

We can help your  
business reach its  
**full potential!**

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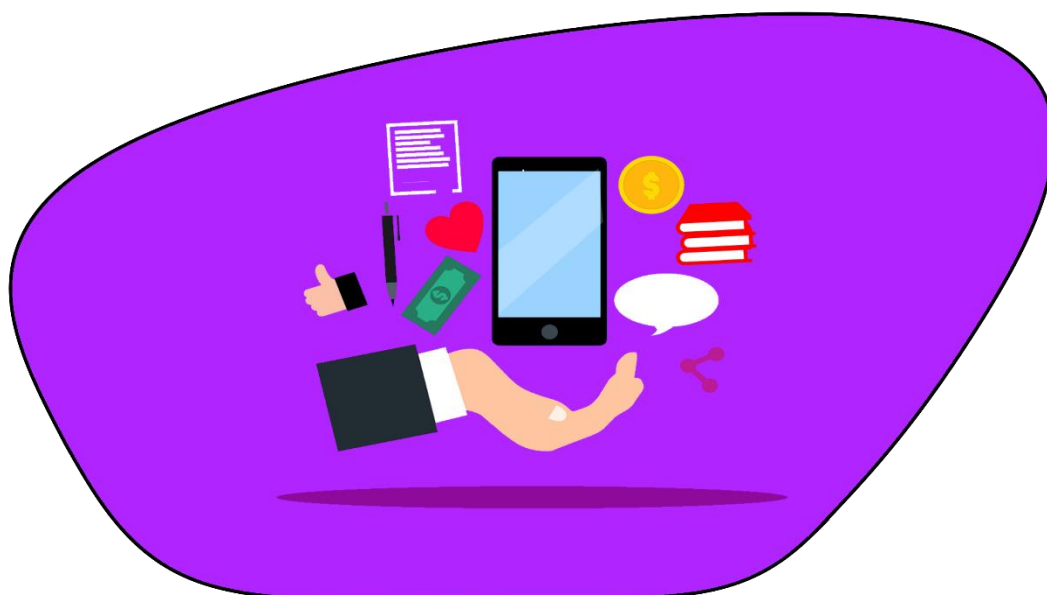
# TIDY CLOUD ACCOUNTING LTD

*Using cloud and digital solutions to take the **hassle** out of accounting*

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## Useful Links

[Our Terms of Business](#)

[Our Privacy Policy](#)

[ICAEW's Code of Ethics](#)

[Xero UK](#)

[Hubdoc](#)

[HMRC's Making Tax Digital \(MTD\) Overview](#)

## Our Contact Details

**E** [hello@tidycloud.co.uk](mailto:hello@tidycloud.co.uk)

**T** [01670 282 345](tel:01670282345)

**M** [07596 926 740](tel:07596926740)

**W** [www.tidycloud.co.uk](http://www.tidycloud.co.uk)

# ABOUT TIDYCLOUD

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Established in June 2021, we are a family run accountancy practice located near **Amble** in Northumberland.

Our mission, is to take the **hassle** out of accounting for individuals and small businesses, through the **use of cloud and digital solutions**.

Rather than spending precious time on paperwork, we believe that businesses and business owners are far happier and more successful, when they are able to concentrate on what they do best.

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This is why we have partnered with one of the UK's leading accounting software providers, **Xero**.

**Xero** is a **Cloud-based** accounting system that opens up a world of opportunities to increase efficiency and streamline the way you manage your business.



Using **Xero** and any appropriate add on options, we will work with you to help simplify and automate your bookkeeping tasks, so you can concentrate on growing your profits.

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We are a fully digital practice meaning we can offer tax, accounting and related services to anyone in the UK.



We are also a member of the Institute of Chartered Accountants in England and Wales (**ICAEW**), which means that you can be confident that the services and advice we provide to you, is given in accordance with the ethics and standards of the main accountancy body in the UK.

Our rates are competitive and our services and fees are agreed and fixed at the outset of any engagement, so there are never any hidden charges or painful extras.

Where possible, our fees are spread over the term of your engagement with payment taken by a monthly direct debit. This is both to aid your cashflow but also to remove that irritating yearly fee.

All potential clients are offered a **FREE**, no obligation consultation.

# WHY CLOUD ACCOUNTING?

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As a business owner, one of the most important areas for you to take care of is your business bookkeeping and accounts. This is not only important in complying with relevant legal obligations, but also vital in managing a successful business.

You currently have a number of choices in terms of your accounting system, ranging from a simple spreadsheet, up to a bespoke accounting package.

However, these choices are becoming more and more limited as HMRC introduces their ***Making Tax Digital*** programme. As a result, businesses across the UK are having to update their systems in order to comply with these new regulations.

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This is where cloud accounting software such as **Xero**, offers so many advantages to legacy systems.

Not only are most cloud accounting systems fully compliant with HMRC's ***Making Tax Digital*** programme, but they also bring a range of benefits to a business, such as cost and time savings through to greater reliability and security of services.

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Using **Xero** can save time and money as well as delivering many other business benefits, some of which are listed below.

## **Anytime/Anywhere Access**

You can access your accounts and key financial figures anytime, from anywhere with an internet connection. With legacy/desktop software, you are effectively tied to your office as all your records will be on a local drive/server.

## **Real Time Data**

Through the use of direct bank feeds and live links with thousands of add on software, Xero presents a live view of your business finances. This means that you can make business decisions on live information rather than using historic and out of date data.

## **Ease of Use**

Xero is a very user-friendly software designed to make bookkeeping easy for small business owners. Many tasks can be completed at the click of a button, or better yet, automated so that the system handles them itself.

### Collaboration

No more sending data files back and forward to your accountant, bookkeeper or financial adviser. Everyone can be given the appropriate access to the accounting system and can undertake their respective tasks simultaneously.

