price davis

| CHARTERED CERTIFIED ACCOUNTANTS |

xero

Online Accounting & Bookkeeping

Manual vs Digital Records

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 to 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

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

This timeline is subject to change due to HMRC revising future deadlines.

1st April 2018	April 2019	April 2020	April 2021
Live Pilot Testing of MTD for VAT was introduced for businesses over the £85K threshold to take part in	Compulsory for VAT registered businesses with a taxable turnover above the threshold to be filing digitally	Currently the proposed date for MTD to become compulsory for all other taxes including incomes tax & corporation tax.	HMRC currently aims for all businesses to be on a digital platform for all tax filing purposes by 2021

Available Software

Xero

- 100% Cloud based online platform (free updates & nothing to download).
- Dashboard that can be personalised to display the most important information instantaneously.
- Raise & pay invoices immediately.
- Integrates seamlessly with banks for live finances & simple reconciliation.
- Easily calculate and process payroll.
- Automated reminders for payments in & out.
- Fully mobile app for easy on-the-go transactions.
- Connect with your accountant.

Sage

- Quick invoicing & tracking of expenses.
- Syncs easily to any bank account.
- Process payroll.
- Fully mobile app for easy on-the-go transactions.
- Pay invoices instantly.
- Partial cloud based functionality.

Quickbooks

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

KashFlow

- Cloud based solution.
- Immediate invoicing.
- Upgrade to 'KashFlow Payroll' to manage employee payslips & pensions.
- Upgrade to 'KashFlow HR' to keep up-to-date with people management & compliance legislation.

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.

PROFESSIONAL   PRO-ACTIVE   SUPPORT