

Record Clean Up & Business Review

Adrian Mooy & Co Ltd 61 Friar Gate Derby DE1 1DJ

T: 01332 202660 E: info@adrianmooy.com

ADRIAN MOOY & Co

Chartered Certified Accountants

01332 202660 adrianmooy.com



Adrian Mooy & Co Limited is a Member of the Association of Chartered Certified Accountants

A backlog of paperwork or incomplete records?

It is a legal requirement to keep correct books and records and submit accurate accounting information to the relevant authorities on certain specified dates.

Unfortunately, when running a growing business, the bookkeeping often gets hurried or neglected resulting in inaccuracies and sometimes a backlog. Sometimes that's simply because we're too busy. And sometimes it's because we have relied on someone else to do the record keeping and they simply haven't done it the way it should be done.

This can lead to sleepless nights spent worrying about your finances and the organisation of your records and information.

This can also lead to inaccurate financial information being submitted to HM Revenue and Customs and Companies House, which can lead to enquiries,

penalties and fines and in the extreme, might mean you can no longer run your business.

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

And then of course, without accurate and up to date financial information available at your fingertips, you risk making the wrong decisions in your business, not collecting money that's owed to you, paying the wrong amounts of VAT and tax and having little or no control over your finances.

We will get you back on track and get everything under control.

This is how you benefit from our accounting record clean up and business review service

Processing transactions, finding entry errors and reconciling differences is what we do. Here are the key things we will do for you:

- **an operational review of your current record keeping and systems** to find quicker and better ways for you to keep up to date,
- **quality control checks on the financial information, VAT returns and accounts** to correct errors which may be picked up if HMRC decide to check your records,
- **a dedicated professional to get your accounts up to date** in the shortest time possible,
- **reduced accountancy fees** because it makes it easier to produce end of year financial statements, and
- **we will liaise with HMRC on your behalf** if any of your previously filed information needs to be corrected, or if you are

behind with any of your statutory filings.

Ultimately we want to save you time and enable the peace of mind that comes from knowing your financial data is accurate and up-to-date.

A better accounting system

One of the things our clients appreciate about our accounting record clean up and review service is that while we are getting you back on track we will review your current accounting system to ensure that it is for suitable for your business.

Future-proofing your accounting system ...

HMRC's Making Tax Digital (MTD) initiative will make fundamental changes to the tax system with digital record keeping becoming more widespread. This will

enable HMRC to achieve its stated goal of transforming tax administration.

MTD for VAT will come into effect from April 2019. From that date, businesses with a turnover above the VAT threshold will have to keep their records digitally (for VAT purposes only), and provide their VAT return information to HMRC through MTD functional compatible software. MTD will be available on a voluntary basis to other businesses for both VAT and Income Tax.

Modern, cloud-based solutions provide MTD functionality and another major benefit is that you always have real-time access to key financial information.

If a cloud-based solution is right for you then with our “Full” and “Premium” packages we can offer a reduction on our cloud set up service.

If you choose either the “Full” or “Premium” package and you already use a cloud solution, we'll assess where it's gone wrong and put it right for you.

So what is your investment?

Many firms would quote you an hourly or daily rate to investigate your financial history and records and a higher rate to rectify any issues. In fact, that's how most accounting and firms price; an hourly rate.

The trouble with an hourly rate is you have no idea what the cost will be until after the work is complete.

So we give you 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. We also let you spread the payments over a couple of months.

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





Your options at a glance

The table below summarises what is included within each of our packages. To help you identify the best option for you here is a quick overview:

Premium Clean Up – This is the best option for busy business owners who not only want the peace of mind of knowing that all their financial history is accurate and up-to-date but also want to get the absolute maximum out of their financial information so they can make the best business decisions based on the best quality information.

Full Clean Up – This is our most popular option because you get complete reassurance that your accounting data is accurate, up-to-date and compliant with the relevant authorities, as well as training and advice on which systems and processes will be best for your business.

Quick Clean Up – This option is best for those business owners who are simply looking to get caught up and make sure that they are compliant with HM Revenue and Customs.