### Data Backup/Security

Xero backs up your data and protects it with multiple layers of security, including industry-standard data encryption and secure data centres. No more backing up regularly throughout the day.

### Automatic Updates

New features are added automatically. No more downloads to install or desktop software updates. Sharing files is easy, and version control issues go away.

### Connections

Xero connects with thousands of add-on software's that can transform many other areas of your business. These cover almost every possible area in a business from stock control to payroll and HR.

### Support

Users get free unlimited email-based support from Xero's award-winning global customer experience team, and phone call-backs when requested. There are also video tutorials and an online help centre.

### Xero Certification

TidyCloud has also made a commitment that every member of our accounts team will undertake **Xero Certified Advisor** training.

This means that you can be confident that all members of our team can assist with Xero related queries.



# WHAT IS MAKING TAX DIGITAL (MTD)?

HMRC's ambition is to become one of the most digitally advanced tax administrations in the world and the **Making Tax Digital (MTD)** programme is a fundamental part of that.

The aim of the initiative is to make tax administration more effective, more efficient and easier for taxpayers, through the implementation of a fully digital tax system.

Eventually, businesses and landlords will need to

- Maintain their bookkeeping electronically;
- Report VAT and income & expenses digitally to HMRC on a quarterly basis via approved software;
- Make quarterly tax payments to HMRC.

**We can help get you ready for MTD**, by transitioning your accounts and bookkeeping to a more regular monthly system, on our Cloud Software **Xero**.

The key goal, being to have your business operating a system that is MTD compliant, before the new rules kick in. Therefore avoiding the significant problems and costs that inevitably occur when rushing new systems in at the last minute.

## April 2019

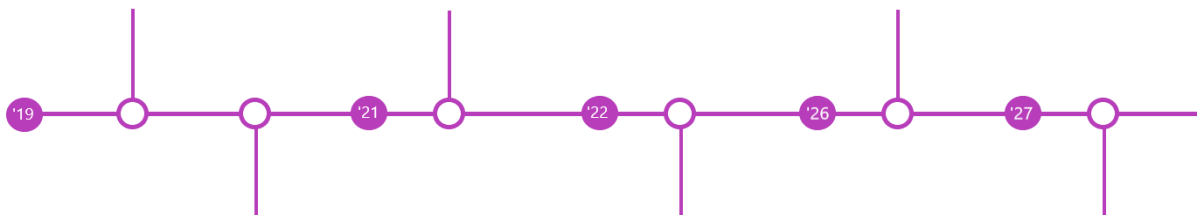
All VAT Registered businesses with turnover above the VAT threshold are required to keep digital records and send VAT returns to HMRC using MTD Compliant Software

## April 2021

End of soft-landing period. HMRC require full digital links between source transactions and VAT return figures submitted.

## April 2026 (Delayed from 2024)

Self employed businesses and landlords with annual income over £50,000 will need to follow the rules for MTD for Income Tax from their accounting period starting on or after 6th April 2026



## October 2019

All VAT Registered businesses previously deferred are required to keep digital records and send VAT returns to HMRC using MTD Compliant Software

## April 2022

VAT registered businesses with a taxable turnover under the VAT threshold will be required to follow MTD rules for their first VAT return starting on or after April 2022

## April 2027

Self employed businesses and landlords with annual income over £30,000 will need to follow the rules for MTD for Income Tax from their accounting period starting on or after 6th April 2026

# OUR SERVICES

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When most people think of accountants, they usually think of tax returns and annual accounts.

Whilst these certainly are amongst our bread-and-butter services, we can also offer so much more that can benefit your business.

We are not just your accountants and tax experts; we are also a **business adviser and partner**, who can contribute greatly to your management team.

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## Our services include;

- Personal Tax/Self-Assessment Returns
  - Bookkeeping
  - VAT Returns
  - Annual Accounts
  - Corporation Tax Returns
  - Payroll & P11D
  - Auto Enrolment Pension Administration
  - CIS Administration
  - Business Advisory Services
  - Cloud Software Advisory, Implementation and Training
- 

We understand that every business is different, which is why we tailor our package of services to your individual requirements.

Some clients like an accountant to look after everything, whilst others just need support with certain areas of their accounts. Whichever is the case for you, we can help.

However, in order to help give you an idea as to our usual packages and fees, we have bundled together some of our most popular options and detailed these on the following pages.

# SOLE TRADERS

As a Sole Trader, you have to wear many hats as part of running your business. These include marketer, IT consultant, HR professional, administrator, receptionist etc... the list goes on.

## Don't add Bookkeeper and Finance Team to the list!

Instead of you spending hours and hours each week dealing with your bookkeeping and administration, allow us to help.

We can set you up with a Cloud Accounting System (**Xero**) that minimises your administration and automates as many tasks as possible, giving you some of that admin time back.

We'll then pick up the rest and ensure that everything is completed and filed, ensuring you comply with your obligations to HMRC.

| Includes                       | Micro                   | Small                   | Small +                   | Standard                   |
|--------------------------------|-------------------------|-------------------------|---------------------------|----------------------------|
| <i>Business Turnover</i>       | <£85k                   | <£85k                   | <£150k                    | >£150k                     |
| Bookkeeping*                   | ✓                       | ✓                       | ✓                         | ✓                          |
| Annual Accounts                | ✓                       | ✓                       | ✓                         | ✓                          |
| Personal Tax                   | ✓                       | ✓                       | ✓                         | ✓                          |
| Xero Cloud Software            | Xero<br>Cashbook        | ✓                       | ✓                         | ✓                          |
| Hubdoc Expense Software        | ✗                       | ✓                       | ✓                         | ✓                          |
| Xero & Hubdoc Training         | ✗                       | ✓                       | ✓                         | ✓                          |
| VAT Preparation and Submission | ✗                       | ✗                       | ✓                         | ✓                          |
| Payroll**                      | ✗                       | ✗                       | ✓<br><i>(3 employees)</i> | ✓<br><i>(10 employees)</i> |
| Auto Enrolment Administration  | ✗                       | ✗                       | ✓                         | ✓                          |
| Management Accounts            | ✗                       | ✗                       | ✗                         | ✓                          |
| <b>Monthly Fee</b>             | <b>From<br/>£54 /mo</b> | <b>From<br/>£99 /mo</b> | <b>From<br/>£169 /mo</b>  | <b>From<br/>£199 /mo</b>   |

\* Micro package Bookkeeping limited to business bank account transaction analysis. All other packages follow our standard bookkeeping process.

