![IRIS Software & Services logo]

iris news

Autumn 2010

Accountancy Practice Solutions IRIS, PTP and DRUMMOHR customers

Look inside

- iXBRL – IRIS launch two great new Accounts Production products ahead of HMRC deadline

- IRIS makes iXBRL easy for AC Mole

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Welcome

Welcome to the Autumn 2010 edition of IRIS News.

In this special edition we focus on the future: with the rise of technologies such as cloud computing and the upcoming iXBRL revolution that's gathering pace. We'll help you navigate all the changes.

We are delighted to announce the launch of two fully iXBRL-compliant accounts packages: IRIS Accounts Production and the all-new PTP Accounts – iXBRL Edition– well ahead of the iXBRL deadline. A C Mole & Sons tell us how they're managing iXBRL with IRIS's help and we provide some tips on what practitioners should consider in the coming months.

We have also listened carefully to your feedback and suggestions and upgraded our software accordingly, with PTP Accounts Production in particular featuring 70% of all customer-requested enhancements. As the market-leading accountancy practice software provider, we proudly continue to focus on the customer and strive to deliver more efficient, more versatile and up-to-the-minute solutions so our customers can focus on providing more efficient, high-value services to their clients.

In addition, this issue examines how practices can benefit from internet-based or cloud computing and explores how IRIS OpenApps solutions can benefit both you and your clients. IRIS OpenBooks is an online book-keeping solution with real-time collaborative benefits, and IRIS OpenDocs, our electronic document management (eDM) application, is the perfect solution for those looking to manage a paperless office.

We also share some tips for getting the best out of IRIS Practice Suite, the benefits of Practice Reporting, and take a look at how recent capital gains tax changes affect the tax planning around entrepreneurs' relief.

Phill Robinson, Managing Director
IRIS Accountancy Practice Solutions

If you would like further information on any of the articles in this newsletter please email **practicecustomer@iris.co.uk**

or call us on
Customer account team: 0844 815 5550 **Sales inquiries:** 0844 815 5555
Support: 0844 815 5551 **Training:** 0844 815 5550 **IRIS Plus:** 0844 815 5650
PTP: 0844 815 5530 **Drummohr:** 0844 815 5544

In this issue

IRIS Practice Suite v10.4 Now Available

Includes fully iXBRL compliant Tax and Accounts.

You can depend on IRIS to deliver quality, reliable compliancy on time, every time

Call us today to discuss how we make iXBRL easier for you

Customer account team: 0844 815 5550
Sales inquiries: 0844 815 5555

iXBRL

What should practitioners do now?

The iXBRL revolution is almost upon us and over the coming months all practitioners need to make crucial decisions to ensure they are ready. From April 2011, all tax returns must be filed to HMRC online, accompanied by computation and accounts in the specified iXBRL data standard.

Submitted documents will still retain the original human-readable format – like PDF files – while adding attributes so they are also machine-readable, meaning HMRC can process them automatically upon receipt. This requires the appropriate elements to be 'tagged' so they become machine-readable.

With thousands of elements within each document needing to be iXBRL-tagged, the task faced by practitioners should not be underestimated. Fortunately, IRIS has a solution.

Software solutions from IRIS

IRIS adopted a two-phase approach to ensure its software fully complies with the new iXBRL standard. The first phase was successfully delivered in April 2010, when fully compliant Drummohr, PTP and IRIS Practice Suite tax products were released. Tax returns are completed in the normal manner and the software automatically adds iXBRL tags once the practitioner has finished entering the details. In the four months from April to July, our customers successfully filed over 61,175 iXBRL corporation tax returns electronically.

The second phase involves producing iXBRL-compliant accounts solutions. New IRIS Accounts Production and PTP Accounts solutions, which are being launched in October, automatically tag most elements in each set of accounts. Based on tests of HMRC sample data IRIS will auto-tag 90-95% of your accounts, but there may be a few accounts items that require user intervention; for these, the IRIS product will suggest possible tags and

practitioners can then select the most appropriate tag. In particular, IRIS Accounts Production will automatically 'remember' the relationship between each element and its user-defined tag per client, meaning subsequent sets of accounts will have such elements automatically tagged so users will not need to tag them again for that client.

Issues for consideration

As IRIS is fully committed to supporting our customers during the transition period, we will also be offering outsourced services, consultancy, additional training and customer information seminars. However, practitioners may also like to consider the following:

1 Ensure the implications of iXBRL are understood across the whole company. iXBRL will affect many parts of your firm, particularly the tax, and accounts preparation departments. Each department should identify how iXBRL affects them and ensure appropriate steps are taken.

2 Decide responsibilities for tagging documents. At least one group within your firm will need to take ownership of the iXBRL tagging, whether it's the tax department or those who prepare accounts. They will need to be responsible for making sure that, not only is the automatic tagging of documents correct, but any additional tagging is also completed accurately.

3 Understand when additional tagging of accounts is required. Most of the time IRIS Accounts Production software will take care of

tagging for you, but on the odd occasion you may have to apply your own iXBRL tags. As iXBRL-tagging doesn't change the numbers, you need to consider which elements will need to be tagged – if any – when the first set of draft accounts is issued.