Your options in detail

	Premium Clean Up	Full Clean Up	Quick Clean Up
Operational review and report with recommendations	●	●	●
Checking the posting of all accounting transactions	●	●	●
Checking the bank reconciliations	●	●	●
Checking the credit card records	●	●	●
Checking the sales and purchase ledger reconciliations	●	●	●
Identify and resolve aged balances	●	●	●
Audit and reconcile the VAT Returns and records	●	●	●
Making sure that the payroll entries are accurate	●	●	●
Checking the paper records for completeness	●	●	●
Compare opening balances with accounts balances	●	●	●
Report of corrective actions taken	●	●	●
Provision of list of missing information	●	●	●
Liaising with HMRC while records are being brought up-to-date	●	●	○
Accounts and tax reconciliation	●	●	○

Your options in detail

	Premium Clean Up	Full Clean Up	Quick Clean Up
Submitting corrected information to HMRC	●	●	○
Rebuilding paper records and obtaining missing information	●	●	○
Training and systems advice	●	●	○
Debt management assistance	●	●	○
Completing your fixed asset register	●	●	○
Management report showing correct assets and liabilities at clean up date	●	●	○
Training for your team	●	○	○
Review and debrief meeting	●	○	○
Process manual	●	○	○
Monthly payment option	●	●	○
Accounting system review	Free	Free	Free

- Included within the bundle
- Not included within the bundle

Note: *The price of this service is deductible for tax purposes.*



How you benefit from our *Clean up and review:*

Data review and recommendations

We will carry out a review of your financial information, systems and processes and present our findings so you know what needs to be done.

And at this stage we'll review our agreement to make sure that the service we have agreed is right for you.

Checking the posting of all accounting transactions

We will check the accuracy and completeness of the general bookkeeping – we'll be looking at things like the categorisation of entries, the VAT treatment of transactions, how tidy and comprehensive the bookkeeping is – so you know that the financial information that makes up your accounts is right.

Checking the credit card records

Credit cards are convenient, especially if you have a lot of expenses, or issue them to staff to cover their business expenditure. However, because the expenses have been paid and don't need to be claimed back, receipts are often lost and it can be hard to identify what the expenses were for, or whether VAT should be claimed. Then there are the interest charges and other fees that must be properly identified and recorded.

We make sure that as much VAT as possible is claimed back from your card expenditure, and that no VAT has been claimed without the proper supporting documentation, and that all transactions can be identified and accounted for.

And did you know that the provision of credit cards to directors and employees can have reporting implications under the PAYE P11d expenses and benefits rules? We'll check that you have the appropriate dispensations in place and that the cards are being used correctly.

Checking 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 and Customs because you've missed taxable income. Or you have to pay higher accountancy fees for the accountant to sort it out.

We check that the bank reconciles every month. This ensures that every transaction has been included in the accounts.

Checking the sales and purchase ledger reconciliations

Sometimes invoices can be duplicated or payments and receipts can be allocated to the wrong customer or supplier account.

We will check your supplier records against available statements and find out if anything is missing. We'll also make sure

that none of your sales invoices have gone unpaid.

Identifying and resolving aged balances

Often there are sales and purchase transactions that are outstanding in the records that are quite old. We will find out why they are still there – whether it is because of duplicate entries, missing entries, or because they are still owed to you, or by you.

And if you are owed money, we will provide you with the supporting information you need to help recover it.

Audit and reconcile the VAT returns and records

If you are VAT registered it is very important that your VAT returns have been submitted accurately and that VAT has only been claimed where it is allowable.

We will check your submitted VAT returns against the accounting information and make sure that you have claimed everything, have not claimed anything that you can't and have not overpaid VAT on your sales.

Note: This service relates to standard registrations and fixed rate schemes. More complex VAT reporting such as the VATMOSS scheme for digital sales and reporting EU transactions are outside the scope of this service and will be subject to a separate agreement.