\*\* Monthly payroll up to the number of employees. Additional employees or weekly payroll can be added to packages at additional cost.



# LIMITED COMPANIES

Registering and operating a Limited Company requires quite a bit more paperwork and administration than operating a Sole Trader business.

This is because there are a great number of additional rules and processes, which need to be adhered to.

We can help guide you on a great number of areas from formation through to business financing. On top of that, using a streamlined Cloud Accounting System (**Xero**), we'll help keep your paperwork in check and ensure deadlines aren't missed.

| Includes                       | Micro                   | Small                    | Small +                  | Standard                 |
|--------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| <i>Business Turnover</i>       | <£85k                   | <£85k                    | <£150k                   | >£150k                   |
| Bookkeeping*                   | ✓                       | ✓                        | ✓                        | ✓                        |
| Annual Accounts                | ✓                       | ✓                        | ✓                        | ✓                        |
| Companies House Filings        | ✓                       | ✓                        | ✓                        | ✓                        |
| Corporation Tax Returns        | ✓                       | ✓                        | ✓                        | ✓                        |
| Personal Tax                   | ✓                       | ✓                        | ✓                        | ✓                        |
| Xero Cloud Software            | Xero<br>Cashbook        | ✓                        | ✓                        | ✓                        |
| Hubdoc Expense Software        | ✗                       | ✓                        | ✓                        | ✓                        |
| Xero & Hubdoc Training         | ✗                       | ✓                        | ✓                        | ✓                        |
| VAT Preparation and Submission | ✗                       | ✗                        | ✓                        | ✓                        |
| Payroll**                      | ✗                       | ✗                        | ✓<br>(3 employees)       | ✓<br>(10 employees)      |
| Auto Enrolment Administration  | ✗                       | ✗                        | ✓                        | ✓                        |
| Management Accounts            | ✗                       | ✗                        | ✗                        | ✓                        |
| <b>Monthly Fee</b>             | <b>From<br/>£99 /mo</b> | <b>From<br/>£149 /mo</b> | <b>From<br/>£219 /mo</b> | <b>From<br/>£249 /mo</b> |

\* Micro package Bookkeeping limited to business bank account transaction analysis. All other packages follow our standard bookkeeping process.

\*\* Monthly payroll up to the number of employees. Additional employees or weekly payroll can be added to packages at additional cost.

# OUR ENGAGEMENT PROCESS

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Tired of tedious bookkeeping and administrative tasks, you think to yourself

“There must be a better way”



**Initial Contact**

You make Contact with **TidyCloud**. This will generally be a call or an email where we will look to arrange a **FREE** Initial Consultation.

Within this contact, we would look to get some basic details about yourself and/or your business.

Ideally, we'll meet in person but otherwise, we'll arrange a video call. The main purpose of this informal meeting is to simply get to know each other a bit better.

We will look to learn about yourself and your business and what your goals and aspirations are. We'll share details on how we operate and what you can expect from us.

We will also discuss what accounting support you may need or want and how we will be able to help.



**FREE Consultation**



**Quotation**

Unless already discussed at the initial consultation, we will issue a quote within a few days.

This will usually be via email and where possible, we will include a few different options so as to give you some choice on the package you feel suits you best at that time



### Anti-Money Laundering (AML) & ID Checks

Once the quote is accepted, as part of our money laundering requirements, we need to run some AML checks on yourself and the business.

We will need some personal details from yourself and any other involved individuals as well as 2 forms of ID for everyone. (One photo ID such as passport or driving licence and one address ID such as a utility bill or bank statement)

We will also be running a Credit Screen on all parties involved. This is a soft credit check that will not have any impact on your credit score.

You will need to make contact with your existing accountant to explain that you are changing accountant, and that they have permission to discuss and forward your documentation onto ourselves.

We will write to your existing accountant to request professional clearance and to request copies of any necessary documentation that they hold on your behalf.

THIS PROCESS CAN TAKE **UP TO 6 WEEKS** DEPENDING ON YOUR EXISTING ACCOUNTANT. AS SUCH, WE WILL BUILD THIS TIMEFRAME INTO THE DECISION ON THE HANDOVER DATE



### Contact Existing Accountant (If Applicable)



### Online Portal and Engagement Paperwork

Once we have received word back from your existing accountant, you will be sent an email proposal and invite to our online portal which can then be accessed via our website ([www.tidycloud.co.uk](http://www.tidycloud.co.uk))

When you follow the link on the email, you will be asked to create login details. You will then be able to review and e-sign our engagement letter and terms and conditions

Once the engagement letter and documents are signed, you are engaged with **TidyCloud!**

We'll now make a start getting your accounting package set up and any registrations underway.

We'll also schedule follow-on meetings and training sessions so that we have a **clear roadmap** to getting everything set up and running



### You're Engaged!

# OUR STANDARD BOOKKEEPING SYSTEM

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Our Standard Bookkeeping System may sound complicated and a lot of work, but it really isn't.

