What we’ve been working on

Global

In September we hosted Xero on Air, a free online content series made to connect, inspire and share information with our accountant and bookkeeper partners and small business customers around the world. Here are some of the highlights:

**Catch up on Xero on Air**

**New plans for new and smaller businesses**

In recognition of the current challenges and opportunities some of the smallest businesses are facing right now, we’ve redesigned our Starter plan (or Early plan in the US), which is tailored for new businesses and sole traders. This includes removing the limits on bank reconciliation and increasing the invoice limit to 20 per month. That’s approximately one per business day. The new plan will include the same powerful features that existing Xero Starter plan users enjoy every day, including Hubdoc for automated document collection and management.

**Improved insights tools**

Xero Projects has a new profitability dashboard that provides small businesses with an easier way to see and manage the profitability of each project. The dashboard shows the total profit margin, all work invoiced and costs associated with the project, and highlights any outstanding invoices.

Xero will also extend availability of its existing insights tools to all business edition customers to help them manage cash flow at crucial times. The short-term cash flow tool allows businesses to forecast their bank balance for the next 30 days based on their existing bills and invoices, while business snapshot gives accountants and bookkeepers high-level insights into critical business metrics at a glance.
Xero Tax gets more powerful in the UK

We’ve announced major improvements to Xero Tax in the UK, a cloud-based tax and accounts production solution we launched six months ago, to increase visibility and efficiency when filing for clients.

Enhancements include new filing options to support corporation tax and accounts production for small companies, for abridged and full accounts. Accountants will also be able to manage multiple filings at the same time under a new feature called session storage. We are also launching an open beta for our next Xero Tax module, personal tax, next year.

The feedback so far from our accounting partners using Xero Tax has been phenomenal, so we are really excited about what the future holds as we continue to redefine tax and compliance in the UK.

Unveiling our next generation practice vision

At Xero On Air, we unveiled our next generation practice vision, a reimagining of the practice toolkit that gives accounts and bookkeepers a unified experience to onboard, collaborate and manage client work in the cloud.

Under this vision, Xero HQ will transform into a powerful, purpose-built Customer Relationship Management system for accountants and bookkeepers. It will collect and integrate all relevant client information in one place, making it easier to find information and get client work done. We’re also bringing our tools into a single interface, removing the need for multiple logins.

In the short term, we’re releasing new features that make it easier to win new clients through the Advisor Director, onboard clients with customised templates, sign documents and automatically synchronise data between Xero and Xero Practice Manager.

Xero partners can sign up to next gen practice insiders today to find out more and get access to the newest features on the platform.

Read more about next gen practice
Other Xero updates

We’ve made a number of other updates on the Xero platform over the past month, including:

Global

Syncing client lists across Xero HQ and XPM
When advisors create a new client in Xero HQ, basic information (name, email, date of birth, phone number and address) is now automatically synced to Xero Practice Manager (XPM). Information for existing clients is synced when their records are edited in Xero HQ or XPM.

Customising client lists in Xero HQ
The client list in Xero HQ will soon have a new look. Advisors will be able to sort, filter, group, export and customise the data they want to see. There’ll also be new columns, including trading/legal name, Xero organisation name, business name and financial year end date. Shortly after the rollout, we’ll add connected banks and unreconciled bank items, and UK partners will be able to access bank feed expiry dates.

Transferring a WorkflowMax or XPM account between users
We’ve made it easier to identify who owns WorkflowMax and Xero Practice Manager accounts, and streamline the process of transferring ownership. Now advisors can ‘request transfer’ to another user in Xero, without needing to raise a case with our Customer Experience team. This is currently available to small business customers and will be rolled out to our partners soon.

Paying invoices with Stripe and GoCardless
Enhancements to the Stripe set-up experience now make it faster and easier for any small business to create an account and accept card payments from Xero online invoices. We are also building a deeper integration with GoCardless, to create a more seamless experience for small businesses to accept direct debit payments. The enhanced integration will be live later this year.

What’s new in our ecosystem
We welcomed a number of new apps to the Xero App Marketplace over September, including:

Find more updates here, on the Xero blog ➔
**Australia**

**Paying JobKeeper to employees**
The Australian Government announced it is extending the JobKeeper payment until 28 March 2021. Eligibility is now based on actual turnover and payments will be stepped down and paid at two rates. To help small businesses and advisors claim and report JobKeeper over the extension period, we have made changes to Xero Payroll that allows them to capture and edit a tier for each employee and file through Single Touch Payroll.

**Calculating PAYG installments**
Small businesses that are required to pay PAYG installments in their company tax return can now do calculations directly in Xero. The worksheet is available in the 2020 Company Tax Form, with an explanation as to how it is calculated, so businesses can save time on tax and ensure their calculations are accurate.

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**New Zealand**

**Connecting with the right client or advisor**
Small businesses want to work with advisors who understand their needs. That’s why we’ve made enhancements to our Advisor Directory. Small businesses without an advisor in Xero can now tell us about their business and are sent three personalised matches for consideration. We’re currently piloting this feature in New Zealand, with plans to roll it out globally.

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**Australia and New Zealand**

**Planning 2022 public holidays**
We’ve added the official public holidays in 2022 across Australia and New Zealand into Xero Payroll, to make it easy to create leave requests and pay runs. We’ve also updated the Victorian AFL Grand Final public holiday date for 2020. This means any new leave requests that include a public holiday will automatically take this into consideration when calculating the leave.

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**Managing tax returns for foreign residents**
We’ve made a number of changes to Xero Tax, to ensure it closely matches changes to the way interest and unfranked dividends are treated by the Australian Tax Office for foreign residents. The calculation and estimate of the Notice of Assessment and Notice of Withholding Tax will now be accurate, making it faster and easier for advisors to get tax returns signed and lodged.

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**Viewing the sign status of Document Packs**
Tax returns sent to a client via Document Packs will now show the e-sign status in the tax return list view, as well as the company’s tax return history. This makes it easier to identify which tax returns have been sent, returned or declined. This feature is available across Xero Tax, WorkflowMax and Document Packs.
Xero Small Business Insights shows the current state of global business

At Xero On Air, we released our Xero Small Business Insights special report, Pandemic Insights: Small Business Experience. The findings of the report are based on a sample of over 300,000 Xero subscribers’ anonymised and aggregated records, and show the effect of COVID-19 on small business revenues and jobs in New Zealand, Australia and the United Kingdom. Some of the insights found from the report include:

The trading and border restrictions needed to tackle the health crisis had a significant impact on small business

Small business revenues fell sharply as social distancing measures came into effect. In New Zealand and the UK, small business revenues fell by around a third in April compared to a year earlier. In Australia, the impact was smaller, as lockdown measures were less severe.

Government support cushioned the downturn and is aiding the recovery

These early signs of recovery have been supported by government stimuli designed to support jobs and cash flow during the crisis, with more than half of firms receiving wage subsidy support in the three countries.

Once restrictions were eased, small business started to show signs of recovery

By July, revenues across all three countries were higher than their crisis-troughs. There were also early signs of rehiring in Australia and New Zealand, although this lagged the revenue recovery. However, it is clear that the health and the economic crises are closely connected, which makes for a bumpy road to recovery. Already, there are signs that the recovery has stalled where second waves have forced areas to reinstate lockdowns.

With the right tools, some businesses have been able to adapt to new trading environments

Many small businesses were hard hit by COVID-19, but some found ways to adapt and thrive. Digitally enabled firms that could pivot to working from home, grow online sales or make use of business app tools were more resilient. They saw their revenues fall by less, and were able to better retain staff.

Get the report ➔