



STARTING UP... RECORD KEEPING

When setting up a business, there is a huge amount to think about; business plans to be written, market research to be done and decisions to be made.

One of the decisions you will need to make as soon as you start to trade is how you are going to keep your "books".

LEGAL REQUIREMENTS

You need to keep a record of all your business income and expenditure. This means you have to keep invoices from suppliers and receipts for cash expenses, as well as your own invoices to customers. These records along with a back-up of your bookkeeping system or excel spreadsheets must be kept for 6 years.

KEEPING THINGS SEPARATE

If you are a Limited Company, you must keep your business records separate from any personal accounts. This means you will have a business bank account in the Limited Company name.

It is good practice to do the same if you are a Sole Trader, you don't need a "business" bank account, just a separate account. It is also good to have a separate credit card

to pay for business transactions. This not only gives you a monthly statement to work to, but you can look to have a card which offers points / cash back - a nice bonus.

SIMPLE BOOKKEEPING

At its simplest, a bookkeeping system is merely a record of monies in and monies out of the business. An excel spreadsheet can be good for this, but as the business expands you won't have any reporting functionality.

Sales invoices can be produced using word processing software, but remember that these must be sequentially numbered.

It is also difficult to know at a glance who has paid you and who you owe money to. The next step would be to consider using an online bookkeeping system.

- Legal requirements*
- Keeping things separate*
- Simple bookkeeping*
- Online bookkeeping*
- Outsourcing*

ONLINE BOOKKEEPING

This is a recent development and takes

advantage of all that cloud technology has to offer. A good online system is secure, easy to use and very good value for money. You will be able to:

- Issue invoices to your customers and get paid online
- Automatically import and code your bank transactions
- See your cash flow in real time
- Handle business expenses paid personally
- Reconcile your bank and credit card accounts
- Calculate and prepare your VAT return
- Use on the move, anywhere you have an internet connection

DIY OR USE A BOOKKEEPER?

It is always a good idea to spend your time doing what you are good at. If record keeping is just not your thing, consider using a freelance bookkeeper. They will most likely look after your books in half the time it takes you and get it right!

We look forward so you can move forward...