It's largely a modern version of what most businesses have done historically, but whereby we would look to reduce your workload and automate as much as possible.

In the past, most businesses would raise their own sales invoices and make payments for bills and expenses before filing those documents away into a folder or box. They would then drop that box in at their accountants along with their bank statements, so that the accountant could complete their accounts and tax returns.

Often this process would be done quarterly for VAT registered businesses and annually for those who aren't.

Whilst this process worked, it meant that the accounts and information that businesses received was always historic and out of date, as soon as it was produced.

It's also a system that simply isn't acceptable for **Making Tax Digital (MTD)** which is why a new system is required.

We've broken down your own and our responsibilities within Our Standard System below.

Full training will be given on any aspects you need to undertake so don't worry about anything you are unsure of.

## Your Responsibilities

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| Old System   | Our Standard System   |
|--|---|
| <p><b>Sales</b></p> <p>Raise sales invoices, often in Word or a duplicate book, then print and give to the customer.</p> <p>If you don't raise individual invoices and instead operate on a retail scheme, record daily takings in a Simplex D cashbook, paper ledger or Excel file.</p> <p>Record payments from customers in your Simplex D cashbook, paper ledger or Excel file.</p> | <p><b>Sales</b></p> <p>Raise sales invoices through the Xero Cloud software and either email to the customer direct from the system or print and distribute.</p> <p>Enter daily takings into Xero.</p> <p>Record payments from customers against relevant invoices/sales.</p> |

**Purchases/Expenses**

Record bills in a Simplex D book, paper ledger or Excel.

**Purchases/Expenses**

Use the Hubdoc bills add on, to manage purchases and costs. This means uploading bills and expenses on a regular basis, ideally as you receive them but at least weekly, to the system.

We would set up as much automation as possible so as to eliminate or reduce as many of your tasks here

**Bank/Cash Accounts**

Keep your business account free of personal transactions other than drawings/dividends.

I.e. If you have a personal bill to pay and need funds from the business, the funds are transferred from the business to your personal account first, then the bill paid from there.

Drop paper statements into the accountant's office every quarter or year when the VAT or accounts are due.

Record cash transactions in a Simplex D book, paper ledger or Excel.

**Bank/Cash Accounts**

Keep your business account free of personal transactions other than drawings/dividends.

I.e. If you have a personal bill to pay and need funds from the business, the funds are transferred from the business to your personal account first, then the bill paid from there.

Maintain a live bank feed in Xero or if this is not available, to provide TidyCloud with a CSV bank statement on a monthly basis.

Enter any cash transactions that aren't evidenced with an invoice or receipt into Xero.

**General**

Provide details of year end stock in a suitable report or via an independent stocktakers report.

Prepare details of work-in-progress at the year end and make available to us the documents and other information from which the statement is compiled.

Provide all information and documents necessary in a timely manner to ensure that all transactions are recorded correctly in the accounts.

**General**

Provide details of year end stock in a suitable report or via an independent stocktakers report

Prepare details of work-in-progress at the year end and make available to us the documents and other information from which the statement is compiled

Provide all information and documents necessary in a timely manner to ensure that all transactions are recorded correctly in the accounts.

## Our Responsibilities

| Old System  | Our Standard System   |
|---|---|
| <p><b>Sales</b></p> <p>Analyse and compile the sales information from the copy invoices provided/handed in at the quarter or year end.</p>  | <p><b>Sales</b></p> <p>Reconcile in Xero, any sales receipts you have marked as paid, with the bank and cash transactions on a monthly basis.</p> <p>Generally, keep the online Debtors ledger tidy so that you have confidence in the balances showing as due from customers.</p>  |
| <p><b>Purchases/Expenses</b></p> <p>Analyse and compile the expenses information from the expense invoices and Simplex D/paper ledgers provided/handed in at the quarter or year end.</p> | <p><b>Purchases/Expenses</b></p> <p>Process and classify invoices and receipts uploaded to Hubdoc and to publish them into the Xero accounting software.</p> <p>This includes dealing with any disallowable expenses and VAT implications.</p> <p>To record payments of purchases and expenses through the bank and cash accounts on a monthly basis and generally maintain the Creditors ledger.</p> |
| <p><b>Bank/Cash Accounts</b></p> <p>Analyse and compile the bank transactions from the paper statements provided/handed in at the quarter or year end.</p>                                | <p><b>Bank/Cash Accounts</b></p> <p>To process bank and cash transactions on a regular basis and generally keep the bank entries up to date.</p> <p>To reconcile the bank account entries on at least a monthly basis.</p>  |
| <p><b>General</b></p> <p>Input relevant bookkeeping and accounting journals</p> <p>Reconcile balance sheet accounts annually</p>  | <p><b>General</b></p> <p>Input relevant bookkeeping and accounting journals</p> <p>Maintain and reconcile balance sheet accounts monthly</p> <p>Provide training on software and general assistance in automating and streamlining as many bookkeeping tasks as possible.</p>   |

## **How does the Standard Bookkeeping System benefit you?**

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The main benefits to the Standard Bookkeeping System are;

### **Real Time Financial Information – Potential Higher Profits and Lower Taxes**

You can now manage and make changes to your business, based on information that is relevant at that time. No more year end accounts whereby the information you receive, is already months or even years out of date.

This information not only allows you to make changes in your own business to increase profits or mitigate losses. It also enables us to know where you are financially as the year progresses, so that we are better able to provide effective tax advice, to mitigate tax liabilities.

### **Reduced Paperwork – Time Savings**

Streamlining and automation of your internal bookkeeping systems can help saves hours of tedious paperwork that you historically would have needed to undertake.

