



The Institute of Certified Bookkeepers

# Institute of Certified Bookkeepers Software Review

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Conducted by Lara Manton MICB

# apron.

April 2023

## About you

Lara Manton MICB runs LJM Bookkeeping Ltd. Specialising in Xero and building an ecosystem of apps to help clients become as efficient as possible. Shortlisted for Xero Sole Practitioner of the Year 2021, and 2022 and Bookkeeping Team of the Year, as well as shortlisted for Accounting Excellence Sole Practitioner and Bookkeeping Team of the Year 2021 and 2022. Lara was the winner of ICB's Small Practice of the Year 2021, and recently named Xero's Innovative Partner of the Year 2023 and in Ignition's 'Top 50 Women in Accounting' as well as joining ICB's Advisory Council in 2023.

## Company Background

Apron is a newcomer to the connected payment platform scene. Sitting in the middle between wallet solutions like Pay with Wise or Telleroo & the open banking solutions of Comma and Crezco, Apron looks to do things differently.

It officially launched in March 2023 but has had early bird users making millions of pounds of payments before then, across thousands of different payments and payees.

The name Apron is twofold, standing both for 'Accounts Payable Receivable ON' and the fact they're trying to make payments less messy. The company aims to make the business payment process look a bit more like the personal process, which in their opinion is a lot easier and slicker. The team of 15 come from consumer payment and financial backgrounds and want to take some of that ease of quick payments, payment options, split payments etc. across to the ways businesses work.

The company's mission statement is that they want to make business payments more efficient, joyful and resilient. They feel that to achieve this we should be using fewer apps.

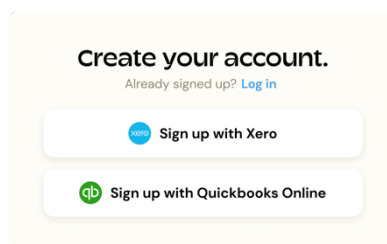
## The Product

Apron is a payment platform not just a piece of software. They are FCA registered, connected with Mastercard (via Vocalink) to validate bank account details and are hoping to be the first non-bank to have access to the beneficiary checks.

Where it differs is that it sits between your accounting system and your bank but without the need for a wallet. This negates some of the issues that Comma etc. come across, such as HSBC's batch runs taking 3 days to process, or the fact that Metro bank doesn't do open banking. But unlike a wallet, it doesn't need pre-funding or reconciling of an extra account in Xero. Essentially you set the payments up in Apron and at the end, you are taken to a screen to do a transfer of funds to clear these payments. This could be via open banking, but it can just be a BACS transfer, or for an added fee you can alternatively pay by card. This might make it more accessible to businesses that use a company credit card as a short-term funding solution.

## Set up

The connection process is the same as you are used to with most apps nowadays. Connect it up to Xero or QBO and most accounts are set up in minutes. At the moment, it works with Limited Companies, LLPs, Limited Partnerships and Sole Traders, with support for general partnerships coming soon.



As a Limited Company, you will be taken to a screen to input the company registration number, which will find the name (or vice versa) from Companies House and pull in most of the details, such as the Directors and PSC register and registered address. However, you will be asked to confirm if the registered address is the trading address or enter the trading address if not. From there you will need to update the details of shareholders owning more than 25% and directors, adding in-home addresses and day of birth (things that aren't on the Companies House Public register).

For sole traders, you'll be asked for first and last name and date of birth, followed by your residential address. You can use the postcode finder to quickly and easily populate the rest of the address details.

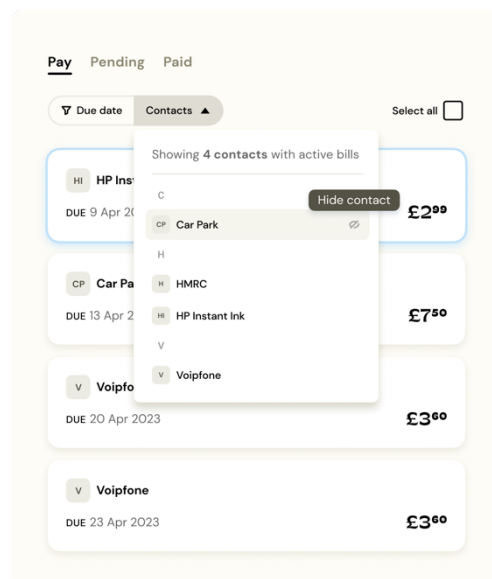
Once this process is complete, assuming everything matches their end, Xero will connect and all outstanding bills will pull through.

## Pulling in bills

Within a couple of minutes, all the bills in the awaiting payment section of Xero will be pulled into a list in Apron.

