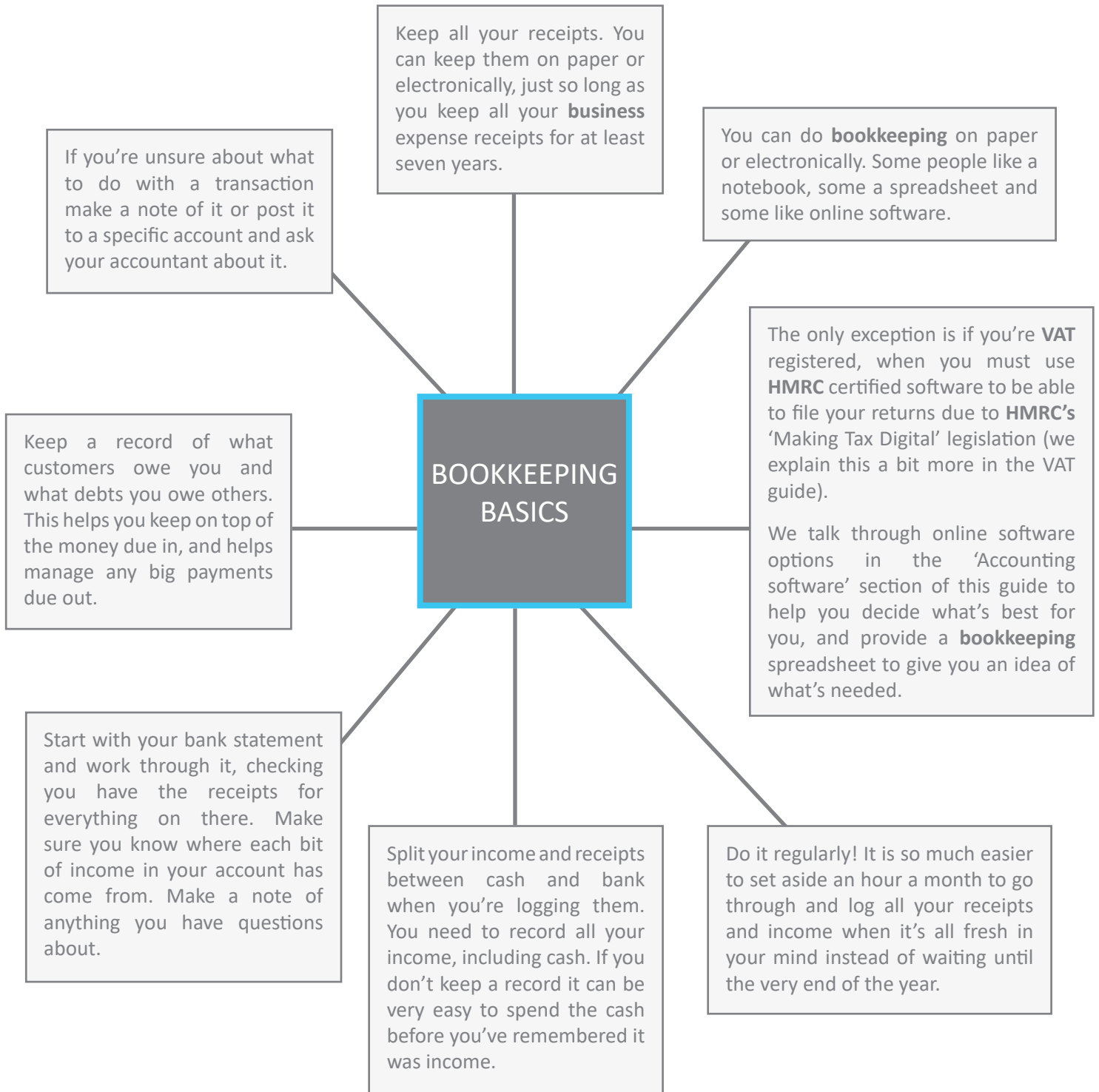


# BOOKKEEPING CHEAT SHEET

To get you started with your record keeping we have laid out the basics of **bookkeeping** below. Once you get going you will find it's not so daunting.



Don't be afraid of **bookkeeping**! Keep it simple, keep on top of it and it will not be the nightmare you may imagine.

# BOOKKEEPING CHEAT SHEET

To start with, there are some decisions to make:

Are you doing this using software, a spreadsheet or doing this manually? Decide now!