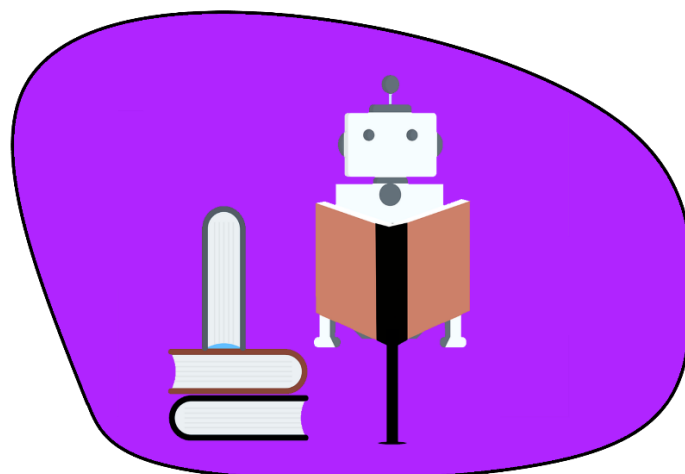
This time can then be better spent making extra sales or simply used to strike a better work/life balance.

### **Making Tax Digital Compliant**

Keeping your records digital and up to date is MTD compliant for VAT. However, it also expected to be compliant for the further changes to MTD coming in over the next few years.

As such, any system implemented now wouldn't need to undergo any major overhauls going forward.

**These benefits are achieved in tandem, by utilising all of the features in Xero and Hubdoc, along with apps and tools such as direct bank feeds, email auto forwarding rules, software API's, artificial intelligence and so on.**



# BUSINESS STARTUP CHECKLIST

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Our Start-up Checklist is here as an aid for individuals who are thinking of, or are in the process of setting up a business.

This list won't cover everything you need to think of and organise, but hopefully it will help flag up any areas that you hadn't already considered.

## **Research Your Idea**

Before investing too much time and money into a business, you first need to determine whether the business is likely to be viable and sustainable.

Answering the following questions can help determine if it's worth taking the plunge;

- Have you examined the market that you will be entering? Is it a growing or shrinking market? Is there a demand for your product or service?
- Who will your competitors be? What are they good at? What are their weaknesses?
- Who will your customers be? What are their demographics?
- Have you conducted research or surveys on your product/service? Have you asked friends and family for honest opinions on your plans?

## **Write a Business Plan**

Writing a business plan can often help you to think more clearly about what you intend to do with the business. The analysis involved in compiling the plan helps with understanding the market you are entering, and usually forces you to be very critical and objective about the various aspects of your business.

This detailed analysis can be crucial to positioning your start-up business correctly and ensuring that you are targeting the right customers from day one.

On top of that, a well written and thought-out plan is essential if you are looking to approach a lender about finance for the business. They will expect to see a detailed analysis of your business idea along with credible financial projections that demonstrate how the business will succeed.

## **Business Name and Legal Structure**

Choosing a good business name that represents the values of your business, your products or services and the customers you are targeting, is potentially one of your most difficult tasks.



As such, **don't rush it!** Write all of your ideas down and ask friends and family for further suggestions and opinions on anything you have so far.

Eventually, a few options will jump out at you and you'll be able to whittle your names down to small shortlist.

Your next step would be to check online at Companies House and on the Trade Mark Register to check whether those names are already taken. If not, you should be free to use one of them.

Your next step would be to determine which legal structure will be best for your business. The most common structures in the UK are;

- Sole Trader
- Partnership (*Must be at least 2 partners*)
- Limited Liability Partnership - LLP (*Must be at least 2 partners*)
- Limited Company

Each of the different structures has its own **pros** and **cons**, so it is important to do your research and decide which will be best for you.

### **Business Registration**

Once you have decided your name and structure, you'll next need to register your business.

- For Sole Traders and Partnerships, this is registering the business with HMRC and registering each of the individuals involved for Self-Assessment.
- For LLP's, the business needs to be formed at Companies House then registered with HMRC for Self-Assessment
- For Limited Company's, the company needs to be formed at Companies House then registered with HMRC for Corporation Tax

### **Business Bank Account**

Once you have registered your business, you can then set up a business bank account.

Limited Company's **must** have their own business bank account; however, we advise all businesses to set one up.

This draws a clear line between personal and business finances, and makes your bookkeeping much less complicated. It also helps should HMRC ever inspect your records.

## **Business Logo/Branding**

Your business logo and business name will be core to creating your brand identity. Ideally, both will be something memorable and have the flexibility for use on printed media and online.

It's best to come up with some ideas yourself first before approaching any graphic designers or brand consultants as this can help reduce costs.

If you are on a budget, it may be best to start off with a DIY logo or to perhaps engage a designer on a freelance site like **Fiverr.com**

## **'Qualified' Accountant**

Whilst we'll admit to being biased on this point, we always advise engaging an experienced, qualified accountant.

This is because a good accountant will have knowledge and expertise in many areas of business.

Their advice and guidance can be the difference between the business' success or failure.

However, we stress '**Qualified**' in the heading, as the title of **Accountant** isn't protected by UK law. Anyone can set up and call themselves an accountant even if they have little to no knowledge of accounting practices and regulations.

Whilst being '**Qualified**' doesn't guarantee that they are a good accountant; you at least have the knowledge that they;

1. Have undergone years of training and examinations in accounting and finance, to obtain the qualification
2. Are regulated by one of the UK Accounting Regulatory Bodies. (*ICAEW, ACCA, CIPFA, CIMA, AAT*) This means they must adhere to the rules/standards/ethics and guidelines set by their professional body.
3. Must undertake ongoing training and development to maintain the qualification

As with any advisor that you engage, it's best to spend some time getting to know them so as to determine if they are a good fit for you and your business.

