

Northern
Ireland
Embrace
a Giant
Spirit



Taking control of your business finances

-and how to increase your profits

TED

Tourism
Enterprise Development
Programme



TOURISM
NORTHERN
IRELAND

Taking control of your business finances

-and how to increase your profits

Tourism NI

Tony Haren ACMA
Admor Business Solutions

What we will cover



The 5 steps to taking control of your business finances

POLL 1

What is your Business Structure?

- a. Sole trader
- b. Partnership
- c. Limited Company
- d. Something else

POLL 2

What form of bookkeeping do you currently use?

- a. Mostly paper-based
- b. Mostly spreadsheet-based
- c. Branded, cloud-based system
- d. Something else

What are “business finances”?



“Business finances” covers everything in your business that concerns ££££....!

Elements of business finances

Price of your products/services

Cost of your products/services

Sales income generated

Direct costs

Indirect costs (overheads)

Gross/net/operating profit (or loss)

Cash flow

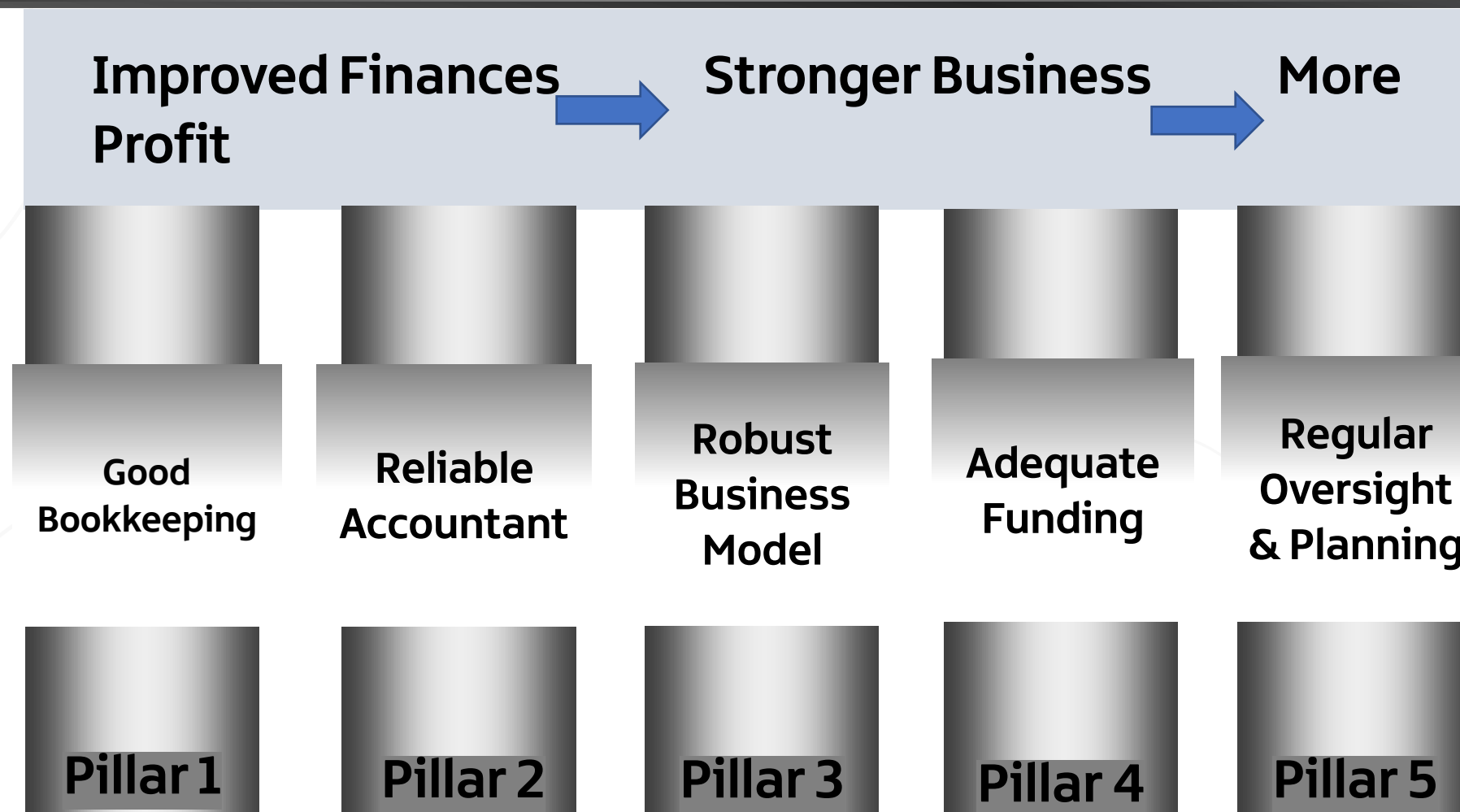
Funding

Taxes

Etc.....



5 Pillars of Good Business Finance



STRONG FOUNDATIONS – great products; strong finances; clear direction

Step 1: Organise your bookkeeping



*Bookkeeping is the practice of recording and tracking
the financial transactions of a business*

Why bookkeeping is important

It provides a record of your business transactions – sales and expenditure

It provides details of your business performance

It shows you how much profit (or loss) you are making

It provides information for your tax return

It allows you to check on how much you are owed.. and how much you owe

It keeps you financially organised!

3 levels of bookkeeping - compared

(3) Formal (cloud-based) system

(2) Mainly spreadsheet-based

(1) Mainly paper-based

(1) Paper-based bookkeeping



What it looks like.....

- Lots of paper
- Printed bank statements
- A4 ring binders
- Boxes of receipts
- Pens and pencils
- Staplers (and staples)
- Paper clips
- A calculator

....(usually) disorganised at tax return
time

(2) Spreadsheet- based bookkeeping



What it looks like.....

- Sometimes a ledger-based template
- But usually, it's self-built
- Lots of formulae, colours and headings
- Different tabs
