

# Bookkeeping



## Paperwork—Aaaaaarghhhhh

Every business owner hates bookkeeping and paperwork. Unfortunately it has to be done. And it has to be done in a prescribed format... otherwise the Tax Man will be on your back. And when done accurately it provides critical financial information, key performance indicators and aids decision making.

It's also difficult. That's why there are bookkeeping exams. That's why there is a professional **Institute of Certified Bookkeepers**.



And because everyone hates bookkeeping most people end up doing it in the evening or at weekends. Yet, shouldn't evenings and weekends be spent playing with the kids, spending time with your friends and loved ones, or out on the golf course?

A far better option is to employ a bookkeeper to get the job done properly. Unfortunately full time qualified bookkeepers **typically cost £22,000** (source: PayScale.com), together with all the other associated costs and hassles of employing someone.

So why not let us take away all that hassle so you can **spend your time with the people you love** and doing the things you love.

We also take things a step further; we don't just do the bookkeeping, we offer a cloud accounting service with access to our real time information system.

### The benefit of our real time information system

We use an industry-leading cloud accounting system giving you instant access to information in real time. This means you benefit from:

- 24/7 access to up-to-date financial information and reports from any device with an internet connection (you can access your numbers with your smartphone or tablet),
- Being able to sleep at night knowing your sensitive financial data is always secure and backed-up automatically,
- No system downtime because all software upgrades are automatically installed. This worry-free maintenance saves you time and hassle,
- reduced accountancy fees because it makes it easier for us to produce end of year accounts, and since we can access your data 24/7 you get more value from us – we can help you run and grow your business rather than just adding up the numbers.

### FREE ACCOUNTS: For business owners who hate bookkeeping...

One of the things our clients love about our "Full" and "Premium" cloud accounting service is this; once we've completed your bookkeeping and paperwork for the year we prepare your end of year statutory accounts completely free of charge.

## Setting up your cloud accounting system

A cloud accounting system will make your life so much easier. If you do not currently have a cloud accounting system there is a one off payment from as little as £397 plus VAT to get your system set up.

### How you benefit

For a small fixed monthly price you will benefit from each of the following:

#### **Dedicated account manager**

You will be allocated an account manager who will work closely with you. This means you have one point of contact.

#### **Reviewing your bank reconciliations**

Reconciling your bank account on a regular basis is critical. When you get to the year-end, if this doesn't reconcile your accounts will be wrong. You could end up paying too much tax because you've missed allowable expenses. Or you risk fines and penalties from HM Revenue and Customs because you've missed taxable income. Or you have to pay higher accountancy fees for the accountant to sort it out.

So what we do is review your bank accounts to check they are reconciled. This means you get an early warning sign if something is going wrong with your bookkeeping. We can fix it before it becomes a serious problem for you.

#### **Health check**

We will review your bookkeeping entries every month or quarter to look for any errors or omissions. This will give you peace of mind that what you are doing is correct and provides an early-warning signal if anything needs fixing (before it becomes a big problem).

#### **Unlimited email and telephone support**

There will be times when you are not sure how best to account for something. For example, you can claim a mileage allowance for using a bike, so you cycle to a customer. How do you enter that? As part of our Cloud Reporting service you get unlimited email and telephone support. And not only will we support you by email or telephone, we can also take over your computer remotely and even post the transaction for you.

Your fixed price is fully inclusive of unlimited email and telephone support for advice on ad-hoc matters.

This means that you can call on us at any time knowing that you will never be charged for our time or advice. So I hope you will feel free to speak to us whenever you need to, without ever having to worry about the cost.

Of course, if the issues raised at any of these unlimited free consultations (or anywhere else) require research or analysis beyond the consultation, we will give you a fixed price quotation for that extra work before any additional work is started. This means you will NEVER get an

## A silly way to price...

Most self-employed bookkeepers will quote you an hourly rate. In fact, the Institute of Certified Bookkeepers reportedly recommends £26 per hour.

