

Virtual Financial Management - Taking away the hassle of keeping the books

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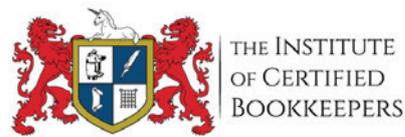


PAPERWORK - AAAAARGHHH...

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. If you don't keep proper books and records you risk fines and penalties from the tax authorities. It's a legal requirement to keep financial records in a prescribed format.

So you have to do it. You have to keep the books and records complete, accurate and up to date.

Unfortunately, it's also difficult. You need to understand debits and credits, the wonderful world of double-entry and what must be recorded for tax purposes. That's why there are bookkeeping exams and professional Institutes (*such as Institute of Certified Bookkeepers*).



Bookkeeping is one of the worst parts of running a business. You'd much rather be out there making things happen and making money from your business. 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?

Get your life back!

A far better option is to employ a bookkeeper to get the job done properly.

Unfortunately, full time qualified bookkeepers **typically cost £22,844¹**, together with all the other associated costs and hassles of employing someone.

That's a big financial commitment for your business. Perhaps employing a bookkeeper is not the best option.

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.

¹ Source: PayScale.com

VIRTUAL FINANCIAL MANAGEMENT: IT'S NO LONGER ABOUT BOOKKEEPING...

Bookkeeping really is a hassle. And we can take that hassle away. However, it's about more than that.

It's not just about doing what you need to comply with the law and to keep the Tax Man happy (and you definitely need to do that!). It's not just about saving you time. It's about helping you to build a great business. This is why we go beyond simply entering data.

You see, when done accurately and timely your financial data provides critical financial information and key performance indicators. This information is critical to understand what is going right, and what is going wrong, in your business. Having the right data will help you make the best decisions for your business and help you build a more profitable and successful business.

We don't call it bookkeeping. It's much more than that. It's a **Virtual Financial Management** service.

THE BENEFIT OF OUR REAL-TIME INFORMATION SYSTEM

We take things a step further; we don't just do the bookkeeping, we offer training, support and advice. We also help you run your business using a modern cloud accounting service with access to our **real-time information system**.

A cloud accounting system will **make your life so much easier**. We use an industry-leading cloud accounting system giving you instant access to information in real time. This means you benefit in the following ways:

- It saves you a very significant amount of time,
- Gives you 24/7 access to up-to-date financial information and reports (you can use cloud-based software from any device with an internet connection),
- You can 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,
- And much more. We have listed more benefits below.

FREE ACCOUNTS: FOR BUSINESS OWNERS WHO HATE BOOKKEEPING...

One of the things our clients love about our “Complete Outfit” 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** .

SO, WHAT IS YOUR INVESTMENT?

Much, much less than the £22,844 you would pay for a full-time bookkeeper.

A silly way to price

Most self-employed bookkeepers will quote you an hourly rate.

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 they make mistakes or take longer you pay more. That doesn’t seem right to us... it’s certainly not fair.

A fairer way to price

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. You know with certainty what it is going to cost. And if we are slow and the work takes longer that’s our problem not yours.

We also know there is no such thing as a one-size-fits-all solution. Every business is different. Your business is unique. So, what we do is give you a choice of different solutions so you can choose the one that best meets your needs. And each of those solutions can be further tailored with Optional Accessories so you get exactly what you want.

Giving you compete certainty over the price, and choices so you can build the service that best meets your needs seems a fairer way to price. Do you agree?

Before we can give you a price we need to explain your different choices.

Setting up your cloud accounting system

If you are not currently on a cloud accounting system we will need to set you up with that. Setting you up with a cloud accounting system is a separate service with a separate price. Once again, we will give you a fixed price for that and a choice of option

YOUR OPTIONS AT A GLANCE

The below summarises what is included within each of our Virtual Financial Management service levels. To help you identify the best option for you here is a quick overview:

Complete Outfit - This is the best option for ambitious business owners who want to build a successful and profitable business. This is for you if you want to go beyond the data entry and get regular support and business advice from us. We help you interpret the numbers and make the right decisions.

