

# Let's get together

This year is going to be a very busy, but very exciting, time for AdvanceTrack – and we'd like you to join us

While companies that provide technology-driven solutions have a reputation for not always engaging with their customers, we put customer service and understanding your requirements as top priority.

We're delighted, therefore, to be able to announce two opportunities for you to meet with us and discuss where you're heading, and hopefully how we can help you on that journey.

First off, we have the Quickbooks Connect show, held across 27 and 28 February in London's Printworks.

This year's agenda covers the most relevant issues facing practices: from marketing (harnessing social media and building a digital brand) through to moving your practice and clients to the cloud.

"We're taking part to meet with forward-thinking practices, many of whom will already be clients of ours and hopefully some new faces as well," says Vipul Sheth, founder and MD of AdvanceTrack.

Sheth expects conversations to revolve around Making Tax Digital (see this month's feature spread for more). He foresees many practices wanting a 'solution' to MTD, and a big part of that will involve the use of efficient cloud-based bookkeeping among other things.

More importantly, making this transition will put client information into practices' hands that they can leverage to provide a better service. "The truth is that we speak about this a lot," says Sheth. "If practices see this as 'stopping clients getting tax penalties' then it's a client/adviser conversation about price. But good conversations with clients is about helping them run their business. Then clients look at the price and say 'this is what I pay my accountant for'."

Next we have AdvanceTrack's own conference, following on from last year's successful inaugural event at America Square with 70 people in attendance.

The invitation-only event will see respected consultant Paul Shrimpling set out the process by which you deliver higher-value services to clients. The conference will then follow workshop-style sessions that provide more detail and insight into making that transition.



The conference will take place a few days after GDPR comes into effect – and AdvanceTrack will outline what we've done to make sure we are a compliant organisation.

## STOP PRESS!

Vipul Sheth and Brendan Allen (Practice Ignition) are running a free webinar on 12 February, discussing: *Accounting Professionals – What Should you be Outsourcing?*

Follow the easy-to-register URL for more:  
<http://get.practiceignition.com/ATWebinar>



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## Jargon busting

The real stories and issues behind tech's key acronyms

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# !?! Love letters

With technology-driven change accelerating, Kevin Reed looks past the acronyms to set out the state of play on key tech topics of interest at the moment – and what you need to know to keep up

Accountants know that getting a handle on the latest tech acronyms is just the start of the learning process. These strangely-titled pieces of legislation or 'next new thing' will impact on their clients – or how they serve them. We take a look at four of the key topics.

## Making Tax Digital (MTD)

Many of you will be weary of the sight of the acronym 'MTD', but it's worth keeping track of key dates and developments.

VAT-registered businesses over the VAT threshold will file quarterly returns from April 2019, while it is likely that those with income over £85,000 will need to file under the regime from April 2020. Effectively, HM Revenue & Customs is looking to digitise the filing system and gain access to information on a more regular basis.

Understanding which clients fall into which 'box', as far as MTD is concerned, is a priority for accountants. Setting a plan for moving away from using HMRC's systems and taking on a commercial solution is another crucial step, as the taxman phases out its own delivery platform. Educating clients to this change, and through the process, must also be carefully considered.

There is concern about whether HMRC's £2.1bn transformation plan (to become a digital provider of public services, while reducing costs) is feasible, fears that have again been raised following the publication of a



report by the Public Accounts Committee.

Brexit is likely to see a 15% increase in projects undertaken by the taxman – on top of 250 outlined as part of its transformation plan. HMRC is now 're-prioritising' its workload and will reveal more by the end of 2017/18 as to the likely impact.

However, as the committee is putting pressure on HMRC to manage the so-called SME 'tax gap', it seems unlikely that MTD will disappear off the radar – but it does raise the risk that a shift in focus away from digital transformation onto other projects will adversely affect any technology-focused changes. And a cautionary note: HMRC told the committee that it expects to work with tax advisers to encourage their clients' compliance.

## Accounting app 'ecosystems'

Perhaps the most intriguing technology development in recent times has been that of the 'app', and associated 'app market'. Think Apple Store or Google Play Store, and the multitude of tools and games that has been borne or reincarnated through these platforms.

Now we have accounting technology providers enabling accessibility and integration in the cloud. Xero, Quickbooks and Sage have followed the 'app' approach in the small business space, and extended it out into practice management. Their online app stores offer a multitude of add-ons.