### We think that's unfair.

Firstly, an hourly rate means you have no idea how long the job will take and therefore how much it will cost you until after the work is completed. Secondly, if we make mistakes or take longer you pay more. That doesn't seem right to us... it's certainly not fair.

So what we do is give a fixed price (based on your particular circumstances and what you want). That way you can budget and plan. And if we are slow and the work takes longer that's our problem not yours.



## Setting up your cloud accounting system

A cloud accounting system will make your life so much easier. If you do not currently have a cloud accounting system there is a one off payment from as little as £397 plus VAT to get your system set up.

## Your options at a glance

The table overleaf summarises what is included within each of our cloud accounting service levels. To help you identify the best option for you here is a quick overview:

### **Premium package -**

This is the best option for busy business owners who want the maximum out of their cloud accounting system and get access to the key metrics so they can make the best business decisions based on the best quality information

### **Full package -**

This is our most popular option because you get valuable monthly reports to help you manage your business, general advice and we'll even produce your year-end accounts for free.

### **Entry Package -**

This option is best for those business owners who are simply looking to get the basic entries done to ensure being compliant with HM Revenue and Customs

What we will do for you	Starter	Full	Premium
Supply of your paperless expense and receipt processing system	✓	✓	✓
Posting all business bank transactions	✓	✓	✓
Completing the monthly bank reconciliations	✓	✓	✓
Posting purchase invoices, expenses and cash transactions	✓	✓	✓
Credit card transactions and reconciliations	✓	✓	✓
Completing the monthly sales and purchase ledger reconciliations	✓	✓	✓
Completing the monthly VAT reconciliation	✓	✓	✓
Completing payroll journals	✓	✓	✓
Maximise your tax deductions	✓	✓	✓
Unlimited email and telephone support	✓	✓	✓
Basic management reporting every quarter	X	✓	✓
Expense monitoring and advice	X	5 key expenses	Unlimited
Precision accounting with accruals and prepayments	X	✓	✓
Maintaining your fixed asset register	X	✓	✓
Full management reporting every month	X	✓	✓
Debtor monitoring	X	✓	✓
Completion of VAT returns	X	✓	✓
Completion of annual accounts	X	Free	Free
Enhanced credit control	X	X	✓
Weekly reports on your key numbers	X	X	✓
Quarterly online ('virtual) business review meeting	X	X	✓
Your holistic cloud financial system	X	X	✓
Supply of cloud accounting software - typically retails at £300 per annum	Free	Free	Free

## How you benefit

For a small fixed monthly price you will benefit from each of the following:

For a small fixed monthly payment you will benefit from each of the following:

### Your free real time information system

This is one of the features our clients find most valuable. We will set you up and support you every month with our real time accounting system. This system will put you in complete control of your numbers. Cloud accounting software companies charge a monthly subscription for using their system (for example, an annual subscription to the premium version of Xero is £360). But as part of our cloud accounting packages we pay this on your behalf, which means you get all these benefits of a real time accounting system for free:

1. **24/7 access** - to up-to-date financial information and reports from any device with an internet connection (you can access your numbers with your smartphone or tablet).
2. **Up to date** - Real time accounting means your records are always completely up to date making it easier for you to make the right decisions.
3. **Business support** - Since we can access your data 24/7 you get more value from us – we can help you run and grow your business rather than just add up the numbers. We can support you with your key decisions.
4. **Easier invoicing** - Fast, simple customised sales invoicing will make your life simpler. And the facility for emailing of invoices, with the option to attach a statement at the same time makes it so easy to manage your sales and get paid quicker.
5. **Quicker cash collection** - The system allows you to embody payment methods into your invoicing. For example, click and pay to drive quick collection of your debts. It makes it so much easier for you to get paid, reducing bad debts and slow payers and putting more cash in your bank account. You can also chase debtors whilst you're on the go.
6. **Automatic processing** - Your bank accounts can feed directly into the system, which keeps your accounts up to date and fully reconciled to the bank... this feature will save you a significant amount of time.
7. **Financial dashboard** - One of the most popular features is the "Financial Dashboard"; a fully customisable screen showing you the key financial information you need to run your business. You'll come to rely on this Financial Dashboard just as much as you rely on the dashboard in your car when driving.
8. **Instant reports** - At the touch of a button you can get instant reports on your business.
9. **Security** - Being able to sleep at night knowing your sensitive financial data is always secure and backed-up automatically.
10. **Maintenance free** - No system downtime because all software upgrades are automatically installed. This worry-free maintenance saves you time and hassle.
11. **Lower professional fees** - Reduced accountancy fees because it makes it easier for us to produce end of year accounts.
12. **Free software** - As well as helping you, this system makes our life much easier and that means we can pass this onto you in the form of cost savings, i.e. we will pay the monthly fee for the system on your behalf.