- Stand alone - not linked to anything else

Generally, more organised than paper for tax returns but prone to errors.....

(3) Formal bookkeeping



QuickBooks®



QUICKFILE



freeagent

Examples only – others are
available!!!

What it looks like:

- Digital records with a “Dashboard” – online
- More professional e.g. logo on invoices; monthly customer statements etc.
- Direct link to your bank account – no manual entry
- Accurate, up to date trading information – sales trends and comparison; profit & cost stock control
- Less time spent inputting and more time to analyse your business finances
- Phone App for “on the go” bookkeeping – snap receipts for digital records

More control over your finances incl. cash flow and better prepared for your tax returns.....

Making Tax Digital (MTD)

Making Tax Digital is a key part of the government's Tax Administration Strategy.

It will require businesses and individuals to:

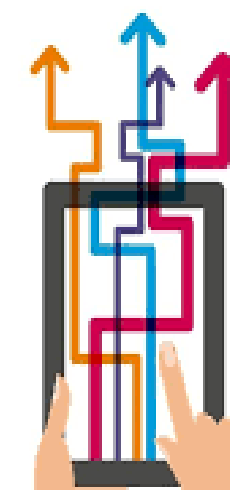
- keep digital records
- use software that works with Making Tax Digital
- submit updates every quarter, bringing the tax system closer to real-time

It's already in place and operating for VAT registered businesses

~~April 2024~~ for self-employed business owners, now *April 2026*



MAKING
TAX DIGITAL



Step 1: Organise your bookkeeping

Compliance

Receipts

Customers

Sales

Bills

Taxes

Bank accounts

Overheads

Suppliers

Products/Services

Strongly consider a cloud-based bookkeeping system

Step 2 (a): Choose your (cloud) bookkeeping

- Consider your skillset – what system is right for you?
- Talk to your friends/colleagues/other business owners
- Check out some videos (YouTube & Bookkeeping websites)
- Read and analyse reviews online (compare A vs B vs C)
- Check out the costs (£0.....£10 + VAT pm.....)
- No contract, cancel any time (usually)
- Check with your accountant – they often have preferences

Step 2 (b): Set up your bookkeeping

1. Register online
2. Set up your business:
 - Add your business name
 - Create your invoices/receipts from templates
 - Add your logo
 - Add your products/services
 - Add your customers and suppliers
3. Link your bank account and import your transactions
4. Start allocating your transactions from your bank account