You also benefit from completion of your annual financial statements.

Smart Choice - This is our most popular option. It's for busy business owners who want us to save time and make life easier. We go beyond the essentials and make your life easier. Some of the key things you benefit from valuable quarterly reports to help you manage your business, general advice and 50% discount on your year-end accounts.

Essential Kit - 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 & Customs. This is suitable for the smaller business and those on a tight budget.

ESSENTIAL THINGS WE DO FOR YOU

Regardless of which of the above solutions is right for you we do each of the following:

- **Posting all business bank transactions** – We will post all receipts and payments for all business bank accounts including any PayPal accounts.
- **Completing the 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 & Customs because you've missed taxable income. So, what we do is reconcile your bank account at regular intervals.
- **Posting purchase invoices, expenses and cash transactions** - We will post expenses to the correct expense codes enabling you to obtain relevant financial information and comply with the tax authorities.
- **Credit card transactions and reconciliations** – we will post all transactions on your business credit card and reconcile the closing balance every month.
- **Completing the monthly sales and purchase ledger reconciliations** - Your monthly purchase ledger reconciliation so you know exactly what you owe (creditors) at any point in time to your suppliers. And your monthly sales ledger reconciliation so you know exactly who owes you and how much they owe you (debtors) at any point in time.
- **Completing the monthly VAT reconciliation** - To make sure your VAT records are compliant.
- **Completing any payroll journals** - If you run a payroll we will post the correct journals each month.
- **Our record keeping education program** – It's so important to keep the right records to keep on the right side of HM Revenue & Customs and to support your claims for tax deductions. So what we do is show you exactly what you need to keep, how to keep it and how to do it in the easiest way.
- **Access to our secure online portal** – Our firm is completely cloud based. You get access to our secure online portal making it easy for you to share documents with us, saving you time and giving you peace of mind everything is secure.

HM Revenue & Customs 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. HM Revenue & Customs may check your records to make sure you're paying the right amount of tax.

In addition to all the essentials...

YOUR FREE REAL-TIME INFORMATION SYSTEM

This is one of the features our clients find most valuable. We will 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 solutions (excluding Essential Kit) 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. Instant reports** - At the touch of a button you can get instant reports on your business.
- 8. Security** - Being able to sleep at night knowing your sensitive financial data is always secure and backed-up automatically.
- 9. Maintenance free** - No system downtime because all software upgrades are automatically installed. This worry-free maintenance saves you time and hassle.
- 10. Lower professional fees** - Reduced accountancy fees because it makes it easier for us to produce end of year financial statements.
- 11. Free software** - As part of our Complete Outfit and Smart Choice Solutions.

VIRTUAL FINANCIAL MANAGEMENT: YOUR OPTIONS IN DETAIL

Included in your solution	Complete Outfit	Smart Choice	Essential Kit
Supply and set up 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	√	√	√
Completing the monthly sales and purchase ledger reconciliations	√	√	√
Completing payroll journals from your payroll system	√	√	√
Adjusting for any foreign currency transactions	√	√	X
Maintaining your fixed asset register	√	√	X
Quarterly management reports with commentary	√	√	X
Unlimited email and telephone support	√	√	X
Discount on completion of annual accounts	100%	50%	X
Debtor monitoring	√	X	X
Tailored expense monitoring and advice	√	X	X
Precision accounting with accruals and prepayments	√	X	X
Enhanced Credit Control	√	X	X
Reports on your key numbers	√	X	X
Quarterly online ('virtual') business review meeting	√	X	X
Xero accounting software subscription	Free	Free	X

ESSENTIAL KIT VIRTUAL FINANCIAL MANAGEMENT – HOW YOU BENEFIT

This option is best for those business owners who are simply looking to get the basic entries done to ensure being compliant with the tax authorities. This is suitable for the smaller business and those on a tight budget.