4 Establish a solid review process. HMRC will use the iXBRL tags within the documents to analyse them. You should decide how the iXBRL review will be incorporated into your current procedures for filing tax returns and ensure you review the final iXBRL output that is actually submitted to HMRC.

5 Keep a tagging summary. Any HMRC investigations may be based on the content of that iXBRL document. So, as well as retaining the original iXBRL document, it's a good idea to keep a summary showing what has been automatically tagged and what has been additionally tagged.

iXBRL compliant

Download our whitepaper at **www.iris.co.uk/ixbrl**, contact us at **ixbrl@iris.co.uk** or speak to your account team on **0844 815 5550** for further information.

AC Mole targets two decades of efficiency with IRIS Accountancy Practice Solutions

Established in 1902, AC Mole & Sons is an accountancy practice that prides itself on being ahead when it comes to technology.

With offices in Taunton and Bridgwater, AC Mole & Sons has nine partners and 50 staff, ranging from qualified accountants and tax advisors to tax and accounting technicians, all supported by just six administrative staff. It has several thousand clients representing a wide range of industry sectors throughout the country.

Time for a change
As with any successful practice, technology is integral to ensuring key processes are streamlined for efficiency and profitability. This is why, some 30 years ago, the practice standardised on Radius, then the marketleading accountancy practice software.

Fast-forward to 1992 when Paul Aplin was appointed tax partner and head of practice IT. One of his first IT tasks was to assess the firm's infrastructure. He was quick to note the inefficiencies of the now outdated and expensive Radius software. Aplin explains, "The assessment showed that we were paying well over the odds for something that was not delivering what the firm really needed."

The start of a long relationship
During a thorough evaluation of other accountancy practice software packages, Aplin discovered IRIS, a comparatively new brand on the market. After seeing a demonstration of the IRIS application Aplin and his colleagues were impressed. Aplin said, "It was light-years ahead of everything else we'd seen or used. There was no hard sell and didn't need to be - the accounts package sold itself. We could see immediately that it would save us significant amounts of time at all levels in the firm."

Having exceeded AC Mole & Sons requirements, IRIS became the firm's preferred supplier of accountancy practice software the following year. Since then, neither IRIS nor AC Mole & Sons have looked back.

The current picture
Almost 20 years on, and through many technological and legislative changes, the relationship with IRIS remains strong.

For example, AC Mole became the first practice to file an electronic tax return in 1997. In 2010 it became the first practice to file a company tax computation with IRIS using the new HMRC-mandated iXBRL standard.

The practice remains at the forefront of technology. Today, it has flat screen LCD monitors and PCs at every desk. The two offices are connected over a secure, dedicated network running two servers, one designated solely to running the IRIS Accountancy Suite application.

Driving efficiency throughout the practice
The team predominantly uses the Accounts Production, Personal Tax, Time & Fees and Business Tax modules of the IRIS Accountancy Practice Solution.

Aplin credits the highly integrated nature of the IRIS solution as the major driver of efficiencies throughout the practice.

He said: "All client information is entered once and held in a single, centralised database. It means that every module automatically uses the latest client information. Before IRIS, or if we'd opted to use several different products to meet specific practice needs, we'd have had to update the information in each one manually, a never-ending task. With IRIS, we're able to save ourselves significant time as well as cut down on errors."

Aplin estimates that, without IRIS software, he would need to employ twice as many administrative staff in order to keep the business running as efficiently as it does today. The savings in secretarial and other non-chargeable time have been substantial.

Aplin claims that the cost savings that AC Mole & Sons continues to receive through using IRIS helps the practice to offer excellent service at very competitive rates. "IRIS has transformed the way that AC Mole & Sons is staffed. It has taken away the drudgery of producing schedules, computations and cutting and pasting accounts and freed up significant amounts of time for staff to deliver value added services." explains Aplin.

The savings in secretarial time have been considerable: accounts and schedules that were once typed are now computer generated and IRIS Automail is increasingly used to deal with routine letters.

IRIS keeps AC Mole HMRC-compliant
In addition, the automatic software updates that IRIS provides for the complete IRIS Practice Software Solution ensures every module is on top of the latest statutory and legislative changes from HMRC.

AC Mole & Sons identifies that keeping on top of legislation is integral to the business and requires dedicated support from IRIS. Aplin explains, "We have to be absolutely confident that what we produce complies with new legislation and meets filing deadlines. It is vital that we have a software provider that we trust to enable us to do this.

For nearly 20 years, IRIS has ensured that we have transitioned painlessly through major changes, well ahead of official deadlines. IRIS has always actively listened and delivered the software we need to run efficiently."

Conclusion
Today, Aplin stands firm on the decision he made almost 20 years ago, "I have watched IRIS grow from a relatively small company, to the number one accountancy software provider in the UK. Often, with growth, the personal touch is lost. That has not been the case with IRIS. We still feel we are dealing with people who understand what we need and they consistently deliver tools that help us to save time and money."

Aplin concluded: "AC Mole & Sons has grown considerably since we first used IRIS. Having integrated accounts, tax and practice management software has been a significant factor in enabling us to achieve that growth."

