Accountex Exhibition 6 June 2013

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# Tony Hall – General

## Question re Tuples

Short answer is no, Tony did not know answer. But what came out from this was:

XBRL Technical Task Force are looking to drop Tuples altogether “…. strong case for switching to typed dimension or other non-tuple solutions”.

Which lead you and I to investigate what a “typed dimension” actually is?

## Last XBRL Committee Meeting

TH said he would do a transcript of points arising from last XBRL meeting (O/S)

# Max Thomas - Thomson Reuters

## Apro 6

### Release

Only so far released to Corporates and Major Accounting firms.

Sales team and smaller practices prefer to stay with version 5. Reasons are familiarity plus v6 drops some of the bookkeeping and management accounting features.

### IFRS

**They are only doing IFRS accounts**, no UK GAAP on v6.

Though also doing their Academy accounts on V6 (This is effectively the Charity SORP modified for educational establishments)

### Import and CoA

It dispenses with any internal CoA structure. The TB import structure is designed to create a direct link between the Entity CoA structure and the Apro schedules.

But although it could take in every NL code from a huge ERP system, what it produces is a flat file list. So there appears there is no way it can it can maintain the richness and inter-connection of the source CoA.

## Other Competition

Although Iris is the key competitor in the small practice/business sector, it is CCH that are proving the biggest competitor in the high end Major Practice /Corporate sector. (This is the most profitable area).

Reason is a combination of CCH’s brand name in this sector, and the technical capability of its new software. (They have just replaced their Viztopia based systems).

Aside from Max about human need for conflict and an enemy – currently CCH seen as the major enemy replacing Iris

Sage are still holding on to their user base. Max puzzled how clients can remain so loyal.

## What we are doing

CW explained that we had shifted the focus of our XBRL project. We were going deeper into the fundamentals XBRL and issues of handling multiple Jurisdictions and Taxonomies. Said not only made project much bigger, but also most likely that we will want to team up with other parties to bring the project to a commercial result. (Max confirmed that handling multiple Taxonomies/Jurisdictions was an unsolved area).

Max said he thought what we should be producing is an XBRL Report Generator. He talked of being able to produce attractive PDF or printed output. Implication was that we should plug into raw XBRL files and be able to prettify them.

My thoughts were that this seemed a strange direction to go in, almost a of reverse direction. Maybe part of the reason for this was recognition that their XBRL output from Apro is far from pretty. Not sure.

*Later also made me wonder about taking in XBRL elements directly from an Entity GL system, as GL systems become able to produce XBRL output. But this latter seems problematic. Although XBRL is supposed to be universal, in practice it is highly Jurisdiction specific. If or until something like a successor to GL 2006 gets developed which is able to provide the common layer between internal operations and external regulatory reporting then there would seem no proper way of achieving this. That is a big “if” given everything else going on. It may well be that BRL comes in as one of the building blocks to achieving this. (I stress “one” because to keep BRL manageable we need to look at only the higher/summary levels of a GL structure, and its interface with regulatory reporting. Going below this would take us into a whole new area of transactions types, personal ledgers (Sales, Purchases etc.), and Registers (Tangible Fixed Assets, Shares, Impairment Registers, Business Combinations – Acquisitions and Disposals).*

# FRS 100, 101 and 102

## General

Information under this section comes from multiple sources.

CW listening to ICAEW Lecture “The New UK GAAP – preparing for change” by Marianne Mau, Technical Manager Financial Reporting Faculty

Plus summary of what Tony Hall picked from lecture by Simon Collings lecture “What FRS 101 and 102 will mean for your company and how technology can assist”. This was billed as being by Jon Martingale of IRIS Software Ltd. But in fact Jon Martingdale just introduced Stephen Collings.

General discussions with Tony Hall.

ICAEW Lecture “The New UK GAAP – preparing for change”

by Marriane Mau

Need to transcribe from audio recording. (Might prove difficult, very hard to make out what is being said with all the back ground noise)

About the only thing that I recall, and did not previously know, was that FRS 101 is very much a niche reporting option, designed for member companies of listed groups that want to publish their own individual accounts.

Think that the link below just found covers the content of the talk and adds more.

<http://www.icaew.com/~/media/Files/Technical/Financial-reporting/Financial-reporting-faculty/the-new-uk-regime-faqs.pdf>

“What FRS 101 and 102 will mean for your company and how technology can assist” by Simon Collings.

No one, including Stephen Collings has produced any example accounts illustrating FRS 102.

<http://www.stevecollings.co.uk/>

<http://www.stevecollings.co.uk/532/>

## Timescales and Disruption

One of the key points was the proximity of changeover, and the disruptions it will entail.