### Posting of all financial transactions

We will post all of the following financial transactions on a weekly basis:

- Posting all business bank transactions – we will post all receipts and payments for all business bank accounts including any PayPal accounts.
- Posting purchase invoices and expenses – we will post expenses to the correct expense codes enabling you to obtain relevant financial information and comply with HM Revenue and Customs requirements.
- Recording cash transactions – we will post all cash transactions where you have proper cash receipts
- Credit card transactions and reconciliations – we will post all transactions on your business credit card and reconcile the closing balance each month
- Completing payroll journals - if you run a payroll we will post the correct journals each month.
- Making adjustments for any foreign currency transactions – Foreign transactions are complicated because you either have to deal with exchange rate conversions or accounting for finance fees on each foreign currency receipt or expense. But don't worry; we'll sort that out for you.

These postings will ensure that everything is posted to the correct place, which means your financial records will always be accurate enabling you to make important financial decisions about your business. And of course, you can sleep at night knowing your financial records comply with HM Revenue and Customs requirements.



***HM Revenue and Customs (HMRC) can charge you a penalty if your records aren't accurate, complete and readable. You may have to pay interest and penalties if your figures turn out to be wrong and you haven't paid enough tax. HMRC may check your records to make sure you're paying the right amount of tax.***

### Carrying out monthly reconciliations

Reconciling your bank account on a regular basis is critical. When you get to the year-end, if this doesn't reconcile your accounts will be wrong. You could end up paying too much tax because you've missed allowable expenses. Or you risk fines and penalties from HM Revenue and Customs because you've missed taxable income. Or you have to pay higher accountancy fees for the accountant to sort it out.

So what we do is reconcile your bank account every month. We will also carry out the following reconciliations for you every month to make sure everything is accurate:

- Your monthly purchase ledger reconciliation so you know exactly what you owe at any point in time to your suppliers.
- Your monthly sales ledger reconciliation so you know exactly who owes you and how much they owe you at any point in time.
- Your monthly VAT reconciliation to make sure your VAT records are compliant.

At the end of your financial year, as soon as we have completed your reconciliations we will provide you with an annual trial balance, which can then be exported and used to complete your year-end financial statements.

#### **Paperless expense and receipt processing system**

We recommend a system that will remove the admin burden that bills, invoices and receipts place on small businesses. It makes the gathering, storage and processing of receipts and invoices as easy and cost effective as possible. The system will make your life easier and remove clutter by filing paperwork in the cloud. Let me explain one of the most popular features of this system...

Every time you get an invoice or cash receipts (for example, a car park ticket or train ticket) all you need to do is take a photo with your smartphone. You can then throw that piece of paper away! The system will store the image of your invoice and, when you're connected to the Internet, it will be sent from the system into our cloud accounting system for us to post it to the correct place.

And best of all, we will supply you with the software free of charge and show you how to use it.

#### **Maximise your tax deductions**

As part of your cloud accounting we will take you through a list of some of the most common tax-deductible expenses. This means you will be able to claim every penny possible against your tax bills and have more money in your pocket. Many of these tax-deductible expenses are often overlooked which means many business owners end up paying unnecessary amounts of tax (for example, use of home as office and mileage allowances).

