xebra accounting

FREE GUIDE

The essential guide to financial control

FOR ALL BUSINESS OWNERS

1

ALLOCATE ADEQUATE TIME FOR BOOKKEEPING

Whether it's you, your team member or a bookkeeper taking care of your finances, you need to make sure that you allocate time to keep your books up to date. If you do not do this, you risk making financial decisions based on out of date information, which can have harmful consequences to your business.

ACTION: Establish a routine or schedule time each week to make sure your bookkeeping is up to date - taking in to consideration for any sales/services provided in the previous week.

2

KEEP RECORD OF ALL RECEIPTS & INVOICES

Having a record of all receipts and invoices (physical or scanned) is an essential part to bookkeeping. HMRC may request to see details of any past invoice or receipt relating to your tax. By getting into a structured routine, the process will soon become second nature to you or whoever is taking care of your bookkeeping.

ACTION: Get a system in place whereby your receipts and invoices are stored correctly and securely. Consider using an online cloud based accounting system if you do not already. Xero is our system of choice, which we highly recommend to all of our clients. When using a cloud based system you can simply take a picture of the receipt and instantly upload it into your account - it does all the hard work for you!

3

SEPARATE YOUR SALES & PURCHASE INVOICES

Sales invoices should be raised and filed in sequence. When it comes to purchase invoices, the easiest way to file them is in alphabetical order, based on the name of the supplier, and then by invoice number. This will save you a huge amount of time if you need to find a specific invoice later down the line. Failing to do this will result in inconsistent books and risk of damaging your business.

ACTION: When working manually, you should record the following: Customer/Supplier Name, Invoice Date, Net Amount, Gross Amount and VAT. A short description would also be beneficial. When working on a cloud based system, there will be a facility to enter the invoice details to the customer/supplier account. Make sure you have something in place where you are able to record these details.

4

COMPLETE REGULAR BANK RECONCILIATIONS

Completing regular bank reconciliations between transactions and bank statements will give you the opportunity to make sure all of your transactions have been captured correctly. By not doing this, you will not have a clear overview of your business, you will not be able to ensure all company cash records are correct, without any discrepancies, and you will not be able to notice suspicious fraudulent activity, if it were to occur, until it's too late.

ACTION: Set a reminder each month to reconcile your bank. This is best done within a few days after the previous month end.

5

KEEPING HMRC HAPPY

Prepare for future expenditures such as VAT and other tax payments. When it comes to paying those bills, you want to ensure you have enough funds so that you don't miss a payment. Large fines from HMRC can be a result of late payments.

ACTION: Set aside funds that can be used specifically for these payments, perhaps in a new bank account. Consider asking your accountant how much you are expected to pay - they will be able to give you an estimated figure based on previous data, which will allow you to decide how much you should set aside.

6

PLAN FOR YOUR FUTURE

Business school research suggests that businesses planning for the future do 20% better than those that do not. Simply setting targets for the next year makes you think about how you may achieve those targets, which in turn will help to drive your business forward.
"Failing to plan is planning to fail". It's your choice.

ACTION: Set yourself targets for the next 12 months and monitor your performance against them. You will be surprised by how much your business grows. We can help you to prepare targets, forecasts and monthly management accounts to help focus your mind.

7

CASH FLOW FORECASTING

As well as VAT and other tax payments, you should have a clear understanding of what money is coming in and out of the business, with detailed guidelines on:

- Your income or sales
- Your expenditure
- When you receive your income from customers
- When you pay your suppliers
- Other cash income
- Other cash expenditure

ACTION: Attend our webinar: Cash Flow Forecasting - Visit our webinars/workshops page to find out more and book your place.

8

INVEST IN A GOOD ACCOUNTANT/MENTOR

Not only should your accountant be making sure your compliance work is up to date, they should also be helping you with each individual strategy to ensure your business is constantly pushing forward. Running a business takes up a lot of time, and things like bookkeeping, forecasting and goal planning can be pushed a side, even though they are all crucial parts of running a business. Accountants are there to save you time, to help you with the organisation of your business and most importantly save you money in the long run.

ACTION: Find out more about us at Xebra Accounting
Visit us at www.xebraaccounting.co.uk
Send us an email at info@xebraaccounting.co.uk
Give us a call on 02380 001313

All 8 strategies play an important role in ensuring the accuracy of reporting, eliminating fraud and protecting your businesses resources. Within your business you want to make smart decisions that will lead to more predictable outcomes and creditable data in order to grow consistently. The better you understand your business, the easier it will be to make more money and improve cash flow.

If you have any questions, please don't hesitate to contact us:

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