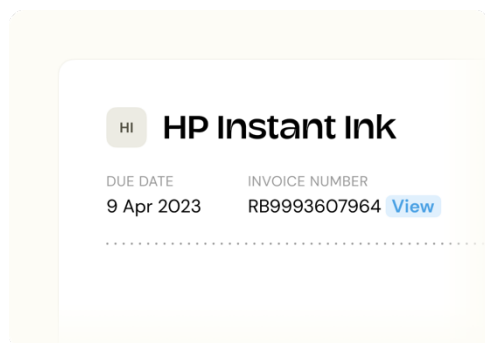
You then have various options, like sorting them by date, choosing to hide old bills, choosing a specific date to see what bills are due on that day.

You can get rid of any bills you pay on direct debit by clicking on contacts in the top menu and clicking the eye button to hide this supplier from pay runs. Handily it will only show you suppliers with open bills. Once you've chosen to hide them, they are greyed out and bills disappear from the list but can be unhidden at any time.



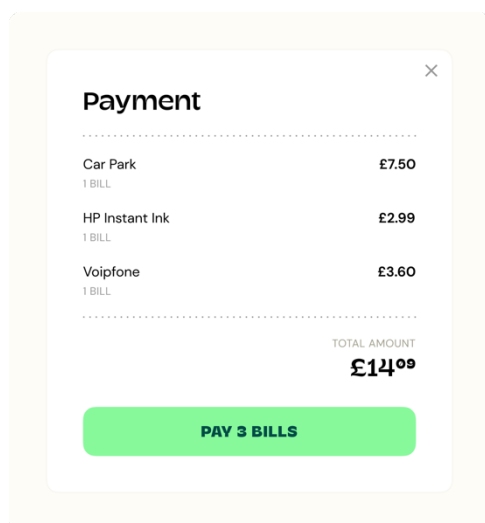
This is where Apron's approach changes slightly from apps you may have used in the past. If you're using Dext, Hubdoc, AutoEntry etc. then you will most likely have an attachment of your

suppliers' bill attached in Xero or Quickbooks. Apron brings that attachment in as well and then the first time you pay that supplier via the system; its OCR software reads the bank details and auto-fills the payee details on UK-based payees. The fact you can open the bill directly from Apron, not just via a link sending you back to Xero is a big improvement on other systems.



Click on the card associated with the bill, hover over the invoice number and a view button appears. Clicking on it opens the PDF attachment in a new window with the option as well to open the bill in Xero, if you want to double-check anything there.

Obviously, you still need to do the necessary checks that these details on the invoice are the suppliers and not fraudulent but they do have 2 checks in place to help you feel a bit more confident (ahead of being able to hopefully do full beneficiary checks). The first of these is that they have access to the Mastercard database which means that they can check that the account number matches the sort code it relates to and therefore it is a valid account. The second is that they do penny checks on all new beneficiaries.



### Setting up payments

Select the bills you want to pay by ticking the box with their initials and create the pay run. This can be as many as you want, as they have successfully had pay runs up to 101 beneficiaries. Any changes you make in Xero such as due dates, approving new bills etc. pull through very quickly, so Apron is always up to date. Even if there isn't a bill attachment in Xero or if it's not a PDF (for instance if you've used the feature to create a bill for the VAT return) this will pull through into Apron and you just need to add in the beneficiary details to enable the payment. You can also type over any of the bill amounts on this screen, for instance, if you're only paying 50%.

Clicking on the missing details button also opens up the attachment for that specific bill. Allowing you to have the banking details on the left of the screen while you type in the details on the right – so no more switching screens. Even better, if the attachment is a PDF, you can copy and paste the details from the item into the sort code and account number box. Switching between domestic and international payments just requires clicking the option at the bottom of the bill. You can either click out of the bill or save it once you've entered all the details. It will also check that the details you've entered are indeed a valid sort code and account number.

Payment fraud is a big risk for companies of all sizes and there are always concerns about invoices being intercepted and unwittingly sending money to the wrong place. To combat this, if the bank details are different to what is in Apron from a bill already paid, it will flag this to you. If you make any changes to the details, you will be asked to confirm that you have independently verified them with the end beneficiary. The roadmap includes the hope that they will be able to do bank-level beneficiary checks in that they can check the name against the associated bank details. However, in the meantime, they have access to the Mastercard database which means they can check that the sort code and account number are valid and go together.

It won't let you continue with a pay run if there is a beneficiary missing details. In that case, you'd need to click the back arrow or the x to close the pay run and create a new one.