> *IRIS has transformed the way that AC Mole & Sons is staffed. It has taken away the drudgery of producing schedules, computations and cutting and pasting accounts and freed up significant amounts of time for staff to deliver value added services.*
>
> **Paul Aplin, AC Mole & Sons**

For more information regarding IRIS practice software please call **0844 815 5550** or email **practicesales@iris.co.uk**

Cloud computing:
The future of accountancy?
How IRIS is leading the way in rapidly rising internet-based computing technology.

Running the software and systems needed to keep a business functioning smoothly is no small undertaking. From email to spreadsheets, to desktop productivity and practice-wide accountancy applications, failure to maintain, upgrade, back up and network these sufficiently would be catastrophic for any organisation – yet your business is responsible for all of these within your own four walls.

Most of us are not IT experts, and running an entire technology system can become tedious, time-consuming and expensive. Because of the burden this computing model places on business owners, the technology landscape is fast changing with the rapid rise in cloud computing.

How can cloud computing help my business?
Cloud – or internet-based – computing is fast becoming the way in which forward-thinking businesses are starting to use software: over the web. Rather than operating software yourself, it's offered to you as a service over the web and shared with other subscribing organisations. Amazon and Facebook are examples of cloud computing services for consumers. One benefit is the technology provider takes responsibility for providing an 'always on' service to you or your

business that you can access anytime and anywhere, as long as there's an internet connection.

The technology provider takes responsibility for security, backups, resilience, upgrades and maintenance. Economies of scale mean the provider can offer this complete service at a cost typically lower than the customer running their business software systems themselves.

Security and reliability are two other benefits. Solutions are generally built on centralised hardware and software, so vendors are able to provide state-of-the-art security and unexpected downtime tends to be lower than on-site computing solutions: over a year the maximum will typically be no more than 44 hours.

And because all you need is an internet connection to access your business systems, Cloud based services give you flexbility to work in the office, at home, in a hotel, at a client site, or even on the move from your mobile device.

Does IRIS have a solution for me?
At IRIS, we favour a pragmatic solution that lets businesses continue operating the technology they value as core to their business, whilst starting to get involved

with – and understand – the benefits of cloud computing.

We've recently introduced our new family of IRIS OpenApps, which leverage the latest cloud computing technology to bring competitive advantage to our customers while also being carefully tailored to work seamlessly with customers' current products and technologies. Market-leading IRIS Practice Suite, PTP and Drummohr can also be enjoyed as usual, and work seamlessly with the web-based IRIS OpenApps family.

IRIS OpenBooks is a cloud-based book-keeping solution for small businesses. Both accountants and their clients can log into the web-based service at the same time, allowing for the provision of up-to-the minute business and financial advice and a clear picture of the client's finances at all times. The cloud model allows for greater collaboration and an ongoing dialogue with the client.

To learn more visit
www.irisopenapps.co.uk
or call your account team
on **0844 815 5550**.

The bookkeeping benefits of OpenBooks

IRIS OpenBooks, a revolutionary new online bookkeeping system, provides an answer to the bookkeeping and accounts problems thrown up by the recession.

The risk of compiling financial statements based on out-of-date figures – perhaps by a few months, perhaps even more – is that by the time these statements are released, it's too late for those numbers to make a difference to clients' business decisions. This has proved particularly critical in recent years with the combination of a recession and a fast-paced business environment.

Recent technological advances, such as the ascendancy of cloud computing, pose other challenges – as well as providing much-needed solutions.

IRIS OpenBooks is a bookkeeping software solution that utilises the benefits of cloud computing. Using an online bookkeeping solution means you can work closely with your client on those vital business areas, such as sales, costs, profitability, tax and cashflow. It can save time and facilitate open, constant dialogue. You can add real value and become a trusted advisor to your client, which isn't so easy when their business books aren't easily accessible to you.

Here's how online bookkeeping can make a real difference in your clients' business areas:

Sales
Clients can create invoices online, using HMRC-compliant sequential numbering, sending them with just a few mouse clicks. Businesses need never fall foul of the VAT authorities or fall behind with invoicing again.

Using IRIS OpenBooks, businesses can also set up automatic emails chasing non-paying customers or thanking paying customers, improving both credit control and customer relations.

Costs
Online bookkeeping systems can accept uploaded extracts from online banking systems so costs aren't missed.

IRIS Openbooks keeps business costs separate from staff and business owner's expenses. Not only are all employees' business expenses reimbursed, but P11D forms and bank reconciliations are much easier and quicker to complete.

Tax
IRIS OpenBooks has a unique tax timeline showing calculations or projections of all the taxes a business might have to pay, worked out in real time as the business enters their invoices and expenses. The risk of businesses falling foul of HMRC by missing tax payment deadlines is removed.

Profitability
By tracking sales and costs, profitability can be checked quickly and in real-time. Business decisions can be made instantly based on the figures.

IRIS OpenBooks has a mini profit and loss statement on its overview screen, which also shows projected tax charges as well as distributable reserves and dividends declared – or warnings of possible illegal dividend declarations.

Cashflow
IRIS OpenBooks has just one contacts screen showing money owed to both customers and suppliers, helping clients keep a tight rein on cashflow – and ensure they can pay their accountancy bills!