## **Other Items to Consider**

|               |                       |                          |
|---------------|-----------------------|--------------------------|
| Assets Needed | Buildings             | <input type="checkbox"/> |
|               | Plant and Machinery   | <input type="checkbox"/> |
|               | Fixtures and Fittings | <input type="checkbox"/> |
|               | Motor Vehicles        | <input type="checkbox"/> |
|               | Computer Equipment    | <input type="checkbox"/> |

|                                    |  |                          |
|------------------------------------|--|--------------------------|
| Data Protection                    | GDPR                                   | <input type="checkbox"/> |
|                                    | ICO Registration                       | <input type="checkbox"/> |
|                                    | Privacy Policy                         | <input type="checkbox"/> |
| Employing Staff                    | Payroll and Rates of Pay               | <input type="checkbox"/> |
|                                    | HR Policies and Contracts              | <input type="checkbox"/> |
|                                    | Auto Enrolment Pension                 | <input type="checkbox"/> |
| Finance                            | Bank Loans                             | <input type="checkbox"/> |
|                                    | Personal Loans                         | <input type="checkbox"/> |
|                                    | Crowdfunding                           | <input type="checkbox"/> |
| Health and Safety Policies         |  | <input type="checkbox"/> |
| Insurances                         | Public Liability                       | <input type="checkbox"/> |
|                                    | Product Liability                      | <input type="checkbox"/> |
|                                    | Employers Liability                    | <input type="checkbox"/> |
|                                    | Professional Indemnity                 | <input type="checkbox"/> |
|                                    | Buildings and Contents                 | <input type="checkbox"/> |
| Marketing                          | Printed Ads                            | <input type="checkbox"/> |
|                                    | Online/Facebook/Google Ads             | <input type="checkbox"/> |
| Money Laundering Regulations       |  | <input type="checkbox"/> |
| Standard Terms of Business         |  | <input type="checkbox"/> |
| Stationery                         | Letterheads                            | <input type="checkbox"/> |
|                                    | Invoices                               | <input type="checkbox"/> |
|                                    | Brochures                              | <input type="checkbox"/> |
| Social Media                       | Facebook                               | <input type="checkbox"/> |
|                                    | Instagram                              | <input type="checkbox"/> |
|                                    | Twitter                                | <input type="checkbox"/> |
|                                    | LinkedIn                               | <input type="checkbox"/> |
| Software and Internet              | Broadband Provider                     | <input type="checkbox"/> |
|                                    | Software Needed                        | <input type="checkbox"/> |
|                                    | Anti-Virus/Security                    | <input type="checkbox"/> |
|                                    | Data Backup/Disaster Recovery Plan     | <input type="checkbox"/> |
| Telephone                          | Landline/Mobile                        | <input type="checkbox"/> |
|                                    | VOIP System                            | <input type="checkbox"/> |
|                                    | Messaging System (WhatsApp, Messenger) | <input type="checkbox"/> |
| Training and Qualifications Needed |  | <input type="checkbox"/> |
| Website                            | Website Domain                         | <input type="checkbox"/> |
|                                    | Website and Email Hosting              | <input type="checkbox"/> |
|                                    | Website/E-Commerce Design              | <input type="checkbox"/> |
|                                    | Newsletter/Blog                        | <input type="checkbox"/> |

# FAQ'S

## CLOUD SOFTWARE

### **Do I need to use Cloud Software or can I continue with my existing legacy system?**

We are happy to accept businesses operating a legacy/older system when first engaging with TidyCloud, however we wouldn't be able provide ongoing services with those systems.

The reason being is that our goal is to have 100% of our clients using Cloud Software, and keeping their records up to date monthly, ahead of Making Tax Digital being implemented fully in the next few years.

### **Can I use alternative Cloud Software, such as Quickbooks, Sage Cloud or Kashflow?**

We believe Xero to be the best Cloud Accounting Software currently available, and this is the reason why we include a subscription in most of our accounting packages.

We have a deep understating of Xero and its overall eco-system which allows us to calibrate and implement the systems required, to make the bookkeeping processes as slick as possible.

However, we do have experience using other Cloud Software's such as Quickbooks, so if you do prefer to use one of the competitors, we can still provide an accounting package.

### **What are the main features of Xero?**

Xero has a long list of features with the vast majority being very easy to implement and use.

However, as with any system, there are many features which most small businesses won't really need. We believe the features that our clients love the most are;

- Sales – Xero makes it super easy to raise sales invoices and send them direct to customers. These can be done on the fly by using the Xero mobile app or logged in on a browser.
- Online Payments – Linked to your sales, Xero integrates with a number of card merchants including Paypal, Stripe and Worldpay. This enables customers to pay your invoices direct from your invoice using a debit or credit card.
- Bank Feeds – Bank feeds are a connection with your business bank, that pulls statement data straight into Xero on a daily basis. This not only saves you the hassle of printing or exporting statements to send to us, it also enables us to reconcile your bank on a much more regular basis and keep your accounts up to date.
- Add on Apps – Xero links with thousands of add on apps which can benefit various areas of your business.

## **ENGAGEMENT**

### **I don't need some of the services in a package, can I remove them?**

Yes, all of our packages are fully customisable so you can add or remove services as you need them, or build a package from scratch that meets your individual needs.

Our fixed price fees will then be quoted based on the final package that you opt for.

I.e. If you want all of the services in a Small + package except for payroll, then we would remove payroll from the package and reduce the monthly fee accordingly.

### **How do you calculate your fees?**

Our fees depend not only on upon the time spent on your affairs, but also on the level of skill, responsibility and the importance and value of the services we provide.

Whilst we have a system internally for determining base level fees, the simple fact that every business is different, means that we cannot offer a one size fits all service or pricing structure.