Case Study (1) – Operating in the Tourism Sector

Before

- Paper-based system (some s/sheets)
- Folders full of receipts
- Bank balance used to manage finances
- No idea about profit until year end
- No visibility on costs
- No budgets set up
- Tax return time was busy and stressful

After

- Cloud-based system set up
- Direct bank link in place– no manual entry
- Monthly profit & loss account to review
- Full visibility over sales and costs
- Annual budget developed and tracked
- Accountant has direct access online
- Ready for tax return months ahead
- Stress reduced

Step 3: How to operate your bookkeeping system

- Send your invoices (and reminders/statements) by email (no printing and posting)
- Match customer and supplier invoices automatically
- Reconcile your bank account at least weekly
- If you have employees, set up payroll (even if you're the sole director)
- Use it to complete your VAT return digitally (if registered)
- Have your tax return information ready within days of the start of a new tax year
- Prepare for Making Tax Digital (April 2026)
- Use it as a basis for forward planning and forecasting

Case Study (2) – operating in the Tourism Sector

Background

- 3 different businesses in group
- Devastated by COVID
- Cash flow dried up
- Under pressure from the bank and other creditors
- Had a cloud-based bookkeeping system (QuickBooks) – used mainly for invoices
- Not linked to the bank account
- No statements issued to customers

Case Study (2) – Operating in the Tourism Sector

Before

- No management information
- No idea of profit except y/end accts
- Owed money by debtors – slow to pay
- Owed money to creditors – pressure
- Bank applying pressure
- Stress for directors
- Jobs at risk

After

- Cloud-based system fully used
- Bank link set up – records up to date
- Management information available
- Board meeting set up for every month
- Post Covid recovery plan developed
- Bank re-engaged (debt restructured)
- Stress reduced
- Jobs secured

POLL 3

How often do you review financial information about your business?

- a. At least monthly
- b. At least quarterly
- c. Annually
- d. I don't really review any information on my business
- e. Something else

Step 4: How to analyse your business performance



Sales trends

Cost trends

Profit trends

Cash trends

Budget trends

Step 4: How to analyse your business performance

- Sales (turnover) trends
 - Last year to date Vs this year to date
 - Product/service income split
 - Seasonal issues – peaks and troughs
- Cost trends
 - Last year to date Vs this year to date
 - This quarter Vs last quarter
 - Highest costs as % of turnover
- Profit trends
 - Gross profit % (if you make things)
 - Net profit (for tax; for growth; for you)
 - Net profit as % of turnover
- Cash trends
 - Bank/cash balance
 - Pipeline business & existing commitments
- Budget trends

Step 5: Regularly review your business performance

- You need to have the information to review the information
 - Decide what information is important for your business
 - Sales? Profit? Cash? Costs? Funding?
- Set up a regular review process –with someone who will challenge you
 - Consider a “management pack” of information
- Set up budgets annually and track these against actuals