Making sure that the payroll entries are accurate

If you employ staff, or run a PAYE scheme for yourself, we will make sure that the entries in the accounts are accurate.

We will also look at your payroll records and make sure that you are paying the minimum wage, taking the most tax efficient salary for yourself, are properly claiming the Employers' Allowance from

HMRC and have paid the right amount of PAYE to HMRC.

Note: If we find anything that needs to be put right in your payroll, such as staff not being paid the minimum wage, incorrect amounts of PAYE and NI being deducted from staff or RTI returns not being filed correctly we will talk to you about helping you resolve these issues and it will be subject to a separate agreement.

Compare your opening balances

Unless your opening balances (they are the balances that are brought forward from the previous years' cumulative trading) are accurate then your current balances cannot be. We will reconcile your opening balances against the balances in your latest set of financial statements and obtain any adjusting entries from your accountant in order to be certain that your accounts are correct.

If they are not we will check your entries to see where the differences are, and liaise with your accountant to correct them.



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We will also look at your payroll records and make sure that you are paying the minimum wage, taking the most tax efficient salary for yourself, are properly claiming the Employers' Allowance and have paid the right amount of PAYE to HMRC.

Provision of a report of corrective actions taken

We will make adjustments and corrections as we go and provide you with a detailed breakdown of everything that we have done to put your accounts right. We will also tell you what, if any, information needs to be resubmitted to HMRC to correct any errors previously made. And we'll talk you through the process of putting things right and what HMRC's responses might be.

Provision of detailed list of missing information

We will give you a list of missing bank statements, purchase invoices, sales invoice copies, receipts, cheques and anything else that you should keep to support your accounts information.

Checking the paper records for completeness

We will check that you have the necessary supporting information for your accounting transactions and that they are kept and filed in a proper manner.

“We will make adjustments and corrections as we go and we will provide you with a detailed breakdown of everything that we have done to put your accounts right.”

The following benefits are part of our *Full Record Clean Up and Business Review Package:*

Liaising with HMRC while records are being brought up-to-date

If things are late then HMRC and Companies House will be putting pressure on you, penalties will be accumulating and you will be stressed.

Let us help, we will register as your agents with HMRC and deal with them on your behalf, reassuring them that you are taking steps to rectify the issues and that you'll be back on track soon.

Full accounts and tax reconciliation

Once we have completed all our work we will prepare your trial balance and produce a full set of management accounts to reconcile to your filed statutory accounts and your corporation tax return. We will identify whether there are material differences that need to be corrected and we will identify whether you have paid the right amount of corporation tax.

If necessary we will prepare a full list of adjustments required and provide this to your accountant so they can make the necessary corrections with HMRC and Companies House.

If you do not have an existing accountant, we can provide you with a separate fixed fee quotation to help you with this.

Submitting corrected information to HMRC

Once we have completed the work required and identified any corrections that need to be made, we will file all relevant information with HMRC to get you fully compliant.

We will also provide full details to your accountant for their records, and if changes need to be made to your filed statutory accounts or corporation tax returns we will liaise with your accountant so they can make the changes needed.

Note: This service covers the amendment and re-submission of self-assessment tax returns and VAT Returns. If your filed statutory accounts or corporation tax returns need to be amended and you do not have an existing accountant, we can provide you with a separate fixed fee quotation for this.

Rebuilding paper records and obtaining missing information

We will go through the list of missing information and get copies of as much of it as possible for you.

For example, we will contact your suppliers and ask for copies of any missing invoices so you can either claim the VAT if you didn't before, or so we can check that the VAT has been claimed correctly if you claimed it without the paper copies.

This means that if HMRC ever want to check any of your information, you can rest assured that you have what you need.

Training and systems advice

So you stay on top of your finances and record keeping for the future, we will provide you with training on best practise, what records to keep, essential VAT and tax tips and how to stay on the right side of HMRC.

Debt management assistance

If you have got behind with payments, either to suppliers or to HMRC, it's important that you get back on top of them, without leaving you short of cash.

We will look at your cash flow and existing commitments and help you put together a payment plan to pay your debts off.

