

# CASE STUDY

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Appointed in July 2020, Haggards Crowther have quickly got to grips with running most aspects of the day-to-day and management accounting function at Active Partners.

Active Partners Investments LLP (Active Partners) is a venture capital firm behind a string of hip brands like Secret Cinema, Chick 'n' Sours, Honest Burgers and restaurateur Caravan. It has also previously backed cycling brand Rapha, Leon and Soho House. The company, founded in 2004, ploughs money into entrepreneur-led companies popular with people aged between 16 to 40, known as Millennials and Generation Z. The company works with entrepreneurs, individual investors, family offices and large institutions to raise funds to back the next wave of start-ups.

A consumer specialist, the company prides itself in investing in the iconic brands of tomorrow, backing outstanding businesses with exceptional levels of customer engagement that are poised for rapid growth. They deliberately seek category defining brands and challenger brands in large markets ripe for disruption.

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## AT A GLANCE

**Client:** Active Partners | **Offices:** 1 – Chelsea, London

**Established:** 2004 | **Employees:** 14

**Sector:** Venture Capital



**HAGGARDS  
CROWTHER**

Chartered Accountants  
Chartered Tax Advisers

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### Active Partners Requirements

When their financial controller resigned in early 2020, Tracy Jones, CFO at Active Partners, took the opportunity to review how they managed the day-to-day accounting functions. The primary decision was whether to simply rehire on a like-for-like basis or to consider an outsourced relationship with a professional services firm. But there was more to making the decision than simply the people side of it. The accounting software being used by Active Partners was not providing the level of flexibility and reporting that Tracy needed when dealing with significant funds. “I find our old accounting software clunky, not very intuitive and I lacked confidence in its ability”. Tracy continues “I was also acutely aware that having a new financial controller but keeping the old software would not have resolved these concerns”.

In addition to the underpinning systems, Tracy wanted better segregation of duties. “Active Partners is now of a size whereby I need to take on more of a strategic role. Simply having one other person in the finance team was not going to create the tiered structure I need, so keeping the accounting in house was going to require us to increase headcount multiple times”.

Tracy knew that the alternative route of outsourcing was not a decision to be taken lightly and would require a high degree of trust to be established quickly, as she outlines here “I was never going to find an outsourcing partner on Google, I needed a qualified introduction or existing contact”.

### Why Haggards Crowther?

With existing accounting and audit relationships across their investment portfolio, Tracy was able to pull together a short list of prospective outsourcing firms quite quickly. But she also wanted at least one external candidate in the process. Accordingly, she approached a handful of trusted contacts looking for recommendations and a former colleague, whose company worked with Haggards Crowther, provided a recommendation and introduction to Senior Partner, Andrew Haggard.

## Services provided by Haggards Crowther

Bookkeeping  
Management Accounts  
Purchase Ledger  
VAT management and returns  
Xero  
Credit control  
Management Information  
Preparation of FCA regulatory filings  
Tax advice  
Bank reconciliation  
Budgeting  
Audit Oversight

Given that the selection process was carried out during the first Covid lockdown, face-to-face meetings would not be possible and so the choice would be based on the quality of the answers given and the depth of experience each of the four potential firms offered.

Having received competitive quotes from the firms, all of which were ‘pretty similar’, Tracy undertook a series of phone calls and remote meetings. The process was straightforward and Tracy became convinced of the concept of outsourcing, it was now just a matter of selecting the right partner.

Tracy explains “Andrew (Haggard) ‘got it’ and was already doing a good job for someone I knew and respected”. She continues “Haggards Crowther clearly understood our requirements and business and came highly recommended”. “They proposed moving our accounts onto to Xero and could also provide me with the range of skills and experience that I needed but



at a competitive price and without building internal headcount".

### **The Service Provided by Haggards Crowther**

Appointed in July 2020, Haggards Crowther have quickly got to grips with the operation and have effectively replaced the role of financial controller. With segregation of duties, new accounting software and access to a broader range of skills all high on the list of benefits needing to come from the decision to outsource, Tracy reflects that it has been the right decision. "Haggards Crowther are running most aspects of the day-to-day and management accounting function for us now, leaving me to act as the ultimate approver and enabling me to retain a strategic focus". Tracy also explains how access to the broader range of skills has helped "My main expectation was around outsourcing the input and reporting but Haggards' knowledge of FCA regulation has been really helpful and they are able to manage the preparation of our regulatory filings too".

### **Active Partners on Haggards Crowther**

So now that the decision has been made and Tracy pursued the option of outsourcing, how does she feel about it? "Outsourcing our day-to-day accounting function to Haggards Crowther gives me access to multiple people and a broader range of skills than we could have in-house". She continues by talking about the change of software to Xero "Using Xero gives me greater access to and improved visibility of the accounts but most importantly I have more confidence in the system and the team inputting the data".

Tracy concludes "Having the team at Haggards Crowther as our outsourced accounting function has allowed better segregation of duties and allows me to focus on the strategic aspects of my role".

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### **Haggards Crowther on Active Partners**

Andrew Haggard, Senior Partner, comments "We were incredibly pleased to be able to announce Active Partners as a client. Not only is this an exciting venture capital company with investments in several very recognisable brands, but we have been introduced as a direct result of an existing high-quality client relationship". He adds "Whilst we strive to deliver consistently excellent customer service, a recommendation of this calibre demonstrates that it is not just a commitment but a way of life".

On the outsourcing relationship Andrew has this to say "Active Partners represent a growing trend for companies outsourcing their entire accounting function". He concludes "Tracy and her colleagues have access to the full range of skills they require at a competitive price and far below the equivalent cost of employing the same skillset in-house. Outsourcing enables CFOs to focus on strategy rather than operational activities and we are pleased to play our role in helping that happen".