

BUSINESS SUCCESS

Improving the lives of our clients

Carthy
Accountants

JUNE 2023

THE FUTURE OF TECHNOLOGY IN ACCOUNTANCY

- Accountex London
- Making Tax Digital
- Digital Banking
- Artificial Intelligence
- ChatGPT
- Book Club

"Don't believe everything you read on the internet." Abraham Lincoln

VISIT A TRADE SHOW AND UNLEASH GROWTH OPPORTUNITIES



Last month we spent a few days at Accountex London; the exhibition for accountancy firms to meet, learn, be challenged, and find opportunities for growth. We were particularly keen to be educated in the latest technological advances that will help the accountancy sector.

In the competitive world of business, attending exhibitions and trade shows is a powerful tool for success. As a valued client of Carthy Accountants, we want to emphasise the importance of these events for your business growth. Here's 5 reasons why you should consider participating in trade shows.

- 1. Networking Opportunities:** Connect with industry professionals, clients, and experts, fostering partnerships and collaborations.
- 2. Lead Generation and Sales:** Capture qualified leads and boost

“ In the competitive world of business, it's a powerful tool for success. ”

conversions by showcasing your offerings directly to interested attendees.

3. Market Research and Competitive Analysis: Gain valuable insights into your market, competitors, and emerging trends, allowing you to refine your strategies.

4. Brand Visibility and Awareness: Showcase your brand to a captive audience, leaving a lasting impression and enhancing visibility.

5. Industry Insights and Professional Development: Stay updated on industry trends, regulations, and best practices through educational sessions, positioning yourself as a trusted advisor.

At Accountex London we particularly learned more about how AI and ChatGPT can help us and our clients

improve services. I encourage you to embrace the power of exhibitions and trade shows within your industries to connect, learn, and showcase your brand to a captivated audience.

Michael Carthy
Managing Director





Make time for Digital Tax now!

The need for digital accounting is coming very soon. 2026 may seem like a long way off but don't leave it too late to prepare.

HMRC are pushing ahead with their delayed plans for Making Tax Digital (MTD). "We can't afford to push MTD back any further" was the stance of the HMRC officer we spoke to on their decision. They conceded, however, that the parameters of who will fall under MTD may change, but the one thing that cannot change now is the dates.

This means under current plans, any landlord or self-employed individual (including partners of a registered partnership) with an annual income of over £50,000 will need to have digital accounting and tax records from April 2026.

Twelve months later, from April 2027, it will capture landlords or self-employed individuals with turnover from £30,000. Whilst MTD for Corporation Tax has been put on hold for now, it is still planned to be implemented as a second phase to MTD for VAT.



If you need help or advice with Making Tax Digital or setting up a Xero account contact us today.

OUR RESPONSE

For limited companies, the best practice is to use a cloud-based accounting system anyway, so regardless of whether you are VAT registered or not, to be able to run your business effectively, you should have up-to-date transparent records that you can use to help you make informed business decisions.

For landlords and self-employed individuals, whilst there may be less need for the in-depth reporting and business management side, it is still best practice to digitise your accounting process for several reasons:

1. Speed

Completing your records digitally is much quicker and time-efficient.

2. Clarity

Many self-employed individuals use their personal accounts as their business accounts; using a cloud system would encourage having a separate business account, meaning it is easier to measure the performance of your business.

3. Accuracy

As bank statements are automatically imported from your account provider, and invoices can be uploaded digitally and scanned, it removes the chances of typing or writing errors (which are much more frequent than you would think).



Accountancy is Changing

The accountancy industry is in a funny place at this moment in time. With the push to transform accounting and tax records to fully digital, originally announced in 2015 and originally planned to be fully implemented by 2020, followed by COVID and Brexit delays, the industry now finds itself in a state of limbo.

Making Tax Digital (MTD) should not be the catalyst for digital transformation. As a firm, we have been using the likes of Xero, FreeAgent and Quickbooks online for over ten years, well before software of their type became mandatory for digital tax filing. Why? Because they are the sort of systems businesses should be using.

As we visited the software stands at Accountex London to catch up with our partner managers, and to see the latest updates, what staggered us was how many accounting firms were getting first demos on these softwares and weren't already using them. They still used handwritten red books, spreadsheets, or old desktop software like Sage Line 50.

This gave us mixed feelings. Firstly we felt immense pride that we were, and still are, at the forefront of the technology in our industry, which enables us to offer better, more efficient and more effective solutions to clients. We were also tinged with a hint of sadness that there are still people in our industry that are so behind the times.