Not mandatory before years beginning on or after 1st January 2015. But the comparative period will need to be included as with any on-going accounts. This means that in practice companies need to be working during 2013 to ensure that the 2014 accounts show whatever extra data will be required under the FRS 100-102 for the comparatives. At the same time for 2014 they will need to provide all the existing information required under the UK GAAP rules. So this will entail a lot of complexity and upheaval. This looks to be unchartered territory.

The FRSSE will continue largely unchanged for the time being. So again it means that very small companies are not a prime target for us.

## UK Law and Distributable Profits

Another issue arising on FRS102 concerns possible clashes with UK Law. One example is distributable reserves. Under UK law dividends cannot be paid out of capital and non-distributable reserves such as the Share Premium Account. That is dividends must not be used as a way of paying capital back to the shareholders.

Under FRS 102, and increase in the value Fixed Asset Investments such as buildings or strategic share-holdings in other entities should be shown in the Income Statement, not the Balance Sheet Reserves accounts. But under UK Law this is a non-distributable profit as far as calculating the maximum amount of dividends that can be paid out. Not resolved how this is to be reconciled, but effectively means in some areas there are two sets of accounts.

## Actions

Now following Stephen Collings on Twitter

Have bought his book “IFRS for Dummies”

O/S Tony said he took some notes which he will type up and send to me

# Terry Toms – RandD Tax

He recounted how he first met you in 1978 in Brisbane when he had contacted you with regard to setting up a UK operation of Hartley Computer. Said years later he came across a document where you had written that any investment in the UK operation was not to exceed £10k. Fortunately the operation was in profit within 3 months.

Said he considered that amongst your greatest strengths was application software, where he rated you even better than at the operating system level.

We also discussed the Hartley Hardware; which seemed to be a matter of the engineering people for it (e.g. you and Eddie Boyes) the marketing people against (e.g.Terry Toms, Craig Ashby).

Recounted how Hartley had modified the dumb workstations on the DEC, so the PDP 11 could run 5 intelligent terminals. Mentioned how much of the earlier business, especially in USA, came via DEC.

He briefly recounted the nightmare launching the Hartley computers because of the lack of the 300mb backup tape drives being ready in time, necessitating fitting second hard drive.

Short video of RandD stand at Accountex with Terry Toms briefly shown

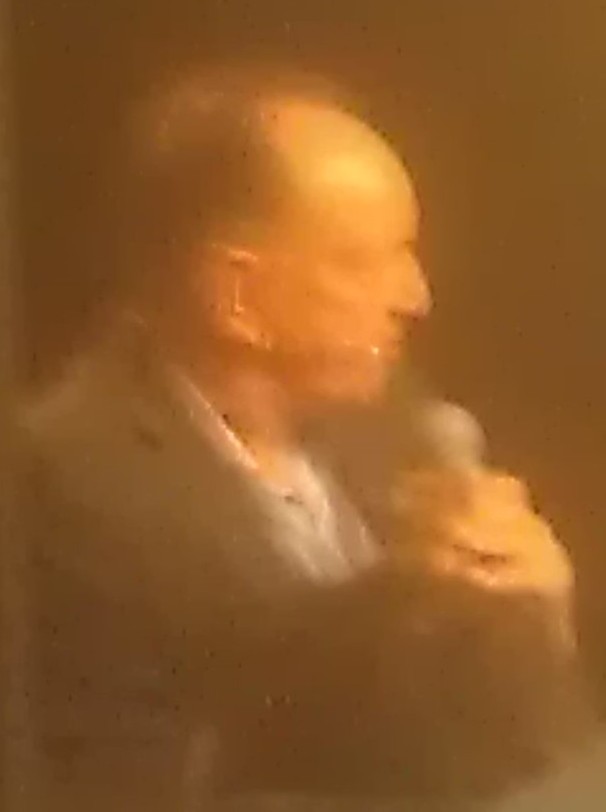
<http://www.youtube.com/watch?v=O5qw-UKjHOA>

Impression was that Terry still held you in high and warm regard. He struck me as very much a switched on and worldly wise dude.

# Paul Dunn

Tony got to have a brief few seconds with Paul Dunn just before he was due to go on stage. I joined them at this point, but Paul got distracted by sound problem, so never managed to pass on your regards.

Below is one blurry photo. Cannot see the bright white teeth, but can see the dark hair!



# Steve Thorns – Hosted Desktop UK Ltd

Said “Hi” to Kevin Salter and Jonathon Oldknow.

Asked Steve about any PC repair companies in his area on behalf of a friend of Julia.

Said had just used a very good company. TPCS in Lancaster, proprietor Tim Pollard.

## Mentor

Briefly discussed Mentor. Said that deal with GGTC had come to nought, so had Windows 7 compatible software already loaded on their Hosted Desktop Would he be interested in marketing it. What the software actually did was unchanged from Hartley Consultant. We are unlikely to do anything with Mentor in the foreseeable future, so very happy to give Steve a free-reign on how he would like to market it.