Time-saving
When accounting records are kept online there is just one real-time version of the information – no time-consuming exchange of back-ups between clients and your practice; no desktop software collection needing to be purchased just to open their files. Records can be accessed anytime and anywhere with an internet connection.

iris openbooks

Introducing **OpenDocs**

Electronic document management software for accountants' paperless office needs.

With more firms moving to so-called paperless office practices, there's been a growing demand for electronic document management (eDM) systems from accountants for the last few years. Indeed, it's a frequent topic on AccountingWeb, and many other practice software suppliers have products in the pipeline. A mature technology, eDM has been proven to work across many sectors.

This year IRIS entered the practice market for eDM with the launch of IRIS OpenDocs. For accountants time is money, more than most other professions, and the impact of new technologies is clear from chargeable time and recovery rates. The main benefit of OpenDocs is simple: efficiency savings. Storing information electronically is a major step forward: with just a simple folder structure – say, by client, service and period – most accountants would already have made leaps in efficiency.

For accountancy practices, business documentation is more than just operational – you run your practice on that information, so documents are its lifeblood, being constantly accessed for intelligence and generating value for your firm. This constant usage, however, can be time consuming, with hard copy files taking up the most time – and therefore cost – of all. Research suggests a single paper document can cost around £15 to file. For a typical practice, with numerous documents and files in circulation throughout the firm each day, the hidden cost of physical filing can reach staggering proportions.

There is also the issue of what to do when another fee earner works on a file at the same time as you: when one of your colleagues has a client file it's effectively out of commission to anyone else in the firm, thus holding up activity.

A 2008 YouGov survey revealed accountancy practices deal with an above-average percentage of paper-based information at 54%. Paper-intensive businesses spend most time searching for information: the survey also identified that accountants carry a 26% overhead on their document-searching, wasting time at an average cost of £2.7m every day across the UK.

IRIS OpenDocs removes this overhead by allowing instant and accurate search. Searching for a document typically takes mere seconds. It also has the advantage of always being in context – there is no need to exit the client record in IRIS applications. One practice describes this as the avoidance of 'lost file syndrome', recognised and dreaded throughout the profession as a cause of non-chargeable admin time.

The corollary benefits of a paperless office with IRIS OpenDocs are far-reaching. Reduced print and postage costs, better knowledge sharing and collaboration, improvements in processes and information compliance, higher retention of records and easy disaster recovery are just some of the other benefits. The reduction of paper waste enhances a firm's environmental credentials too; and the efficiency savings made frees up practices to focus on providing a better quality of service to their clients.

IRIS open**docs**

Taking advantage of
IRIS Practice Reporting

In 2009 IRIS introduced the hugely successful Open IRIS 10 product suite, introducing many new features based on direct feedback from our customers. One of these features – the all-new Practice Reporting – helps users make well-informed decisions about their practice through flexible and easy to build reporting dashboards.

Previously a report would be generated – be it a list of debtors, billing recovery statistics or a workflow progress update – as lists of data. IRIS recognised that users need timely information at a glance in order to make decisions concerning their practice.

IRIS Practice Reporting has the built-in ability to access that information using Microsoft Excel, Microsoft Report Builder and Crystal Reports. This means practice data can be generated by a variety of methods: email, live reports, or as Excel

A year on from the launch of Open IRIS 10 we take a look at its practice reporting features and how accountants can benefit from this functionality.
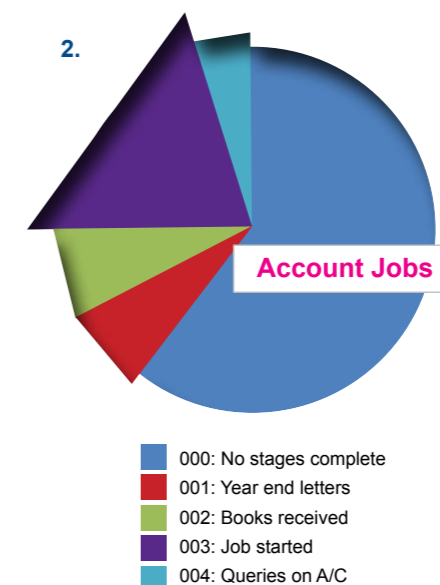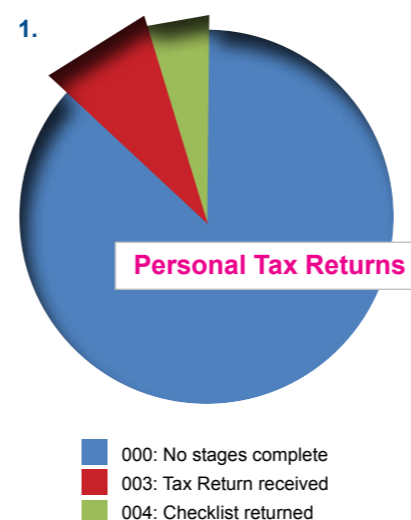
graphs and pie charts, such as in the illustration below.

Practice Reporting examples
A report generated through Microsoft Excel can present information on multiple areas of the practice at a glance, and as a result is becoming a more popular request from our customer base. The example shows pie charts of personal tax returns, accounts jobs, invoicing information and client data.