For example, we could have two book retailers based on the same street, with the same level of turnover and same number of employees. At face value, you would believe that their accountancy fees should be the same or very similar.

However, the second retailer sells their books online and ships worldwide. They take payments in multiple currencies and are busy setting up a system to take payment in Bitcoin and other cryptocurrencies.

These differences mean that the second retailer will likely have much more complicated affairs in that;

- They may have VAT issues/responsibilities in multiple jurisdictions
- They will likely have foreign exchange rate fluctuations and costs on overseas sales
- The cryptocurrency income may be difficult to document, trace and value given the wild fluctuations in cryptocurrency values.

In this case, our fees for the second retailer would be higher than those of the first to reflect the anticipated extra time and expertise needed to deal with their more complex arrangements.

### **Does TidyCloud charge me each time I contact them for advice or if I have a question?**

We operate a fair usage policy in terms of advice and queries. This means that we do not charge for advice and queries related to services in your package, unless we feel the number of calls and emails becomes excessive.

What we deem to be excessive is at our discretion, however we do believe that we are quite generous with the policy.

We would however, charge for advice relating to services outside of your package with TidyCloud.

I.e. If VAT was not part of your package and you contacted us for advice on a VAT query, we would agree with you a fee/rate for providing advice on that matter.

### **What happens if I become your client half way through the year?**

If you join TidyCloud partway through a period, we'll first assess the work needed to bring you up to date with your bookkeeping and other affairs.

We'll then agree a one-off fee for that work before setting up the monthly fees going forward. All this will be explained and set out clearly during the engagement process.

### **I have had cheaper quotes elsewhere, how do you justify your fees?**

We know that you have many options in terms of accountancy providers, and that we may not be the cheapest accountant that you can find. We will never claim to be.

However, we do believe our services are value for money and that our fees are competitive with similar regulated, **'Qualified'** accountants in and around the area.

### **What is a 'Qualified' accountant?**

The term 'Accountant' isn't regulated in the UK so anyone can call themselves an accountant, regardless of their experience, knowledge or professional qualifications.

A **'Qualified'** accountant is someone who is a member of one of the recognised UK Accounting bodies and whereby they should adhere to rules/standards/ethics and guidelines set by their professional body.

Most **'Qualified'** accountants in practice in the UK will be members of one of the following;

- Institute of Chartered Accountants in England & Wales (ICAEW)
- Institute of Chartered Accountants of Scotland (ICAS)
- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants (CIMA)
- Chartered Institute of Public Finance and Accountancy (CIPFA)

*For info, TidyCloud are regulated by ICAEW*

A lot of other accountants are also members of the Association of Accounting Technicians (AAT). This qualification is one that is usually undertaken prior to taking further exams and training necessary to join one of the bodies in the list above.

## **Why do I care if an accountant is 'Qualified'?**

Being '**Qualified**' doesn't mean that your accountant will offer a good service, and there are many non-qualified accountants out there who do a really good job.

However, as with most services, the problem you have when selecting your service provider, is determining who does a good job and who the cowboys are.

This is particularly important when it comes to accounting and tax, as the problems and fines that can arise as a result of getting something wrong, can cripple businesses and personal lives.

Ultimately, it is **yourself or your business**, who is responsible and accountable for any errors that occur, and it will be yourself who HMRC imposes fines and penalties upon.

The reassurance you get with a 'Qualified' accountant is;

1. They will have undergone years of training and examinations in accounting and finance, to obtain the qualification
2. They will be regulated by one of the UK accounting professional bodies and should adhere to the rules/standards/ethics and guidelines set by their professional body.
3. They must have gained sufficient accounting experience to hold a 'Practicing Certificate' (PC). The accounting bodies will only issue a PC once they have received evidence of the accountant having the necessary experience.
4. They must undertake and record details of ongoing training and development to maintain the qualification. This includes keeping up to date with legislation and rule changes.
5. They must hold an adequate professional indemnity insurance policy, which gives clients protection in the unlikely case of a complaint or litigation being brought.

## **I'm not based in Northumberland; can I still work with you?**

Whilst the majority of our clients are based locally in Northumberland, we can undertake work for individuals and businesses anywhere in the UK.

This is because we are a fully digital practice, so can work with you via video calls, phone calls and email.

## **Is switching accountants complicated?**

No, providing your affairs and fees with your existing accountant are up to date, switching is actually quite a straight forward process. It's as simple as

1. You contact your existing accountant to inform them that you are switching provider and that they have permission to provide documentation to TidyCloud

2. We would then contact your accountant to request copies of any information we need

We will fully manage the transition and ensure that the handover is as seamless as possible.

The only aspect that really needs some thought is the handover date. It is usually best to wait until after a completed VAT return, or once your year end accounts have been completed. This helps to ensure that there are no issues with late returns during the handover process.

### **Why do you need my ID?**

As part of the UK's Anti-Money Laundering (AML) regulations, we have an obligation to run AML checks on everyone involved in the business.

This includes checking various databases and collecting ID and proof of address.

We also run a Credit Screen (Soft credit check that won't affect your credit score) on every client we engage as part of our internal engagement process.

## **GENERAL**

### **Do you carry out Company Formations?**

Yes, we can carry out a Standard Limited by Shares, Company Formation for a one-off fee of **£150.00**

However, if you are engaging on a monthly accounting package with us for 12 months or more, we would undertake the formation **Free of Charge**.

### **Do you undertake registrations with HMRC?**

Yes, as part of engaging on a monthly accounting package with us, we would undertake the registrations for the applicable taxes at HMRC (Self-Assessment, PAYE, CIS, VAT, Corporation Tax Etc...)

### **Is there a minimum joining term or cancellation fee?**

Our monthly accounting packages are priced to cover a minimum 12-month period however there are no minimum joining terms you are free to leave at any time during the 12 months.

