



KirkwoodWilson

Chartered Accountants & Digital Tax Specialists

The Digital Accounting Revolution



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The basics of digital & cloud accounting

The presence of technology has had a huge impact on our lives in the last decade. It is hard to ignore how much of our society, culture, and everyday practices have changed since smart technology made itself present in our everyday lives. With the emergence of smartphones and apps making it possible to carry out quite literally any basic process anywhere, anytime.

The accounting profession has benefitted massively from the Digital Revolution, with the days of paper records and excel spreadsheets being a distant memory. Cloud accounting has completely reinvented the accounting world. You can now send and pay invoices on the go and scan or email receipts directly to software; the accounting opportunities are endless!

Many of us are familiar with the concept of the cloud and how it works, so now imagine combining the cloud with your business accounting processes. Talk about simplicity and efficiency!

Instead of utilising traditional accounting methods, such as storing your information on a hard drive or USB, or even in physical paper format, cloud accounting is the perfect method of digitising and securing your financial data.

Take a moment to consider the security risks behind traditional accounting processes – hard-copy records of financial reports and accounting information are much more susceptible to being lost, misplaced, or even stolen. These security factors are just some of the reasons why many businesses are deciding to make the transition from traditional accounting to cloud accounting.

So, what are some of the other benefits of digital accounting?

Reports and information will be more accurate and reliable



Productivity and efficiency is often improved

More streamlined processes can be implemented into the business



Accessibility to important information will be better

The software options available to businesses

In the past, accounting software was often expensive and frequently targeted towards the larger corporate businesses. However, much of the accounting software that is available have adjusted their services and platforms to accommodate smaller businesses.

This type of software has been specially designed to make accounting easier for you. It makes managing your business finances much easier and less daunting, helping you with things like bookkeeping, invoicing, inventory, and payroll.

Some of the most popular digital accounting software providers for businesses include:



Xero



QuickBooks



Sage

While there are other options for digital accounting software, it is now crucial that businesses make sure their accounting processes are in line with HMRC's Making Tax Digital scheme. Making Tax Digital for VAT is now in force for accounting periods starting 1 April 2019, which means that you are required to keep digital records, and use compatible Making Tax Digital software that lets you submit VAT returns.

MOST POPULAR DIGITAL ACCOUNTING SOFTWARE



Xero is one of the biggest players in the digital accounting software world and has been frequently recognised as one of the best accounting software platforms in the UK. Xero not only allows you to keep on top of your finances but is full of helpful time-saving solutions. Xero can import your banking data so you can keep up to speed with all your financial matters. There is also a Xero app that is functional on both iPhone and Android devices.



QuickBooks is another big player in the digital accounting software world, and was one of the very earliest providers of accounting software. This software is full of reporting and finance monitoring tools – all of which make accounting for your business much easier. QuickBooks can be an excellent tool for managing a business' invoicing and payroll requirements.



Sage Accounting Software is another popular accounting platform for small businesses in the UK. Sage can provide you and your company with tailored reports and scorecards, can track your key metrics, and manage your finances on your terms. Sage software is accessible at any time, providing there is an internet connection, so you and your colleagues can keep up to date with any accounting information on the go.
