treasury  
Virgin Media

### Peter Matza (chair)

Engagement director  
ACT

### Graeme Middleton

Head of European group  
treasury and tax  
Honda Motor Europe

### Thomas Neidert

Vice president - head  
of global treasury  
QIAGEN

### Simeon Parker

Director  
Treasury Technology Associates

### Michelle Price

Associate policy and technical director  
ACT

### Jan Putnis

Partner  
Slaughter and May

### Tim Pycroft

Head of cash management  
for global corporates  
Barclays

### Adrian Rodgers

Director  
ARC Solutions

### John Rowland

Executive director  
Cicero

### Abhi Shah

Product lead, new business  
and proposition development,  
information business  
Barclays

### Carl Sharman

Practice partner, EMEA, corporate  
treasury and payments solutions  
Wipro

### Will Spinney

Associate director of education  
ACT

### Gary Starling

Head of professional services  
Visual Risk

### Nick Taylor

Head of group capital and treasury  
Schroders

### Lorcan Travers

Senior manager investment  
and liquidity  
Johnson & Johnson

### Paul Tydeman

Assistant treasurer  
Intertek Group

### Colin Tyler

CEO  
ACT

### Gerard Tyler

Group treasurer  
Ureenco

### Rich Wagner

CEO  
Advanced Payment Solutions

### Peter Walker-Smith

Treasury manager (front office)  
AstraZeneca

### William Ward-Brew

Head of treasury operations  
Anglo American

### James Whittle

Director of industry policy  
Payments UK

### Ben Zevenbergen

Research assistant  
Oxford Internet Institute