### Payment

CP

Car Park

Missing details >

INVOICE NUMBER	DUE DATE	AMOUNT
RB9997114939	13 Apr 2023	£7.50
		SUBTOTAL
		£7.50

HI

HP Instant Ink

Missing details >

INVOICE NUMBER	DUE DATE	AMOUNT
RB9993607964	9 Apr 2023	£2.99
		SUBTOTAL
		£2.99

V

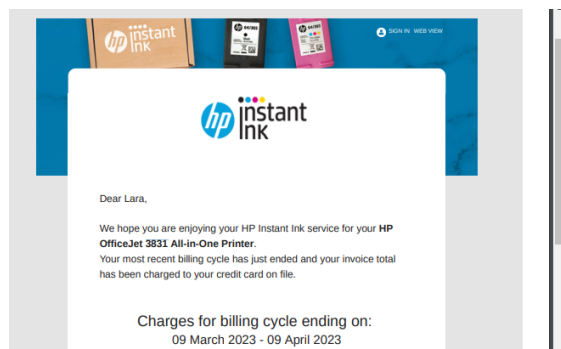
Voipfone

Missing details >

INVOICE NUMBER	DUE DATE	AMOUNT
1014096409	20 Apr 2023	£3.60
		SUBTOTAL
		£3.60

TOTAL AMOUNT

£14.09



HI

HP Instant Ink

LEGAL NAME

HP Instant Ink

SORT CODE

##-##-##

ACCOUNT NUMBER

#####

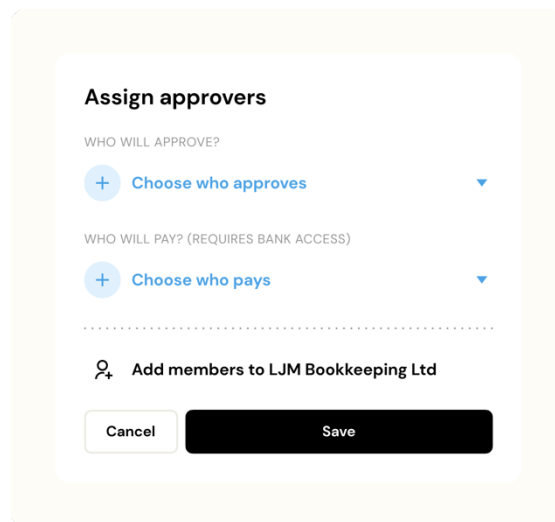
Paying outside the UK?

[Switch to International Payment](#)

## Approvers

You are now taken to a screen to start the payment workflow. The reason I call it that is because Apron has the facility for multi-level approvals. First, you'll need to confirm how you are funding the payment. It pulls in all bank accounts from the accounting software and you need to choose which one you are using or if you are funding by card, which costs a 2.9% processing fee. You can add other accounts manually, but they will need to be set up and labelled. This means that when the payment link is generated, you can be sure the payment is coming from the right account and also tells Apron which account to use for creating the transaction to be reconciled.

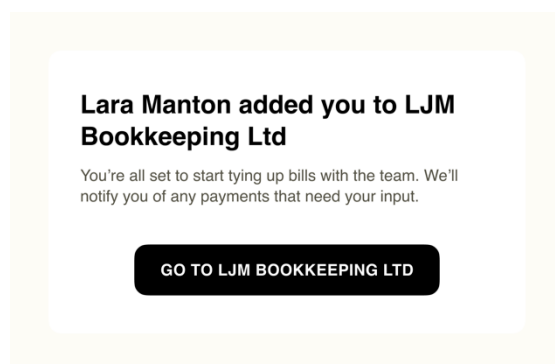
As well as designating who the person to make the payment will be (someone with access to the bank), you can add as many approvers as you want before it reaches them and the order they need to approve the payment in. This is customised for every payment, so can be different each time, but it does remember what you set it as last time. This is part of reducing the number of apps you need as if you only have approvers for payment workflows, then you can add them to Apron. They do need to be added as a user first, but you can add users directly from this screen, or the main screen showing all your clients and their team members. Members don't need to do anything until you assign them as a user or a payer.