Completing your fixed asset register

A fixed asset register is used to record details of major assets (e.g. cars, office equipment, machinery and property). You need to complete a fixed asset register to keep track of their value and make the production of end of year financial statements that much easier.

If you have got behind with your record keeping you have probably got behind with your fixed asset register, so, as part of this service we will make sure it is all up to date, calculate your depreciation and enter the



appropriate journals into your accounts system.

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, to get a true and accurate picture.

We will make sure that these adjustments are made into your accounting records so that they are accurate and can be used for proper comparative reporting in the future.

Management report showing correct assets and liabilities at clean up date

Once we have put things right, we will produce comprehensive management information so you can see how your business is really doing.

We will provide you with a profit and loss statement for the current period of trading, a balance sheet report showing all your assets and liabilities, and fully reconciled debtors and creditors information so you know where you are.



The following benefits are part of our *Premium Record Clean Up and Business Review Package:*

Training for your team

Making sure that your team understand the fundamentals of record keeping and what can and can't be claimed for will really help you streamline your accounting process and encourage your staff to keep their own information in order – once they understand why they need to keep the proper receipts and records and how that should be submitted to you, they will help make your life easier.

We'll hold a workshop with them and explain some of the most common types of expenses and what they should be doing to help maximise your profits.

Full review and debrief

Once we have got you back on track, we'll meet with you to discuss everything that we have done, all the areas that we have noted as needing attention. And help you identify where it went wrong, why it went wrong and what we can do to stop it going wrong again. During this meeting we'll focus on what needs to happen in the future to get the best out of your accounting processes.

Process manual

At the end of the engagement, we'll give you a process manual, setting out the accounting processes that we've identified in your business. This guide will help to ensure that everything is done to the same

standard every time. You'll come to rely on this manual as your roadmap to keeping your accounting function on track.

Your free cloud accounting system review

This is one of the features our clients find most valuable. We will assess your current system for suitability for your business. If it's the wrong system, we'll talk to you about why, what we can change, how we can change it, and we'll provide significant discounts to get you moved over to the right system, if you choose to ask us to help you.

If you're on the right system, but are using it in the wrong way, we'll put it right and show you how to use it to get the very most out of its functionality.



Popular add-ons

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

Overpayment recovery

While we carry out our review of your records we may find that there is the potential for some significant recovery of overpaid taxes – often where bad debts have not been written out of the books, or where VAT has been incorrectly charged, or under-claimed, we will be able to identify and recoup these funds for you. Adding a boost to your cash flow and improving your profits.

Cloud accounting set up

If you are currently using manual, spreadsheet or desktop methods to keep your accounts, our cloud accounting set-up service is designed to make your life much easier. A modern cloud accounting system gives you the following benefits:

- **It saves you** a 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),

“If you are currently using manual, spreadsheet or desktop methods to keep your accounts, our cloud accounting set-up service is designed to make your life easier.”

- **Peace of mind** knowing your 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 work,
- **It reduces your accountancy fees** because it makes it easier for your accountant to produce end of year accounts, and
- **Since your accountant can access your data** – they will be more able to help you run and grow your business rather than just adding up the numbers.

We have a range of fixed price services for you to choose from, and don't forget we can offer savings if you choose our Full or Premium review service.

Cloud accounting and real-time information service

If you want to benefit from everything that comes with our accounting record clean up and business review service and would like someone to attend to the day-to-day bookkeeping as well, then we can help.

So why not let us take away the hassle so your records and accounting information stay perfect and you can spend your time doing the things you like.

Talk to us about the service as an option to free up your time and take away the hassle of keeping the books.

Monthly or quarterly cash flow forecasting and budgeting

Forecasting and budgeting helps 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.

On-site support

Everything about our standard cloud accounting packages is online. But from time-to-time some clients prefer us to carry out the bookkeeping at their premises (typically when a desktop accounting system, such as Sage is used). If you want us to carry out the bookkeeping at your premises you can choose this as an upgrade.

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