1. Personal tax returns
The pie chart shows the status of the firm's personal tax returns. This can be set to view the information at multiple levels – at business level, assigned partner level, or even at assigned

manager level. Using these filters, you can view the current position in terms of completion of each tax return. These options can be changed as required.

2. Accounts jobs
The accounts jobs pie chart shows you what the current position is with each set of accounts in progress. Information can be filtered by client type (e.g. limited company, partnership, sole trader or charity), partner, manager, or simply to look up specific year-ends or filing deadlines.

3. Invoicing
The example contains a running total of invoices raised for a particular period against the billing target. Additional data can be added to the Excel report to use – for example, budget information. The example below also shows year-to-date information and the percentage achieved. Bills raised appear on the report almost immediately, and again the information can be filtered for different data.

4. Clients
The report shows the number of clients in each service line, as well as highlighting the number of clients won and lost over a specified period of time.

A versatile service
The generated reports can also display the underlying detail; so for example you could also view names of clients for whom tax returns have been completed per the report, or a list of invoices raised for the period covered by the report. You can generate any desired report using available Excel formats – not just pie charts or lists.

1.

Personal Tax Returns

- 000: No stages complete
- 003: Tax Return received
- 004: Checklist returned

2.

Account Jobs

- 000: No stages complete
- 001: Year end letters
- 002: Books received
- 003: Job started
- 004: Queries on A/C

3. Invoicing

Invoices raised this month	£33,135
Invoices raised last month	£33,678
Total YTD	£121,379
% age of Target YTD	32.37%

4. Clients

New clients this month	1
Clients lost this month	1
Total number of Personal Tax Clients	44
Total number of Account Clients	23

Stephenson Sheppard & Co

Switches to IRIS Practice Suite and Improves Business Efficiencies and Client Service Levels Practice Solutions.

Stephenson Sheppard & Co is a traditional firm, which has been providing accountancy services for almost 80 years. It understands that consistently delivering a reliable, accurate and comprehensive service to all clients, whether big or small, is the key to practice longevity and success.

Spread across two locations, its offices are based in Salisbury and Dibden, with its Salisbury office still located in the same road as the original office building in 1929. Stephenson Sheppard & Co employs 14 staff consisting of three directors, one chartered accountant, seven qualified accountants and three administrators, one working part-time. Although the practice serves a broad spectrum of clients across a number of sectors it is particularly popular with small, family-run businesses.

Time for change

Jonathan Baggot, Managing Director at Stephenson Sheppard & Co, originally joined the practice in 1997. For the next 10 years he observed his colleagues using a variety of different software solutions to address different practice needs.

Although the team had grown adept at using these different software packages, Baggot recognised that their lack if integration meant that a significant portion of the team's work was being regularly duplicated, especially when it came to inputting client data. This was having a direct impact on the efficiency, and therefore profitability, of the

practice. He also realised that the firm's vision of reliability and accuracy would be much easier to maintain if the team could integrate all their client data into a central database shared by all the necessary software applications.

So, in 2008, the practice began a comprehensive review of all the integrated practice software options on the market. Baggot said, "Integration was key. One of our main goals was to reduce routine tasks and eliminate unnecessary administration time. If the new software could deliver this, then the team could spend more time on client-facing, value-added services that would bring in higher fees."

Although IRIS was immediately shortlisted as a top contender, a cheaper competitive product as selected as the firm's sole provider. By March 2008 the practice began what was supposed to be a fruitful software transition.

Early problems

However, no sooner had staff been trained on the new products, the provider made a significant acquisition that resulted in a number of changes being made to the software.

Baggot adds: "Soon after that, the provider lost its way. Not only did the new software cause a number of problems, we discovered that we'd been trained on some products which were soon to be dropped."

Things then went from bad to worse. The firm had several poor experiences with the team assigned to assist them with the transition. "Data conversion was not streamlined and we were waiting a long time for legislation software updates. Overall software support was poor," recalled Baggot.

According to Baggot, the practice even had to appoint a temporary part-time administrator to help with extra data inputting workloads caused by the software.

After a year of struggling with the new software, Stephenson Sheppard began negotiating with the provider to mutually end the contract. Baggot says, "We were losing significant time and money and to stay with them would have been a significant business risk".

Smooth transition to IRIS

In the meantime, the firm urgently needed a reliable provider to step in and pick up the pieces. Having been previously impressed by IRIS and knowing its reputation for good service, Baggot got back in touch, and decided to implement the product immediately.

By April 2009, the transition to IRIS Practice Suite was complete. Stephenson Sheppard & Co implemented a number of the IRIS modules, including Accounts Production, Personal Tax, Business Tax, Practice Management and AutoMail.

Although the previous transition to the competitive provider had been problematic, Baggot found that the switch to IRIS was extremely smooth, mostly due to the expertise of IRIS's own transition team. "It was a very professional transition, miles ahead of what we had previously experienced," said Baggot.

Integrating change

Baggot understood that his colleagues could have been sceptical of the IRIS solution based on the poor experience with the previous vendor.