If you do leave before your Accounts, Self-Assessment, VAT returns etc... are completed, it would be **at our discretion** as to whether that task is completed by ourselves.

There may be a cancellation/leaving fee depending on your situation. For example, if we undertook a Company Formation for yourself on the basis of you engaging on a monthly package for 12 months but you opted to leave after 3 months, we would charge you an element of our usual one-off fee to reflect the work completed.



## When does my Self-Assessment Tax Return need to be filed, and any taxes paid?

Self-Assessment Tax Returns need to be filed and any tax liability paid, before 31<sup>st</sup> January following the end of the tax year (5<sup>th</sup> April)

| Return Filed and Tax Paid by  | For Tax Year Ending        |
|-------------------------------|----------------------------|
| 31 <sup>st</sup> January 2022 | 5 <sup>th</sup> April 2021 |
| 31 <sup>st</sup> January 2023 | 5 <sup>th</sup> April 2022 |
| 31 <sup>st</sup> January 2024 | 5 <sup>th</sup> April 2023 |

## When do my VAT returns need to be filed and any VAT paid?

Quarterly and Monthly VAT returns both need to be filed and any VAT paid, within one month and 7 days of the end of the VAT quarter.

| VAT Return Filed and VAT Paid by | For VAT Quarter/Month Ending   |
|----------------------------------|--------------------------------|
| 7 <sup>th</sup> March 2021       | 31 <sup>st</sup> January 2021  |
| 7 <sup>th</sup> April 2021       | 28 <sup>th</sup> February 2021 |
| 7 <sup>th</sup> May 2021         | 31 <sup>st</sup> March 2021    |

## When does my Corporation Tax Return need to be filed and any Corporation Tax Paid?

Corporation Tax is an unusual tax, in that the payment and return deadlines don't coincide.

For businesses who have taxable profits up to £1.5m per annum, the return needs to be filed within 12 months after the year end. However, the tax liability needs to be paid within 9 months and 1 day of the year end.

| Corporation Tax Return Filed by | Corporation Tax Paid by       | For Year Ending             |
|---------------------------------|-------------------------------|-----------------------------|
| 31 <sup>st</sup> March 2022     | 1 <sup>st</sup> January 2022  | 31 <sup>st</sup> March 2021 |
| 30 <sup>th</sup> April 2022     | 1 <sup>st</sup> February 2022 | 30 <sup>th</sup> April 2021 |
| 31 <sup>st</sup> May 2022       | 1 <sup>st</sup> March 2022    | 31 <sup>st</sup> May 2021   |

We know that the deadlines above don't quite make sense, in that the taxes need to be paid before the return has been filed, however that is the way the system works.

For businesses who have taxable profits above £1.5m per annum, you have to pay corporation tax in instalments throughout the year but the rules differ depending on your profits.

## When do my Company Accounts need to be filed to Companies House?

Your Year End Accounts are due at Companies house 9 months after your year end unless it is your first year when often there is a shortened filing deadline.

| Accounts Submission Due        | For Year Ending             |
|--------------------------------|-----------------------------|
| 31 <sup>st</sup> December 2021 | 31 <sup>st</sup> March 2021 |
| 31 <sup>st</sup> January 2022  | 30 <sup>th</sup> April 2021 |
| 28 <sup>th</sup> February 2022 | 31 <sup>st</sup> May 2021   |

## **PAYROLL**

### **How does your payroll system work?**

For each payroll period, our payroll process is as follows

1. We would send you a request for the payroll information through our Cloud Payroll portal
2. You would receive a notification that the payroll information is needed. You would then follow the link on that request or simply log into the Portal via our website, to access the data entry screen.
3. Once logged in, you would complete the payroll information online using any device that has an internet connection. This includes letting us know
  - a. Each employees' hours/wages
  - b. Details of any holidays, bonuses, commissions, mileage etc... that need paid
  - c. Details of any deductions that need made
  - d. Details of any new starters or leavers
  - e. Anything else relevant to the payroll
4. Once completed, you confirm the info is finalised which would submit the information to us
5. Using those details, we would process the wages and prepare the payslips, before submitting all of the relevant RTI submissions to HMRC.
6. The finalised payslips and payroll reports would then be uploaded to our Cloud Payroll portal
  - a. You would receive notification that the reports and payslips are available, so that you can log online and get the amounts payable to each employee.
  - b. Each employee would also receive a notification that their payslip is available so they can log into their own Cloud Portal to access their payroll documents.
7. You would then pay the wages based on the report/payslips in the cloud portal and set up payment to HMRC for taxes/NI deductions
8. Finally, if we are administering your Auto-Enrolment pension, we would prepare the pension reports and submit these direct to your Pension provider.

### **How do employees get their payslips?**

All of your employees will get access to their own cloud portal on our payroll system.

Within their portal, they will only be able to access their own documents, and won't be able to see anything else relating to the business or other employees.

This enables your employees to view or download their own payslips, P45's and P60's, rather than you having to print and distribute the documents on every pay run.

### **Can you make the payments to my employees and HMRC?**

No, not at the moment, but if the ability to do so in future becomes available, we will discuss the option with clients.

At the moment, we provide the reports showing you the amounts due to each employee, and the total due to HMRC each month. However, it will still be up to yourself to make the payments through your bank.

If you have a finance employee or bookkeeper who handles bank payments for your business, we can arrange administrative access to your payroll so that they can access the reports needed to make the correct payments.

## **HOW DO I CONTACT TIDYCLOUD TO LEARN MORE?**

**Call us**

**01670 282 345**

**Call/WhatsApp**

**07596 926 740**

**Email us**

**hello@tidycloud.co.uk**

**Visit our website**

**www.tidycloud.co.uk**