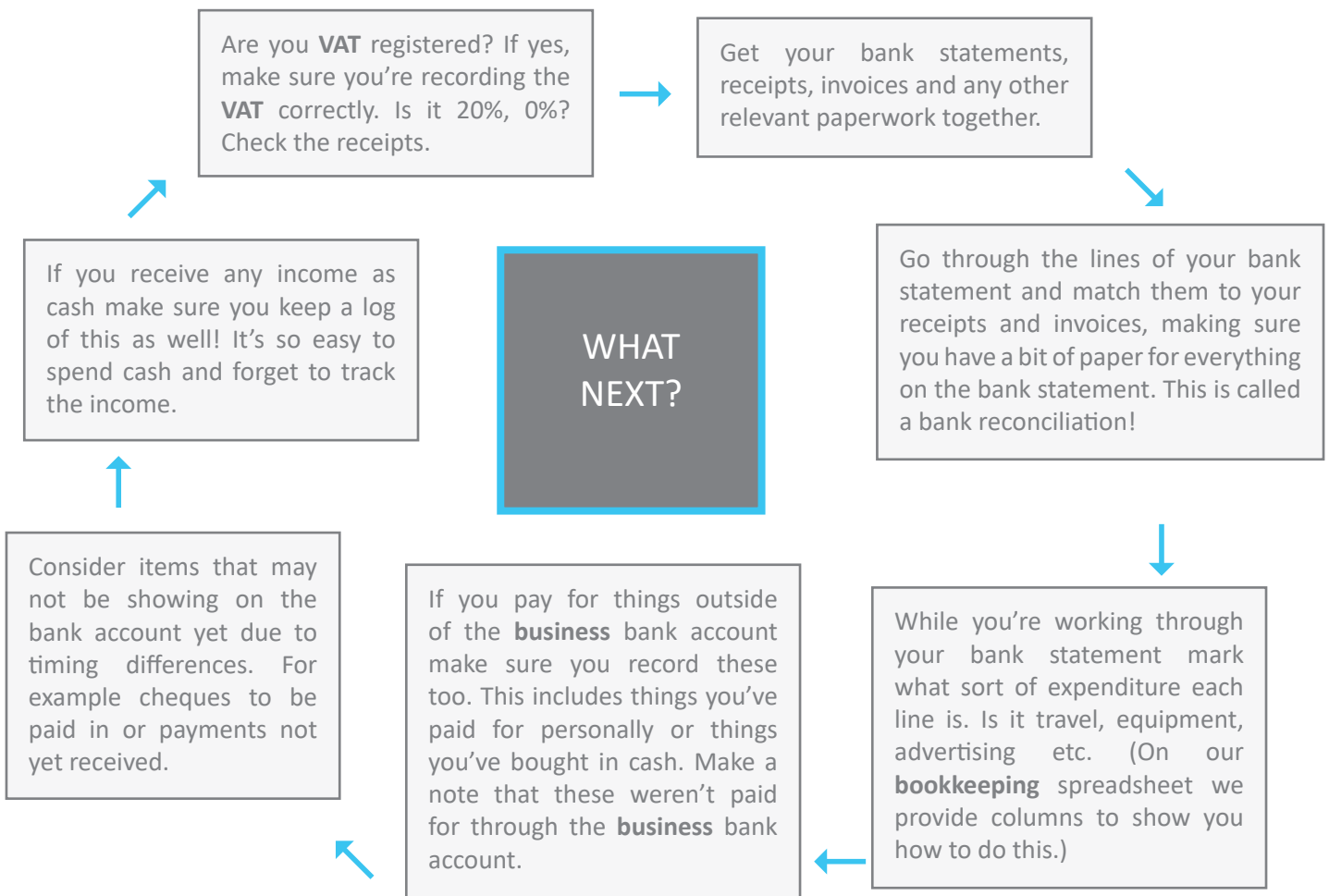
*HINT* - If you're **VAT** registered you have to use software.

Are you going to be a cash or **accruals based accounting** business? What does that mean?

If you use **cash basis accounting**, you record your transaction when cash changes hands. Cash here doesn't have to be bank notes, but means bank transfers and however else you're paid or pay!

If you're going to offer your customers credit or if you're going to use credit from your suppliers, then you have to use an **accrual basis accounting** system. With **accrual basis accounting** you record purchases or sales immediately, even if the cash doesn't change hands until a later time.

Sometimes firms start their **business** using **cash basis accounting** and switch to **accrual basis accounting** as they grow.



If you can make this a regular process through the year you will find yourself in a great position for completing tax returns and make life very easy (and cheaper for you) if you need to get an accountant involved.

That's your **bookkeeping** done. Hopefully it isn't as scary as you might have imagined!