**EXAMPLE:** It's not uncommon to justify home office expenses at 15% of household bills and not uncommon for allowable household bills to add up to £10,000. So the amount of money at stake when not properly claiming this expense could easily be £1,500.



### Unlimited email and telephone support



Your fixed price is fully inclusive of unlimited email and telephone support for advice on ad-hoc matters.

This means that you can call on us at any time knowing that you will never be charged for our time or advice. So I hope you will feel free to speak to us whenever you need to, without ever having to worry about the cost.

Of course, if the issues raised at any of these unlimited free consultations (or anywhere else) require research or analysis beyond the consultation, we will give you a fixed price quotation for that extra work before any additional work is started. This means you will NEVER get an unexpected bill.

### Basic management reporting every quarter

The real power of a cloud accounting system is having important management information to hand. Information such as, who owes me money, what are my sales this month and am I making a profit?

As part of our cloud accounting service we will help you set up the key reports you need so that the most important information is always a click away. Having your finger on the pulse of your business is critical for making the right business decisions. You need to know the key numbers.

Each quarter we will supply you with:

- A quarterly view of your reconciled account summary that will include a year to date total for each category of income and expense, and most importantly, your profit for the year to date.
- A quarterly sales ledger report showing you exactly how much money your customers owe you and how long those debts have been outstanding. This report will help you to keep on top of our debtors and put more cash into your bank account.
- A quarterly purchase ledger report showing you how much money you owe to your suppliers.





## The following additional benefits are included within the full cloud accounting package

### Expense monitoring and advice

Managing costs for any business is so important. We will work with you to identify the 5 most critical costs in your business (for many business owners these include people costs, travel expenses and marketing spend).

Once we have agreed which are your most critical costs to keep under control we will monitor them on your behalf. And whenever we notice a sudden change we will contact you so you are immediately aware. As part of this service we will also advise you on how to keep costs under control.

### Maintaining your fixed asset register

A fixed asset register is an accounting method used for major assets (e.g. cars, office equipment, machinery and property). Maintaining a register means you can keep track of your major assets, keep track of their value and makes the production of end of year financial statements much easier. For example, as part of this service we will calculate your depreciation and enter the appropriate journals into your cloud accounting system.



### Precision accounting with accruals and prepayments

Accruals are adjustments for revenues that have been earned but are not yet recorded in your accounting records and expenses that have been incurred but are not yet recorded in the accounts. Prepayments are when you have paid for something that relates to a later period.

Accruals and prepayments need to be added via adjusting journal entries so that the financial statements report these amounts.

### Why is this important?

If you do not adjust for accruals and prepayments your income, expenses and profit for any given period will be distorted and inaccurate. Here is an example...

If your rent is paid quarterly then every third month you have a big expense in your accounts but then no charge in the second and third month. So we need to spread this cost across each of the 3 months it relates to get a true and accurate picture.

### Full management reporting every month

Because it is so important to know how your business is performing we will produce a full report every month, which will include:

- Your profit for the month together with comparisons against previous months, which means you see at a glance if your business is heading in the right direction.
- A detailed breakdown of each category of sales and expenses together with the corresponding figures for previous months so you can see at a glance the key trends in your sales and your costs.
- Your sales ledger report showing you exactly how much money your customers owe you and how long those debts have been outstanding. This report will help you to keep on top of your debtors and put more cash into your bank account.
- Your purchase ledger report showing you how much money you owe to your suppliers.

In addition we will set up your *Financial Dashboard*; a fully customisable screen showing you the key financial information you need to run your business. You'll come to rely on this Financial Dashboard just as much as you rely on the dashboard in your car when driving.

### Debtor monitoring

Cash is so important. And a key part of cash management is keep control of debtors (i.e. the amounts of money you are owed by your customers). One of the most important financial ratios is called debtor days. It's a number you should measure and monitor. We will monitor this for you and if we see a substantial change in the wrong direction we will give you a call to make sure you are aware and offer suggestions for getting this key ratio back under control.