## Action

Sent email to Steve re Mentor 20/06/13

# Peter Prater – Qtac Solutions

Called by just to say “Hi” to Peter Prater. Know him from Caulfield Cavell days. Always though he was a very nice guy (as were many of the people at CC).

He re-marred 10 years ago to Briany. Previous wife had been very ill long-term, but sounds as though she is back to good health, and they parted on amicable terms.

Explained how CC down-fall came about. They bought a credit control company. Should have done better Due Diligence. Lots of liabilities emerged, which lead to expensive law-suits. Upshot was that it not only brought down the credit control company, but also CC themselves.

Roger Howells mentored Barry Adams, and still does some mentoring and consultancy.

(Funnily enough bumped into Barry Adams only a few minutes later – very brief conversation since I was near deadline, but told him where Peter Prater’s stand was.)

# Caseware

Introduced by Tony to Simon Warren MD of Caseware UK Ltd

<http://www.youtube.com/watch?v=10blkEusBFQ>

Tony and Simon know each other through the XBRL committees they both attend.

Tony rates him as a decent bloke.

# Exact

Dutch company just launching Cloud base system in the UK. Cover SME market, but more Medium and Large than Small. i.e. not FRSSE entities at the bottom or FTSE100 at the top, but pretty much anything in between. Have ERP solutions, and multi-currency/country structures.

<http://www.exactonline.co.uk/>

<http://www.exactonline.co.uk/products/accounting>

<http://www.exactonline.co.uk/products/wholesale-distribution>

<http://www.exactonline.co.uk/products/manufacturing>

<http://www.exactonline.co.uk/products/professional-services>

Note that although they are geared more towards larger entities, they have also set up Accountancy collaboration systems in common with the smaller entity Cloud companies such as Xero, Liberty Accounts and Kashflow.

<http://www.exactonline.co.uk/products/accountancy>

Exact Online looks a very good match for us both in terms of SaaS delivery, profile of their target market and areas they cover directly (and equally important, do not plan to cover at all).

Directed to and spoke with Jiten Modhwadia 07799 623 120

Very happy for us to make contact

uk.linkedin.com/pub/jiten-modhwadia/2/64a/8a3

<http://www.linkedin.com/profile/view?id=7566459&locale=en_US&trk=tyah2>

He has recently taken up this position (see extract below)

***Senior Sales Executive - Cloud Solutions UK***

*Exact*

*June 2013 – Present (1 month)United Kingdom*

*Exact Online is Exact’ s strategic cloud platform and belongs to the top three multitenant SaaS solutions in Europe. Exact Online is a fast growing online accounting, wholesale distribution and professional services solution for SMEs and their accountants. The growth rate was over 48% in the first half year of 2012. Exact is going to focus on further developing this successful and innovative online solution and launch it in the UK.*

*My role in to build strategic alliances with Accounting practices with a view of on-boarding them into Exact online together with their clients.*

One common contact is Graham Tilbury at Thomson Reuters. Not surprising, would think that Graham Tilbury keeps in contact with all the major general accounting software vendors in the UK.

## General thoughts

### Importing data

Looking at the reverse of this is there actually any point in importing from other AP systems like SAPA. The GL content is almost worthless. Any reasonable size business would have lost a lot of detail in getting its information into an AP system. We want to get as much detail as possible. So the only AP information of interest to us is data outside of the GL, e.g details of directors.

In considering how we handle areas such as Impairments and many other Asset based issues keep wondering how much information needs to be held in Braiins. For instance the information on

Impairments or Business Combinations e.g. Subsidiary Acquisition means a need to create and store detailed and complex schedules. Some of the calculations will be outside of the GL itself. But the question is what gets stored back in the GL and what level. For instance can a proper record of Impairments only be kept if one effectively creates an Impairment Register (if there is such a thing), and this is turn would be closely linked with the Fixed Asset Register.

Clearly we do not want to replicate every entry on the Entity’s own GL and subsidiary Ledgers.

## Actions (O/S)

Jiten Modhwadia might make a suitable first case for us to send our BRL & BRAIINS Statement to.

# Tikit

<http://www.tikit.com/>

<http://www.tikit.com/solutions.php?s=96>

<http://www.tikit.com/industries.php?s=76>

Spoke to a Ben Read on their stand.

Direct line 020 7400 4340

Mob 0785 4351 2001

Tel 020 7400 3737

Email [ben.read@tikit.com](mailto:ben.read@tikit.com)

Address 12 Gough Square, London EC4A 3DW

Enquired if they had or were planning any AP system. Told not. Explained in the very briefest of outline what we were doing, and asked if any potential interest. It might be. Told that the best person to talk to was a Mark Garnish

<http://uk.linkedin.com/pub/mark-garnish/a/a60/863>

## Action

Email sent to Ben Read 20/6/2013 re making contact with Mark Garnish