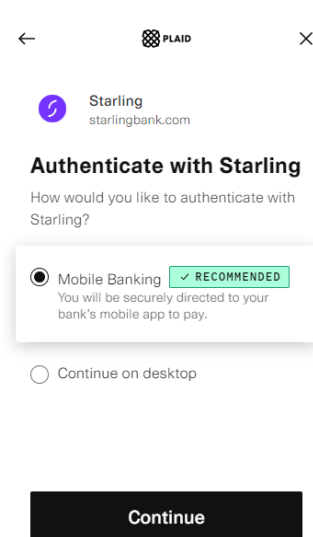
The screenshot shows the 'Assign approvers' screen. At the top, it says 'Assign approvers'. Below that, there are two sections: 'WHO WILL APPROVE?' and 'WHO WILL PAY? (REQUIRES BANK ACCESS)'. Each section has a blue circle with a plus sign and the text 'Choose who approves' and 'Choose who pays' respectively. Below these sections, there is a link that says 'Add members to LJM Bookkeeping Ltd'. At the bottom, there are two buttons: 'Cancel' and 'Save'.

Once you've set up your workflow, the approvers will get an email asking them to review the pay run (a copiable link instead is on the way if you want to send it via messaging) and they will be able to make changes. They can change the amounts paid as well as remove items from the pay run. All changes are logged so you can see the audit trail and they can also leave notes.

The one thing you can't change from within Apron is the payment reference. That will need to be done in Xero, but the sync is extremely quick.



The screenshot shows a confirmation screen. At the top, it says 'Lara Manton added you to LJM Bookkeeping Ltd'. Below that, there is a message: 'You're all set to start tying up bills with the team. We'll notify you of any payments that need your input.' At the bottom, there is a black button with white text that says 'GO TO LJM BOOKKEEPING LTD'.



Once approved by the necessary people it will go across the payer. They can make any final changes before authorising the payments. Your payment then triggers an instant payment on their end to your beneficiaries. This is via 1 transfer & if your bank has an open banking facility it will take you straight to making the payment with your banking app by generating a QR code for banks like Starling, otherwise the details you need to pay will be shown on the screen for you to make the payment.

All approvers and the person that set up the payments in the steps earlier in the workflow then get a notification that the payment has been made, as well as any changes, meaning you won't have to chase clients to check if they've made or approved the payments as you have full visibility. If you're worried about keeping track of all the payments if you're using it for multiple clients – the email thread states the client and the payment reference, meaning that the stages of approval all stay on one thread.

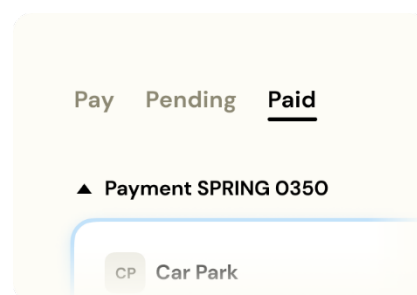
## Reconciling

Each payment batch has a unique reference which means it can be tracked by the internal team if issues arise, such as if there are any fraud checks from the bank. This is what will also show on your bank statement, Apron Payments batchxxxx.

Once paid, Apron then creates the batch payment in your accounting software, including all the bills you've paid (or partially paid) meaning that all you need to do is click ok, to match the bank statement line to the batch payment created. From the beneficiary side, all looks normal, with the payment coming from your business, with the reference of the bill or as you designated.

Payments move to the pending tab when you've set up a payment but it has not been fully approved and then across to paid. The paid tab groups them by the payment reference, but clicking in shows you the bills paid in that batch. That way even without access to emails, you can still see at what stage a payment is, or check past payments.

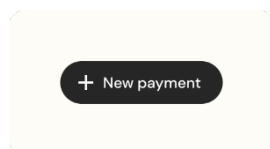
If you've part paid a bill, then the balance of that bill will remain on the main bills page, meaning you can pay the balance as needed.



## International Payments

The process is the same for international payments, apart from the fact the OCR won't pull through the bank details - there are just too many variables here. So you will need to key in the bank details for the beneficiary. You can then either pay from a currency account if you have one, otherwise, you need to do a currency conversion. They are competitive on the exchange rates, matching those of Wise, without needing the extra accounts. Unfortunately, Xero doesn't allow multi-currency or non-native currency payment batches, so it will pay the bill off on Xero with the reference of the batch payment, which should allow for easy reconciliation, but not quite one-click.

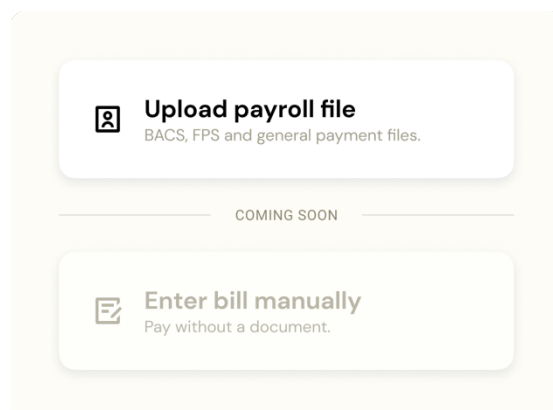
## Manual Payments and Payroll



Apron also allows you to add manual one-off payments, these are great for things like wages. The plus button on the right on the screen slides out to allow you to add payment files.