For a small fixed monthly payment, you will benefit from all the essential things listed above and:

Paperless expense and receipt processing system

We recommend a system that will remove the administrative 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 parking or meal receipt) 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.

SMART CHOICE VIRTUAL FINANCIAL MANAGEMENT – HOW YOU BENEFIT

This is our most popular option. It's for busy business owners who want us to save time and make life easier. We go beyond the essentials and make your life easier. Some of the key things you benefit from include an annual business review, completion of your VAT returns and helping you get much more from your cloud accounting system.

For a small fixed monthly payment, you will benefit from all the essential things listed above and:

Adjusting for any foreign currency transactions – If you make purchases or sales in other currencies you will need to make sure they are correctly show in your financial records. We do this for you so you don't need to worry about it.

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.

Review of balance sheet items for accuracy – Your profit and loss account records your sales, income, expenses and costs and reports the correct profit for a period. The balance sheet is just as important. The balance sheet contains the assets and liabilities of your business. It's just as important that this too is accurate. So what we do is review every asset and liability to ensure it is correctly shown in your financial accounting system.

Quarterly Management Reports with commentary - Every quarter we will provide you with a range of reports together with our video commentary. The commentary will help you to interpret the numbers and indicate 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 control 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.

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.

COMPLETE OUTFIT VIRTUAL FINANCIAL MANAGEMENT – HOW YOU BENEFIT

This is the best option for ambitious business owners who want to build a successful and profitable business. This is for you if you want to go beyond the data entry and get regular support and business advice from us. We help you interpret the numbers and make the right decisions.

For a small fixed monthly payment, you will benefit from everything in the Essential Kit and Smart Choice packages listed above and:

Summary management reporting

The real power of a cloud accounting system is having important management information to hand. Information such as, who owes you money, what are your sales this month and are you making a profit? As part of our Virtual Financial Management 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. For a period of your choosing we will supply you with:

- A 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.
- An aged debtors 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.
- An aged creditors report showing you how much money you owe to your suppliers.
- 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.

Cost control: Expense monitoring, analysis and advice

Managing costs for any business is so important. We will work with you to identify the 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.

Debtor monitoring

Cash is so important. And a key part of cash management is keeping 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.

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.

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.

Regular business review meetings

At a frequency of your choosing, recommended to be quarterly, we will have a 60-minute video meeting to review your numbers. 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.

Completion of annual financial statements

As part of our Premium Virtual Financial Management service we will also complete your year-end financial statements – 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 with the Companies Acts. The completion of tax computations, tax returns and full statutory accounts is outside the scope of this service and will be subject to a separate price.

POPULAR OPTIONAL ACCESSORIES

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

Monitor your key predictive indicators (KPIs) with our Financial Dashboard

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.

Real time management reporting and financial modelling

Management reports, forecasting and budgeting help you plan and will give you an early-warning signal if you are likely to face cash shortages. Our management reporting service is broken down into three packages so you can choose the one that works best for you. This service will give you a continually up-to-date 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.

Monthly or quarterly cash flow forecasting and budgeting

Forecasting and budgeting help 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.

VAT

As not all businesses are registered for VAT, this is offered as an extra service across all three solutions. We will:

- include the appropriate VAT rates in your chart of accounts
- complete monthly reconciliations of the VAT control account
- prepare quarterly VAT returns for your approval
- submit the VAT return to HM Revenue & Customs
- advise you of the tax payable or refundable

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 then run the monthly payroll. Let us know if you'd like us to take away that hassle for you.

Stock control

Stock control and management will help you keep track of stock levels to ensure you never hold too much stock (which ties up cash) or run out (and miss out on sales). We can set up stock management that simplifies purchase orders, transfers and stock-takes. It uses automated reordering based on specified stock levels to make sure you never have too much or too little stock on your shelves.

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 £47 plus VAT per month.

Find out how our tailored solutions could be a perfect fit for your business by emailing callme@bespoke.accountants

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