However, once the IRIS Practice Suite was installed he began to receive positive feedback from the team who were adapting quickly to the new application. "This was the first time in a year the team had something positive to say, it was very welcome feedback," said Baggot.

Not only were his colleagues pleased to discover how easy the software was to use, they were also relieved at just how well the IRIS modules integrated with each other. Although they still had a huge amount of client data to transfer, the task was quicker and easier than they had imagined.

Timely support of legislative changes

Software updates, especially those dealing with legislative changes from HMRC or Companies House, are no longer an issue.

IRIS sends regular, automatic updates so that everyone at Stephenson Sheppard & Co is always well ahead of new rules and regulations. Baggot cites the most recent example being iXBRL readiness which IRIS implemented almost a year ahead of the HMRC deadline. The impact of greater efficiency It became apparent, even early on, that the IRIS Practice Suite would have a significant impact at

Stephenson Sheppard & Co. Because the software gives everyone on the team a single, integrated view of client information their work has become more effective, accurate and efficient. Since IRIS was implemented, the team has been able to transfer time and resources away from administration towards high-value, client-facing activities that have contributed to the practice's overall profitability.

Baggot says: "The biggest benefit of all has been time saving, across all of the packages. Because the software links to the database, you only ever have to enter data once. And with tools like AutoMail, simple administrative tasks, like letter production, are dealt with at the click of a button. So far, every single module has exceeded our expectations"

The firm has also saved money. It no longer needs to hire temporary part time staff to complete administration while the remaining full-time administrators, operating at optimal efficiency, are able to get through more work, more accurately, than before.

Baggot concludes: "Because IRIS has enabled us to take on additional business, without taking on additional headcount, our margins have improved considerably. Stephenson Sheppard will always be a traditional accountancy practice, but now we can offer much more value to our customers and become more profitable in the future. I am pleased we picked IRIS and happy to be one of its customers…I only wish we had found it sooner."

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>
> **Jonathan Baggot, Managing Director**

For more information regarding IRIS practice software please call **0844 815 5555** or email **practicesales@iris.co.uk**

Latest updates
to IRIS tax software

New functionality delivered in the April release ensured our corporation tax solution remains the market leader for all accountancy practice sizes. Version 10.2 also introduced new time saving features and enhanced reporting.

Overdrawn directors' loan accounts – s419
IRIS v10.2 and later versions simplify the management of clients' overdrawn directors' loan accounts. The corporation tax computation and company's statutory accounts are integrated, saving time and minimising errors, while also providing visibility of overdrawn balances from previous accounting periods.

Losses management
IRIS v10.2 and later versions enable practitioners to deal with company losses efficiently by bringing information from multiple periods into a single data entry wow. Users can quickly make tax-saving decisions for clients.

iXBRL corporation tax computation
IRIS v10.2 delivered the first phase of iXBRL into the IRIS Practice Suite in April. Since this phase of IRIS' iXBRL implementation, practitioners successfully filed 61,175 electronic corporation tax returns with iXBRL attachments. The tax computation provides new configurable reporting allowing practitioners to deal with limited companies of all sizes.

The next phase will deliver iXBRL-compliant statutory accounts, and IRIS Business Tax will be enhanced with IRIS Accounts Production to refine your processes and ensure you never file an out-of-date set of accounts with HMRC. The Transmit Internet Return screen is also being enhanced to improve performance and usability.

IRIS Dividend Service
IRIS v10.2 teamed up with Interactive DataSM, a leading provider of financial information and analytical software, to provide a comprehensive, reliable data feed of dividend payments for FTSE-listed companies and unit trusts. This service is also integrated with IRIS Personal Tax and IRIS Trust Tax, saving time on repetitive data entry.

Impact of legislation changes
Over the last few years there has been lots of tax legislation tinkering, impacting tax compliance. Our test strategy for the IRIS Practice Suite is designed to provide the best coverage across new and existing functionality, and the quality assurance team work closely with our customer services, product management and business analyst teams in order to optimise the targeting of this test coverage. Tests demonstrated a success rate of more than 97% when e-filing with HMRC.

Capital Allowances have seen many changes with Annual Investment Allowances, Special Rate Pools and the withdrawal and reintroduction of First Year Allowances; not to mention changes to Buildings Allowance and motor vehicles. These changes give us two major challenges: firstly, to maintain and improve testing procedures to ensure the old legislation continues to function correctly, and secondly to incorporate changes into complex areas of our product without inadvertently affecting existing functionality.

Extra investment has been allocated to rectify any problems arising from April's releases (IRIS v10.3 and v10.3.1) as quickly as possible. For the v10.4 release we are instituting a beta testing programme to ensure customers can test the software before general release.