For accountants in practice, this development opens up lots of opportunities – and issues to be resolved.

First, is it worth making the leap from your current technology platform? Some practitioners will work with 'best-of-breed' software and go through the painful process of extracting data from one tool to another. Others will use integrated suites of products – but some parts of the suite may not be the best tool for that particular practice. Again, this may require extra software purchases and fiddly data transfers.

Carl Reader, director at Bristol accountants d&t, says the 'platform and

apps' approach is tempting in comparison to the alternatives. "Traditional integrated accounting platforms are quite clunky, particularly as there's no such thing as the 'stereotypical accounting practice' anymore," he explains.

It is worth noting that the new cloud-based platforms are also expanding their remit, and offering deeper functionality. However, unlike the traditional integrated platforms, you have more flexibility to opt out and instead use another bolt-on app if you prefer – without a painful manual integration.

A major concern, in a world where the app market is expanding rapidly, is knowing which of the add-on apps are right for your practice.

"The options seem to increase on a daily basis and it is almost impossible to keep on top of what is happening," according to Blick Rothenberg partner Bobby Lane. The practice has worked with a consultant who helps constantly monitor the latest developments in the accounting and business app space.

But, as previously mentioned, the platform providers are developing their service further, which Lane believes will remove much of the need for picking and choosing add-ons.

"There seemed to be an add-on developed for every area and businesses believed that they had to have everything," he says. "The reality is that when you break down the actual requirements of the business, most of what they need can be carried out with the basic platforms. These will continue to develop and replace the need to add on."

## PSD2 (aka Open Banking)

This is the acronym that has probably had the least traction in the media.

It sounds like a droid from the new *Star Wars* movie – it actually stands for Second Payment Services Directive. While neither the acronym or the full title will mean that much to anyone, you may have heard reference to its alternative moniker: Open Banking.

Put simply, banks will have to make available, upon your request, direct feeds of account information to third parties. These third parties will provide a range of financial and corporate services based on you allowing them access to your data.

Clearly, some of these products and services won't just be for the consumer – corporate and business-focused offerings will also become available.

Tim Fouracre, founder of Clear Books, has launched Countingup. This app will enable small businesses to open a current account via their smartphone, while undertaking your accounting. It will be able to submit VAT returns, generate a P&L, create invoices and do the bookkeeping.

He says it's no surprise that the banks are "dragging their heels" on being ready for Open Banking (it's believed five of the nine big banks missed the 13 January kick-off date).

"It's no surprise HSBC *et al* are dragging their heels into Open Banking. It's going to kill them," he says. "We already know their point of contact with customers is on the decline as the branch network erodes away. But as the banks move to a predominantly online model, Open Banking is about to remove their point of contact with customers in the digital world too."

Blick Rothenberg partner Bobby Lane urges patience – as far as practitioners are concerned. He believes the new regime "will not make a huge difference" to dealings with clients in the short term. He does predict new services to arise around the lending decision-making process for SMEs, which may influence how practices work with clients in finance-raising.

Accountants serving clients in the fintech space must also be aware of the opportunities presented by Open Banking.

"At the current time, the role of the accountant will be more education-based, letting clients know what is happening and what this will mean for them," says Lane.



## GDPR

Like MTD, GDPR is an acronym that – by casting an eye over it – will automatically make you feel weary, anxious, or both.

We broached the thorny topic in our April 2017 issue of *InsideOutsourcing* – but it's still well worthy of a reprise.

The UK's *Data Protection Act 1998* will be superseded by the EU-driven legislation. The new law intends to bring up to date provisions to deal with the explosion of personal and business data – along with how it is used, stored and deleted (or not). GDPR is enforceable from 25 May.

Personal data will require stronger consent from the individual for that information's use and storage, the 'right to be forgotten'. Some organisations will have to appoint a 'data protection officer' in certain circumstances. Encryption of personal data is expected to be undertaken.

Accounting practices hold much sensitive personal and corporate data. The misuse, or lack of robust measures to protect that data will see much larger fines issued by the Information Commissioner's Office than previously.

For more on the importance of meeting the strict requirements of GDPR here at AdvanceTrack, turn to the back page.



Kevin Reed is a freelance journalist and former editor of *Accountancy Age*

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