Management Information – example 1

INTUIT quickbooks

Sample Company Accountant Tools

Help Search Notifications Settings

Back to report list

Budget vs. Actuals: 2014 Budget - FY23 P&L Report

Report period: This Year-to-date 01/01/2023 to 05/03/2023

Budget: 2014 Budget - FY23 P&L

Show non-zero or active only: Active rows/active columns

Compare another period: Budget amount over

Accounting method: Cash Accrual

Run report

Customise Save customisation

Collapse Sort Add notes

Long for Successful Events -- Sample Company

Budget vs. Actuals: 2014 Budget - FY23 P&L

1 January - 5 March, 2023

	JAN 2023				FEB 2023				1-5 MAR, 2023					
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET
Income														
Billable Expenses Income		2,500.00	-2,500.00		2,500.00	-2,500.00			£0.00	£5,000.00				
Sales		7,000.00	-7,000.00		10,000.00	-10,000.00			£0.00	£17,000.00				
Sales of Product Income		0.00	0.00		0.00	0.00			£0.00	£0.00				
Total Income	£0.00	£9,500.00	£ -9,500.00	0.00%	£0.00	£12,500.00	£ -12,500.00	0.00%	£0.00	£0.00	£0.00	0.00%	£0.00	£22,000.00
Cost of Sales														
Cost of Sales - billable expen...		1,250.00	-1,250.00		1,250.00	-1,250.00			£0.00	£2,500.00				
Total Cost of Sales	£0.00	£1,250.00	£ -1,250.00	0.00%	£0.00	£1,250.00	£ -1,250.00	0.00%	£0.00	£0.00	£0.00	0.00%	£0.00	£2,500.00
GROSS PROFIT	£0.00	£8,250.00	£ -8,250.00	0.00%	£0.00	£11,250.00	£ -11,250.00	0.00%	£0.00	£0.00	£0.00	0.00%	£0.00	£19,500.00
Expenses														
Depreciation Expense	99.99		99.99						£99.99	£0.00				
Dues and Subscriptions	325.00	325.00	0.00	100.00%	0.00	0.00			£325.00	£325.00				
Insurance Expense-General ...	1,250.00	750.00	500.00	166.66667%	0.00	0.00			£1,250.00	£750.00				

Management Information – example 2

INTUIT qb quickbooks | Sample Company | Accountant Tools | Help | Search | Notifications | Settings

Reports

Find report by name

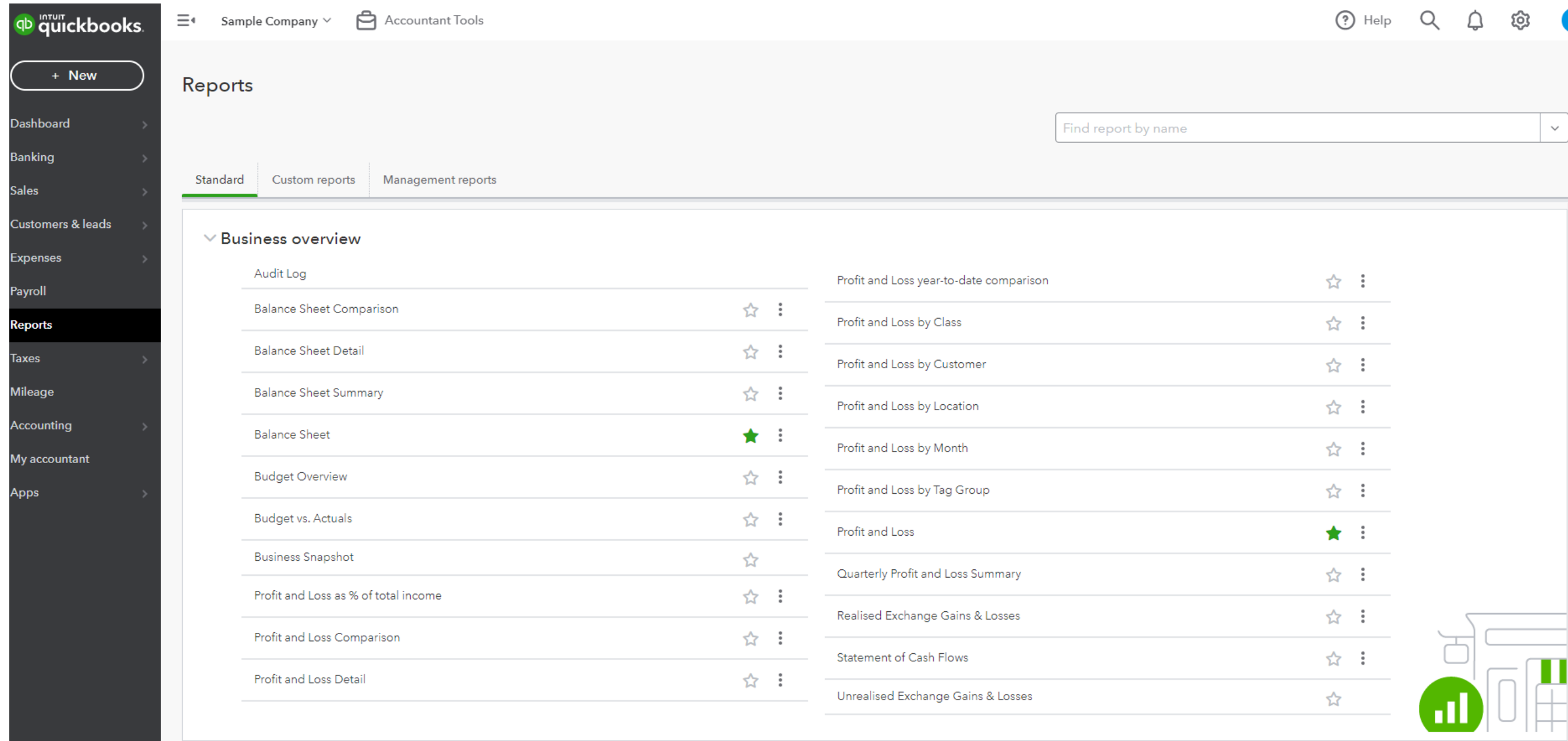
Standard | Custom reports | Management reports