Top tips
for IRIS Practice Suite

We bring you a selection of handy hints and tips so you'll get the very best out of IRIS Practice Suite

IRIS Personal & Trust Tax
The IRIS Dividend Service automates dividend data entry for trusts and individuals

You can import dividend payment information in IRIS Capital Assets within 'Edit', 'Dividends' and 'Dividend Database', pressing the 'Update CA' button

You can add dividend information for limited company shareholders to the IRIS Dividend Service to automate the completion of client tax returns in IRIS Capital Assets in 'Edit' then 'Dividends' and 'Dividend database'

You can transfer beneficiary income from IRIS Trust Tax to IRIS Personal Tax in 'Reports' then 'Form R185'

IRIS Business Tax
Go to 'Edit' then 'Corporation Tax Computation Options' to tailor the sections appropriate to the client

To quickly override the automatic calculations of outstanding loans to participators, go to 'Data Entry' then 'Loans to Participators' to edit

To offset corporation tax losses while assessing the liability for multiple periods go to 'Edit' then 'Losses'

You can analyse disallowed items in an account with virtually no data entry in 'Edit' and 'Account Analysis' if detailed journals are posted in IRIS Accounts Production

IRIS Accounts Production
If posting single-sided journals and would like to post the balance, press the Tab button in the posting screen

For a calculator, select the magnifying glass or press Ctrl + L

Spreadsheet view can be used to quickly enter postings in batches

Notes can be copied and pasted from one client's data screen to another

The spell-checker can be switched off: go to 'Setup' then 'Posting screen options'

Presentation options are available within the data screens

IRIS Practice Management
The problem of missing timesheets due to staff on annual leave or bank holidays can be avoided by making a single posting

When regenerating accounts and tax returns the software can be set up to overwrite the previous version within a permitted time frame

A letter generated using Automail which needs reviewing or approval can be sent as a task to the reviewer, rather than printing and amending

IRIS Company Secretarial
You can produce customisable reports displaying information on companies you require

PTP Product News

The lowdown on the PTP Accounts Production and Tax solutions including new features and how to get the most out of your software.

PTP are delighted to announce the release of our all-new PTP Accounts Production software solution this month.
The most significant upgrade on the Accounts Platform solution to date, it completes our set of great value stand-alone products for accountants in practice.

We proudly continue to be customer-focused, listening to all your feedback and suggestions, and have succeeded in including 70% of all customer-requested enhancements in our new product. Our existing customers will be treated to a six-month dual product handover period and migration procedure.

PTP Accounts Production boasts a breadth of functionality including:

• Online filing with Companies House

• iXBRL compliance

• Flexible reporting

• Export to Microsoft Word or Excel

• Import of trial balance from a variety of accounting packages

• Easy year-on-year comparisons

• Automatic generation of different types of accounts

• Accounts production for sole traders, partnerships, LLPs, companies limited by shares or guarantee

• Industry-specific accounts charts ensuring correct layout, for example for doctors, farms and charities

• An optional module for producing accounts for charities (compliant with the relevant SORP for charities and available for an additional licence fee).

• PTP Accounts Production shares both static client data and posting details with PTP Tax Return, PTP Partnership Return, and PTP CT Platform, maximising data accuracy and saving you time.

More than just software…
Not only have we enhanced our other software products, we have also improved the supporting services we provide as well:

Customer website enhancements
We recently redesigned the user interface of the PTP website customer support pages to make browsing easier. We added a search functionality to our frequently asked questions page so you can find answers to your questions quickly, as well as providing a page listing known software issues for information.

We have also written our 'how to' guides for common customer queries. Please keep checking back to see what's new.

New product features
PTP is continually introducing significant product enhancements such as:

• The ability to file amended tax returns online

• The ability to file earlier years online

• The ability to produce iXBRL corporation tax computations

• The ability to produce Form R40 for repayment claims

• Letter writing and mail merge functions

• This month we will be releasing our capital allowance computation functionality for both our PTP Tax and Partnership Return programs.

User-defined reports
This powerful freeform reporting function enables you to create any type of report you wish. You can also export your report contents as a CSV file to edit in other applications such as Excel. We hope you feel the benefit of our efforts and look forward to bringing you more improvements.

For further details or to book an online demo of PTP Accounts Production, please visit our enhanced website at **www.ptpsoftware.co.uk or call 0844 815 5530**

Capital Gains Tax: Entrepreneurs' Relief digest

Capital gains tax planning for business disposals in the run-up to the Emergency Budget was a murky affair – until the Chancellor announced the Entrepreneurs' Relief lifetime limit would be retained and extended from £2m to £5m for transactions on or after 23 June 2010.

Claims made for gains qualifying for Entrepreneurs' Relief are now taxable at 10%: the fraction reduction (i.e. 4/9ths) previously applied to obtain that rate has now been abolished. Where Entrepreneurs' Relief is not available, the previous rate of 18% applies to taxpayers whose income and gains are within the basic rate band, with the rate of 28% applying otherwise.

There are inevitably winners and losers from June's capital gains changes announced in June. But could taxpayers who had disposed of qualifying shares before 23 June 2010 end up paying more capital gains tax than expected?

Deferred consideration
Where capital gains which would normally qualify for the Entrepreneurs' Rate of tax (i.e. 10%) have been deferred either by the issue of qualifying corporate bonds (QCBs) or re-investment by EIS deferral, the 10% rate will not be available on the eventual gains arising on realisation or disposal of replacement assets. This applies to assets realised on or after 23 June 2010, which would otherwise qualify for Entrepreneurs' Relief.