### Completion of VAT returns

If you are VAT registered you will need to complete VAT returns. To make your life easier we will do this for you, which will save you time and give you the piece of mind they are being completed correctly.



**Note:** This service relates to standard registrations and fixed rate schemes. More complex VAT reporting such as the VATMOSS scheme for digital sales and reporting EU transactions are outside the scope of this service and will be subject to a separate price.

### Completion of annual accounts

As part of our full and premium cloud accounting packages we will also complete your year-end accounts – consisting of a profit and loss account and balance sheet – completely free of charge.

**Note:** You will of course need to complete tax computations and tax returns. And if you are a limited company you will also need to complete statutory notes to the accounts to comply

## The following additional benefits are included within the premium cloud accounting package

### Enhanced credit control

Cash is so important. And one of the big benefits of a cloud accounting system is the ability to keep on top of your cash and bank balances, on top of your debtors (i.e. who owes you money) and get paid easier. There are now so many easy ways to manage debtors and get paid automatically (e.g. online payments and direct debits) and so many ways to integrate this into your system.

Our *Enhanced credit control* service will identify all the options available to your business to help you get paid quicker and have more money in your bank account. We will also review outstanding invoices with you, advise on your terms and conditions of business, advise on your options for recovering outstanding debts, consider the need for write-offs and bad debt provisions and advise on alternative payment options.

This service will help put more money into your bank account.

### Weekly reports on your key numbers

In addition to full management report every month we will also supply you with the key numbers every single week (e.g. weekly sales). This means you always have the very latest financial information to hand.

### Quarterly online ('virtual') business review meeting

Every three months we will have a 45-minute meeting. This meeting will take place online (which means there is no need for you to travel). In this business review meeting we will discuss your latest management information and how you can use the numbers to keep your business going in the right direction.

### Your holistic cloud financial system

Many cloud accounting systems integrate with other solutions.

There are systems that allow you to photograph receipts with your smart phone and enter them into your bookkeeping system; never worry about losing that parking receipt again! You can integrate online payment with direct debit systems. You can integrate with;

- Payroll systems
- Stock and inventory systems
- Debtor management

The list goes on... but we'll simplify it for you.

You will be amazed at what you can do to run your business more easily, to help you get your cash faster and save you time. As part of our cloud accounting service we will provide a report setting out the most popular integrations and the best ones for your business.



## Popular add-ons

Here are some of the related services that are most popular:

### Payroll

If you are a limited company or have employees you will need to have a PAYE scheme set up and operate payroll. Many of our clients choose to let us run the monthly payroll. Let us know if you'd like us to take away that hassle for you.

### Monthly or quarterly cash flow forecasting and budgeting

Forecasting and budgeting helps you plan and will give you an early-warning signal if you are likely to face cash shortages. Our forecasting service looks at each of your forecast profits, cash and net assets giving you a complete picture of what your business might look like in the future. In fact, this is such a powerful business planning tool banks very often insist on it as part of raising finance.

### Software training

Bookkeeping is not easy. It has to be very precise. Combine that with having to learn a new software system and it can get very frustrating. That's why we provide training as part of our Full and Premium set up services. We want to help you get your bookkeeping done fast and accurately. The training consists of a full day of training which you can access either all at once or broken down into a series of shorter sessions (for example 1 hour per week for 7 weeks).

### Full company secretarial work

If you trade as a limited company the Companies Acts 1985 and 2006 include legislation on company secretarial requirements. It's a hassle and the government keeps changing the rules. And your statutory books can be inspected at any time. We can take all this hassle away from you and deal with all of the company secretarial work for just £29 plus VAT per month.

Robert A Harris & Co  
Business & Technology Centre  
Bessemer Drive  
Stevenage  
SG1 2DX

enquiries@robertaharris.co.uk  
01438 811771  
07712 203393  
www.robertaharris.co.uk