▼ Sales and customers

Customer Contact List	☆ ⋮	Sales by Location Detail	☆ ⋮
Deposit Detail	☆ ⋮	Sales by Location Summary	☆ ⋮
Estimates & Progress Invoicing Summary by Customer	☆ ⋮	Sales by Product/Service Detail	☆ ⋮
Estimates by Customer	☆ ⋮	Sales by Product/Service Summary	☆ ⋮
Income by Customer Summary	☆ ⋮	Stock Valuation Detail	☆ ⋮
Payment Method List	☆ ⋮	Stock Valuation Summary	☆ ⋮
Product/Service List	☆ ⋮	Stock Take Worksheet	☆ ⋮
Sales by Class Detail	☆ ⋮	Time Activities by Customer Detail	☆ ⋮
Sales by Class Summary	☆ ⋮	Transaction List by Customer	☆ ⋮
Sales by Customer Detail	☆ ⋮	Transaction List by Tag Group	☆ ⋮
Sales by Customer Summary	☆ ⋮		



Management Information – example 3



The screenshot shows the Intuit QuickBooks interface for a user named 'Sample Company'. The 'Reports' section is active, displaying a list of reports under the 'Business overview' category. The 'Balance Sheet' report is highlighted with a green star. The interface includes a search bar for reports and a sidebar with navigation options like Dashboard, Banking, Sales, and Reports.

Report Name	Star	More Options
Audit Log		
Balance Sheet Comparison	☆	⋮
Balance Sheet Detail	☆	⋮
Balance Sheet Summary	☆	⋮
Balance Sheet	★	⋮
Budget Overview	☆	⋮
Budget vs. Actuals	☆	⋮
Business Snapshot	☆	
Profit and Loss as % of total income	☆	⋮
Profit and Loss Comparison	☆	⋮
Profit and Loss Detail	☆	⋮
Profit and Loss year-to-date comparison	☆	⋮
Profit and Loss by Class	☆	⋮
Profit and Loss by Customer	☆	⋮
Profit and Loss by Location	☆	⋮
Profit and Loss by Month	☆	⋮
Profit and Loss by Tag Group	☆	⋮
Profit and Loss	★	⋮
Quarterly Profit and Loss Summary	☆	⋮
Realised Exchange Gains & Losses	☆	⋮
Statement of Cash Flows	☆	⋮
Unrealised Exchange Gains & Losses	☆	

To outsource or not?



Delegate
...don't
abdicate!

SUPPORTING resources.....

1. How to review your business performance
2. 5 Pillars of Good Business Finances – self-test
3. How to manage your cash flow – 20 Top Tips

Summary of the 5 steps to take control of your finances.....

1. Organise your bookkeeping system - make sure it's fit for purpose
2. Select and set up your cloud-based system – you'll need to do it some time.....
3. Use your bookkeeping system fully – desktop and mobile
4. Analyse and interpret your business performance (to improve it)
5. Set up regular reviews of your business performance (management pack)

Northern
Ireland
Embrace
a Giant
Spirit



Taking control of your business finances

-and how to increase your profits

TED

Tourism
Enterprise Development
Programme



TOURISM
NORTHERN
IRELAND