If a taxpayer chooses to claim the 10% rate, they must forgo either their EIS relief or the possibility of deferring the tax liability on QCBs. It will only be possible to claim the 10% rate by accepting that the capital gains tax liability arises in the year in which the QCBs were issued – which largely defeats the point of using QCBs. Taxpayers may therefore have to settle their capital gains tax liabilities before realising the cash from a disposal. In some cases, it may force a transaction to be abandoned altogether.

Transitional rules
With the above in mind, let's examine the position of individuals who already hold QCBs on deals entered into before 23 June 2010.

Entrepreneurs' Relief is partially preserved for gains held over into QCBs that were issued in the era of taper relief; that is, before 6 April 2008. So for QCBs issued before 6 April 2008, then – subject to meeting the conditions for transitional relief – the gain will have already been reduced by the fraction of 4/9ths, and the gain realised on redemption on or after

23 June 2010 will be taxable at 18% or 28% – which, at the higher rate, could result in an effective tax rate of 15.6%, rather than 10%.

It is not possible for a taxpayer to revisit the original transaction to elect for the held-over gain (arising prior to 6 April 2008) to be taxed immediately; the election can only be made for exchanges of shares or QCBs on or after 23 June 2010.
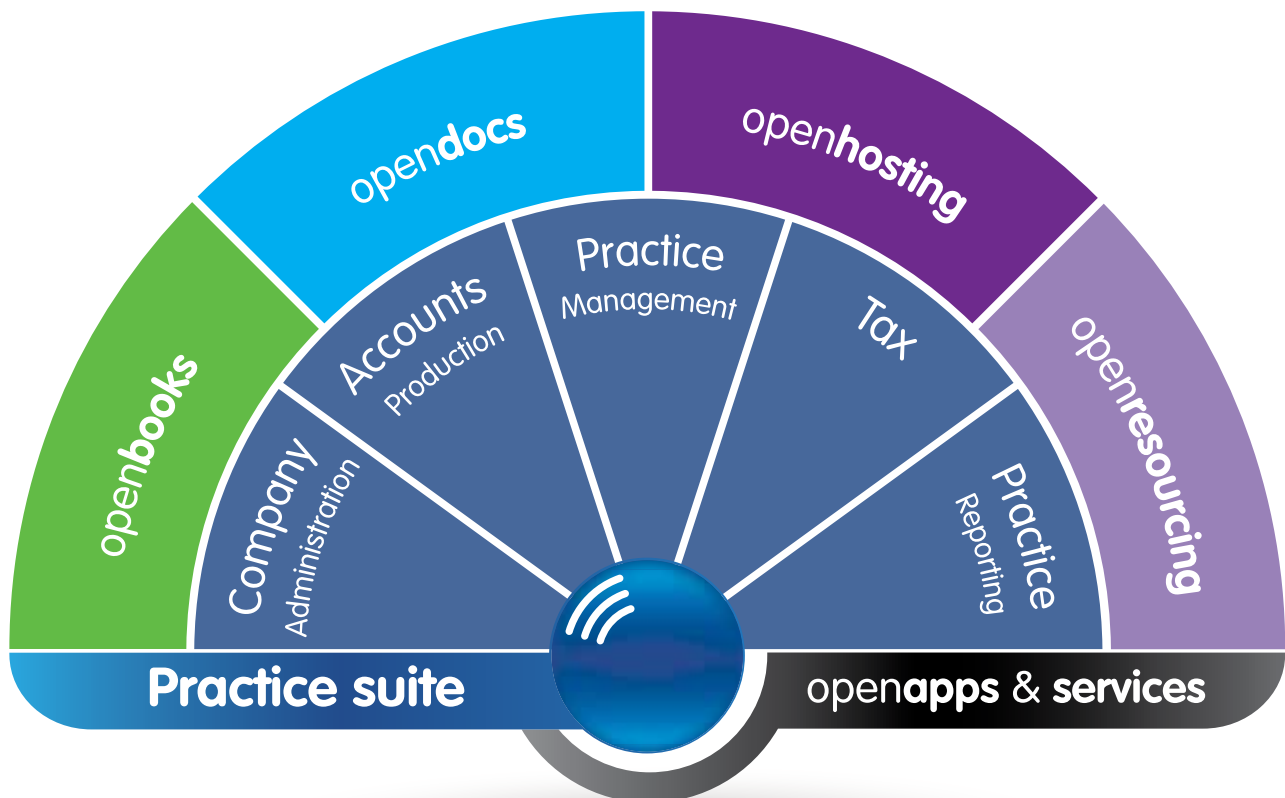
There are no specific transitional rules for gains on QCBs issued between 6 April 2008 and 22 June 2010. Held-over gains crystallising on redemption of the QCBs on disposals which previously qualified for Entrepreneurs' Relief will have already been reduced by 4/9ths and will also now be taxed at 18% or 28%. So, deferred consideration on QCB loan notes issued in exchange for shares qualifying for Entrepreneurs' Relief on disposals before 23 June 2010 may attract higher capital gains tax liabilities than expected.

For more please contact PTP Tax Consultancy on **01865 847474** or **advice@ptptaxconsultancy.co.uk** we provide in-depth advice and support to professional firms. Visit www.ptptaxconsultancy.co.uk

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