

10 Top Tips for Small Business Accounting



1 Avoid fines

Are you aware of all your company's legal requirements? Your business is required to meet a number of legal obligations covering numerous areas – knowledge is power and it **could save you from hefty fines**.

2 Focus on making money

Completing and sending your tax returns in on time should be regarded as a priority rather than a chore. If your records are up-to-date and accurate, you can file your documents on time and focus on **making more money**.

3 Calculate your tax correctly

Inconsistencies in your data entry are often caused by omitting data or duplicating entries. By reconciling your bank account on a monthly basis, you can ensure that all entries have been accounted for and the **correct amount of tax is calculated**.

4 Don't pay more tax than you need to!

Sometimes directors do not reclaim expenses paid on behalf of the company. Did you know that this can cause the company to pay more tax? Each expense should be paid back to the director with a clear paper trail to ensure the expense is used to **minimise the company's tax liability**.

5 Keep calm by organising your receipts

Is your system for filing receipts all that it could be? Lost receipts could prove costly; HMRC can fine small businesses up to £3,000 for bad record keeping! Organise your business receipts and keep them all in one place, so if you are ever selected for an inspection, you won't be **searching for hidden receipts**.

6 Avoid stress at year end

Avoid the last-minute madness by keeping your books regularly updated – allow for 2 hours each month to keep on top of everything and you'll **save yourself a lot of work (and stress)** at the end of the year.

7 Business means business

Your business account should only be used for business dealings. Keeping it separate from personal transactions will make your **record keeping much easier**, as you will be confident that all transactions relate to business, whether you have a receipt or not.

8 Tax allowances – use them or lose them

Your business – whether it's just you or a whole team of talented people – depends on its workers. Are you on top of wages, benefits, expenses and perks? There are many **tax allowances available** for small businesses, but these allowances have a time limit – use them or lose them.

9 Allowable and disallowable expenses

Understand what you can and cannot write off for tax reasons – if you are asked to prove anything, will your company **stand up to an audit**? Learn and understand the rules thoroughly.

10 Get support from cost-effective professionals

To discuss any of these matters with a professional accountant, call **SK Accountants London** on **020 7515 5883**.