There are business owners who must be struggling to understand where their business is due to their obsolete and ineffective processes!

Artificial Intelligence (AI)

AI is coming fast. What does it mean for you and your business?

ChatGPT changed the game with what it can do. Yes, there are significant drawbacks (see p8). Still, ChatGPT is the first AI system to really break into mainstream interest, and a common theme with tech companies at Accountex London was how they look to incorporate AI into their existing products.

Whether ChatGPT will be a mainstay or whether it was just the system to break down the initial barrier in terms of AI, the one thing it has guaranteed is whatever systems you are using currently, AI will be incorporated in

some way into your systems in the very near future.

So what does it mean for you? It means you need to get on board with AI, even at a basic level, understand what it offers, and how using it can benefit the running of your business.

At Carthy Accountants, we constantly monitor the marketplace for the most effective tools, programmes, and systems. With the development of AI over the past few months, new products will be released regularly. Therefore anything new that comes out, or any updates released to existing software that we think will benefit our clients, we will be sure to notify you.

“ Get onboard with AI, even at a basic level, understand what it offers and how using it can benefit your business. ”



Banking on New Technology

Digital banks are disrupting the sector, but they have limitations.

The amount of tech that is being launched every day in the accountancy industry is crazy, and Accountex London gave us a chance to look at new software providers, as well as look at updates to existing ones.

The emergence of digital banks such as Starling and Monzo has been exciting over the past few years, so much so that high street banks have been launching their own digital-only accounts. Natwest has Mettle and HSBC have Kinetic. Whilst these banks have definitely disrupted the banking sector, particularly when it comes to customer experience and service compared to their high street competitors, they have also come with certain limitations, in only being able to offer standard current accounts, either personal or business and only for UK companies trading exclusively within the UK.

Starling broke this trend a couple of years ago by offering finance and lending solutions, but these banks still fell short in their offering for businesses with more complex banking requirements.

For example, a letting agent needs a client account that holds client money that cannot be used for business use.

This account is also audited and regulated to ensure client funds are not touched.

“ These banks still fell short for businesses with more complex banking requirements. ”

A second example is a hospitality business that has a large portion of cash payments from customers, and that cash needs banking every week.

For example one, no digital bank currently offers client accounts, so the letting agent is restricted to the high street banks. For example two, the digital banks charge for cash deposits as they have no high street presence, which is not viable for the hospitality business that is already struggling in the current climate.

The great thing about digital banks is that they listen to their network. Client accounts are on the road map for at least three of the digital banks, whilst cash deposits to at least two of these banks are planned to have deposit charge rate changes depending on the industry the business operates in.

‘They are serious about helping me grow my business’

John Wilson of ESS Lighting was looking for an accountant who could help him grow his business. John recognised that we were serious about helping his company expand and knew he would be on hand to answer any questions he might have. We upgraded John’s Xero accounting software for multiple users, and just this simple process has, in John’s words, ‘tripled productivity’.

“ We have tripled productivity. ”

John Wilson, ESS Lighting Ltd.

Discover how Carthy Accountants can help you:
info@carthyaccountants.co.uk

Find out more about ESS Lighting:
www.esslighting.co.uk



Team News



May saw a significant milestone for a member of the team. **Jane**, our payroll manager, celebrated her 15th anniversary with the firm. Jane is only the second team member to have celebrated this milestone after our founder Rupert. Congratulations, and thank you for your efforts over the last 15 years, Jane.

June also sees two milestones for **Shernade**. First, she celebrates her birthday, and second, she also celebrates her first anniversary with Carthy Accountants. Happy birthday and congratulations on a great first year with us!

Finally, this month we are holding our annual team day. A day where we discuss our plans and vision for the next twelve months and complete some team bonding activities and exercises.

We have spoken about the importance of a happy, healthy, and highly skilled team in March’s issue, and team days are a great tool to enhance all three elements.



Carthy Club

CONNECT COLLABORATE COMMUNITY

Carthy Club returns on 5th July for our British Summer Fete. We've got loads planned, from traditional village games, Pimms and lemonade, and as always, great food from Jason Grant at GG's. There will also be the unique opportunity to see our MD, Michael Carthy in stocks and the chance to throw a wet sponge at him for charity.