They've started with Payroll files (which includes CSVs) and once you've uploaded your file with all the details it will ask you when you want that payment to go out. Great for planning ahead and setting up payroll to go out at month end. That then creates its own pay run, separately, but it does mean you can send payroll for approval to someone different if needed.

As you can see from the screenshot, they are soon rolling out one off payments of different types as well.



## Key Benefits

Apron reduces the need for sending Excel files or screenshots to clients to get that payment approval. There are lots of banking apps around at the moment, but Apron is the cleanest I've come across and the only one that allows for multiple step approval and card funding. The OCR is a great feature as it avoids human error when rekeying as well. Quick and easy to set up, with full visibility for everyone means less chasing of clients to check if they've actually paid the bills you asked them to.

You don't need to be added to the bank to set up payments, which cuts out all the admin on that side and clients have the final sign off of all payments. It's a great collaborative tool for businesses of all sizes to work alongside a bookkeeper, without the bookkeeper having the extra anxiety around payments. It also works where other apps don't, due to it not relying on open banking. The team are very quick to respond and take feedback well.



## Strengths

- Being able to see the attachment of the actual bill without opening a different screen, makes checking details a lot easier.
- Quick syncing of bills between Apron and the accounting software meaning you can always be sure the data is up to date.
- OCR auto-filling the bank details removes some anxiety around payments, but still needs checking the first time.
- Emails confirming when approvals or payments have been made, means less chasing clients.
- Doesn't automatically batch payments together if going to the same beneficiary – which helps for things like HMRC.

## Areas to improve

- The ability to change a reference directly from the payment screen would be good. Especially for HMRC.
- A few features like the ability to batch payments for one supplier are still being rolled out. For example, where you are paying multiple bills it would be helpful in certain situations, such as in the case of paying off a statement.
- They don't currently support charities, clubs etc which is a shame as I think this would be a great tool with the approvals included.
- If they can get the OCR working for IBANs that would be brilliant as they can be an issue to re-key due to digits etc

## Value for Money

The pricing model is currently based on a mix of approval levels and transactions going through the system. Payroll payments are free which will be good for some businesses who have lots of staff but not many payments.

There is a 21-day free trial and there is a free account for your own practice.

PAYROLL ONLY	BASIC	PRO
<b>Free</b>	<b>£29</b> / MONTH	<b>£49</b> / MONTH
Free payroll only plan.	21-day free trial.	21-day free trial.
Payroll payments 50	Payroll payments 100	Payroll payments 100
Supplier payments 0	Supplier payments 50	Supplier payments 100
Approvers 2	Approvers 2	Approvers Unlimited
Users Unlimited	Users Unlimited	Users Unlimited

## Testimonials

The clients I've used it with (who were using similar platforms before) much prefer it. They've found it simpler to use and they like the fact they don't need to keep reconnecting it to the bank. Several wanted approvals before, so it has solved that problem.

More testimonials can be found at the bottom of their Business and Finance professionals pages using the links below:

- <https://getapron.com/accountants>
- <https://getapron.com/>
- <https://www.linkedin.com/feed/update/urn:li:activity:7053707284798955520/>
- [https://www.linkedin.com/posts/-martin-brennan\\_apron-activity-7039903709668995073-q1wl](https://www.linkedin.com/posts/-martin-brennan_apron-activity-7039903709668995073-q1wl)

## Summary of Review

Apron are doing things slightly differently and their interest in wanting to make the commercial payment space more like the personal one is a great step. As we all know cash flow is very important to small businesses and even on the supplier side, relationships and contracts can depend on quick payments. Making it easy for businesses to pay while giving flexibility for those that need more complex workflows means it's ideal for businesses of all sizes. The team are responsive and clearly have a bigger plan in mind, all for helping small businesses. The ability to fund via alternative methods like card will help those with cashflow cycles that aren't always smooth and the OCR and matching features take away the anxiety for both bookkeepers and business owners that inevitably occur when making payments. Simple to use while still retaining the functionality of reconciling it all back to the chosen accounts software, means that there shouldn't be many objections from clients, while making the bookkeeper's life easier.

### Disclaimer

*ICB, having commissioned this review by an ICB member of Apron software in May 2023, cannot be held responsible in any way for the actions of the software company. The review is provided for informational purposes only, is general in nature, and is not intended to be and should not be relied upon as professional advice. Any enquiries should be directed to Apron.*