

Bookkeeping & Accountants

Bookkeeping

Although you will probably need the services of a good accountant, you are likely to do some of the bookkeeping yourself. The days of manual double-entry ledgers are long gone, thankfully, and you can save a lot of money in accountancy fees by taking on the basic tasks yourself. Fortunately, this can be mostly automated through simple accountancy software packages which require only a small amount of self-training to use.

Most bookkeeping and accountancy software allows you to:

- Control your business finances and cash flow
- Manage VAT, tax and National Insurance, including completion of your VAT return.
- Produce your annual accounts
- Manage your profit margins
- Manage and record your stock levels
- Keep accurate records of your customers and suppliers
- Identify late payers and reduce the risk of debt
- Run your payroll
- Track your credit card payments and record cash sales
- Automatically reconcile your books with your online bank accounts.

Accountancy programs do all the calculations for you using the basic information you enter. Start with a package that is easy to use and work your way up to more advanced bookkeeping items until you have as much control over your finances as you aspire to.

This will help you make financial projections, accurate budgets and forecasts and produce in-depth reports on your business performance, ultimately saving you time and money.

One of the advantages of computerised accounting is the ability to instantly compile records for any period of time. You can present profit and loss accounts to accountants or auditors in an instantly recognisable way.

You may also find it becomes easier to secure funding, as you can produce accurate up-to-date financial reports for lenders at the click of a button. Lenders will also be able to see who owes you money and when it is due, giving them a clear picture of your financial health and potential.

As with any accounting system, there is the possibility of user error, but that also applies to manual bookkeeping, so as long as you are thorough and keep information up-to-date, you shouldn't have a problem.

Before you invest in accountancy software, speak to your bank, accountant or financial advisor to see if they offer a free package with their services.

Choosing your accountant

One of the most important business partnerships you will form will be the one between you and your accountant. This is someone to whom you will trust all of your financial secrets, and who will be keeping you on the right side of the law but the good side of the taxman.

Although all businesses are required by law to keep financial records, it's only larger limited companies that have a legal obligation to involve an independent, professionally qualified accountant.

However, most businesses use accountants to provide services ranging from basic bookkeeping to tax advice or strategic business planning. They do so for many reasons, for example to free up time for core business functions, to improve profitability, to comply with the law or to help develop a vision of the business' future direction.

When looking for an accountant, there are many factors to consider. Accreditation, location, experience, and price. So how do you go about finding the right one for you?

A personal recommendation is one way of finding a good accountant. However, you should be sure that your business needs are similar to those of the person making the recommendation; otherwise you may not get a good match.

Before you start...

The first step is to work out what you want from your accountant. How much of your own bookkeeping will you undertake? The more you do yourself, the more money you will save, but do you need your time free for other things?

An accountant can also provide valuable start-up advice so it's worth finding one as soon as possible. You might need a good 'all-rounder' or your business may require the services of a specialist accountant.

We are always happy to have an initial no obligation and free chat to see how we can help.