



Online Accounts and Bookkeeping

How to keep Your records (Manual vs Digital)

A popular way of keeping company records is still by using spreadsheets as a means of quickly documenting transactions as and when required.

However, after April 2019 (or 2020 depending on your circumstances) this will no longer be an option and the only way of being able to record and file tax records will be through digital software.

There is a multitude of software available, all of which are designed with features that make record keeping much more efficient than manual methods, as well as providing more in-depth insight into the company finances.

What Records Should I Keep?

Of course, exactly what records need to be kept will vary depending on the business and it's functions. Some of the typical transactions that will need to be recorded are:

- Sales Invoices.
- Supplier Invoices.
- Expenses.
- Payroll.
- Assets on Register.



MTD Timeline

1st April
2018

1st April
2019

6th April
2019

1st April
2020

6th April
2020

April
2021

Here you can see the latest Making Tax Digital timeline to see what obligations your business may have to fulfil in order to stay compliant with HMRC.

Live pilot testing of MTD for VAT begins - any business above or below the VAT threshold (£85,000) can sign up to the live trial.

All VAT registered businesses with a taxable turnover above the VAT threshold will need to be on a digital platform for the first quarter starting on or after 1st April 2019.

By 6th April 2019 all unincorporated businesses, partnerships, and landlords with turnover above the VAT threshold will need to be on a digital platform for Income Tax & NICs.

All VAT registered businesses will need to be on a digital platform for VAT accounting purposes for the first quarter starting on or after 1st April 2020.

By 6th April 2020 all unincorporated businesses, partnerships, and landlords with turnover below the VAT threshold will need to be on a digital platform for Income Tax & NICs.

The Government currently aims for all businesses to be on a digital platform for all Tax filing purposes by 2021

Available Software Packages

Xero

- Cloud based online platform (free updates and nothing to download).
- Dashboard that can be personalised to display the most important information instantaneously.
- Raise and pay invoices immediately.
- Integrates seamlessly with banks for live finances and simple reconciliation.
- Easily calculate and process payroll.
- Automated reminders for payments in and out.
- Fully mobile app for easy on-the-go transactions.
- Connect with your accountant.

QuickBooks

- Cloud based platform.
- Create easy recurring invoices.
- Automatic reconciliation.
- Record expenses easily.
- Run payroll services.
- Manage CIS obligations.

KashFlow

- Cloud based solution.
- Immediate invoicing.
- Upgrade to KashFlow Payroll to manage employee payslips and workplace pension.
- Upgrade to KashFlow HR to keep up-to-date with people management and compliance legislation.

Sage

- Sage offers different packages to suit your needs.
- Quick invoicing and tracking of expenses.
- Syncs easily to any bank account.
- Process payroll.
- Fully mobile app for easy on-the-go transactions.
- Pay invoices instantly.
- Cloud based platform.

If you run your own business it is vital to keep up-to-date records of all transactions that occur. You will need to keep financial and transaction records in order for the computation of your Self-Assessment, or Corporation Tax.

