

Xavier Analytics

A company supported by the Industrial Strategy Challenge Fund is helping SMEs take accounting beyond taxation and use financial reporting to drive their businesses forward.

Many small companies see accountancy as a simple tool to help them pay their taxes and keep on the right side of HMRC.

But a UK Research and Innovation-backed firm, [Xavier Analytics](#), has developed an innovative app-based accountancy review system that not only makes basic financial data error identification and clean-up straightforward, it also helps provide meaningful, data-driven business insights.

“Getting real clarity of your financial situation can be a massive asset when it comes to making strategic business decisions,” says Richard Nicolson, one of Xavier’s founding team and head of operations.

To achieve this Xavier provides a comprehensive toolkit of intelligent bookkeeping and compliance tools that use AI-assisted analysis to identify problems such as mis-codings, as well as track key liabilities, detect payment anomalies and quickly spot unwanted changes to historical data.

Customer Aaron Sutton, cloud systems and integration advisor at [Garbutt + Elliott](#), said that using Xavier had helped speed up processes that would have previously taken a lot of time, such as the multi-coded contacts feature that highlights account and tax rate mis-coding.

Another customer claims Xavier enabled him to spot £39,000 of missed VAT claims over a 20-month period.

Richard said: “Normally, these kinds of insights are only available to large companies with big accountancy teams. But our software helps small firms get the same kind of meaningful financial clarity. We help save them time and reduce errors on a daily basis.”

Xavier is the result of a partnership between accounting agency [FD Works](#) and web development agency Hatch Apps (now incorporated into Xavier Analytics).

Xavier won second-place prize for Best New App (EMEA) in the 2018 Xero hackathon, and was soon after accepted into [SETsquared Bristol](#), an incubator for high-tech, high-growth startups based in Bristol.

“The idea was to help reduce small business failure rates through greater preparation and understanding.”

Richard Nicolson, co-founder and Operations Director, Xavier Analytics

In 2019 the company was granted £380,000 of funding from the Industrial Strategy Challenge Fund’s Next Generation Services challenge for a feasibility project exploring the use of AI in accounting to create a comprehensive benchmarking dataset and insights for SMEs.

“The idea was to help reduce small business failure rates through greater preparation and understanding,” said Nicolson.

In June 2020, Xavier was acquired by leading digital accounting platform [Receipt Bank](#), to become part of the Receipt Bank product portfolio, although the founding team have remained working on the project in Bristol.

Richard said: “It’s a really cool story, a real journey. We’ve come a long way in a short time and had a big impact. We couldn’t have done it without UKRI!”