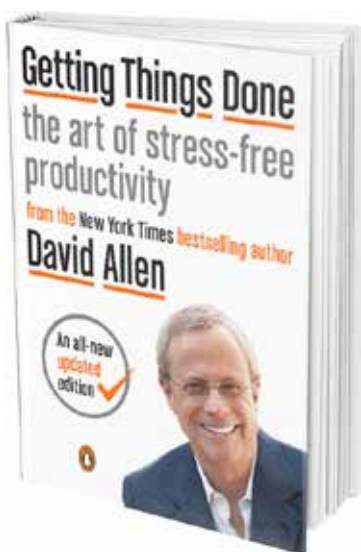
Carthy Club is an informal networking event connecting over 50 local business owners. If you want to connect and collaborate with the local business community, please email clientservices@Carthyaccountants.co.uk to be added to the invite list.



CARTHY BOOK CLUB

GETTING THINGS DONE DAVID ALLEN

THE ART OF STRESS-FREE PRODUCTIVITY.



We have a few copies of Getting Things Done. If you would like a copy, contact info@Carthyaccountants.co.uk. Once they're gone, they're gone!

David Allen's "Getting Things Done" book presents a practical and effective system for organising and managing tasks, projects, and responsibilities. With clear insights and actionable advice, Allen's methodology has become a guiding light for individuals seeking to enhance their productivity and achieve a stress-free workflow.

The core principle of Allen's system is capturing and clarifying all of your commitments and tasks in a reliable external system. Doing so frees up mental space and eliminates the stress and distraction caused by trying to remember everything. The book

outlines a step-by-step process for capturing, processing, organising, reviewing, and ultimately executing tasks systematically and efficiently.

One of the book's most valuable aspects is its emphasis on breaking tasks down into actionable next steps. "Getting Things Done" helps readers overcome procrastination and overwhelm by dissecting projects into more minor, manageable actions. Allen's focus on actionable outcomes empowers individuals to make tangible daily progress, fostering a sense of accomplishment and momentum.

What is ChatGPT?

The chances are you've heard ChatGPT being mentioned heavily in your social feeds and in business articles in recent months. But what exactly is it?

In essence, ChatGPT is an artificial intelligence (AI) tool that promises to automate many tasks, including writing content for you.

But do these AI content-writing tools live up to the hype? And what's the best way to balance using a solution like ChatGPT with the core skills of human-powered writing?

WHAT DOES CHATGPT DO?

ChatGPT is an AI chatbot model from OpenAI that can produce complex, well-written responses to any prompt you give it. It uses a vast database of sources to provide you with complete blog posts, articles, emails - in fact, it will write whatever you ask it to.

IS AI CONTENT WRITING THE ANSWER TO YOUR BUSINESS PRAYERS?

If you believe what technologists and business leaders are saying, these AI tools can potentially replace much of the human work involved in writing. This could mean writing your blog posts, sales emails, or even looking after your internal comms. (There are a lot of other functions the tools can be applied to, but we are focussing on writing).

WHAT'S THE BEST BALANCE BETWEEN AI AND HUMAN WRITING?

AI tools are helpful. But, at present, you still need a human in the equation. Someone to initiate the ideas, write intelligent prompts and edit the output to sound human.

Working with both AI tools AND a content professional is the best way to get the eye-catching content you deserve.

Does a solution like ChatGPT live up to this promise? Yes and no. Here are a couple of things you'll want to remember.

1. Creating Content That Stands Out

ChatGPT can undoubtedly provide you with business content - but it can be quite generic and bland. This generic nature of AI content may be a problem. You want your brand content to stand out and be unique - but this is more difficult when using the same AI tools as every other small business. As Tom Fishburne puts it, the issue is that 'much of what is created is already a sea of sameness, written more to appease Google's search algorithms than actual people.'

A human has opinions, personality, and can deliver unique insights. AI can't do this. It's limited to the source data and models it's been provided with. So, if you want your business content to stand out, you need an experienced human who doesn't just write for bots.

Content writing is as much about good ideas as it is about good writing. So, what you input as your prompt to the AI is just as important as the text the software spits out.

2. Content Accuracy

When Chat GPT's rival, Bard was first launched, it wrongly attributed the discovery of an exoplanet to a telescope that didn't exist at the time of the discovery. The problem is that the internet has become increasingly cluttered with fake news, spam links and content that's designed purely for SEO. So it's no wonder that the AI will sometimes provide you with inaccurate content.

As a business owner, you'll want to ensure that a human is involved for accuracy and relevance for your brand and audience.

Carthy Accountants Limited
33 Eastgate St, Stafford ST16 2LZ
+44 (0) 1785 248939
info@Carthyaccountants.co.uk
www.CCarthyaccountants.co.uk



Carthy
Accountants

Every client matters