

# Get ahead of the game

David McIver advises dentists to prioritise bookkeeping.

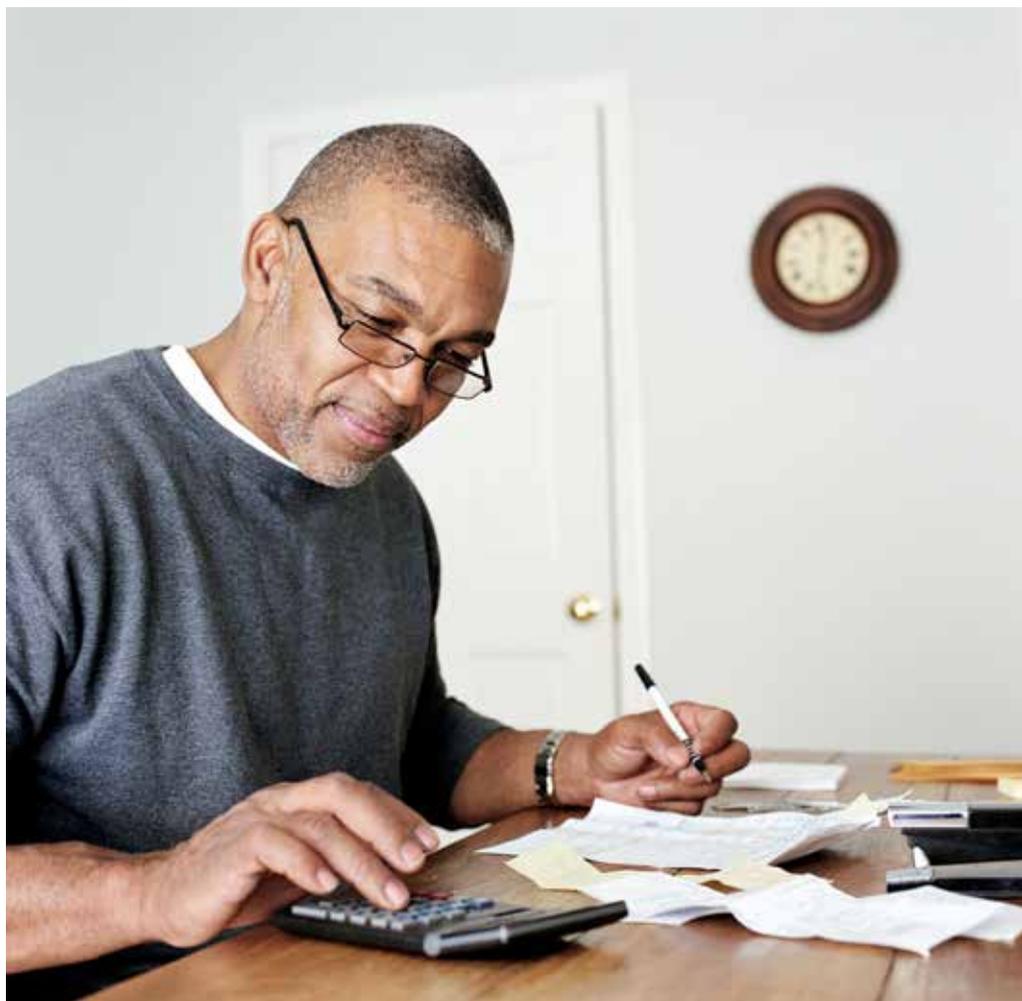
You may have read various articles about the upcoming legislation from HMRC called Making Tax Digital. You may think it's a long way off, or that your bookkeeping is sound. But is it?

The requirement to keep digital records means that you must record all of your business records on a computerised bookkeeping package. You may already do this with the likes of Sage or you may keep spreadsheets, but these may not be enough. If you use a computerised package, it must be able to transmit your information to HMRC on a quarterly basis. This means for old packages you will be forced to buy the latest version. A spreadsheet just won't cut it for the average dentist as they will have to be linked up with compatible software which will come at a significant cost.

The legislation will be in full force by April 2020 meaning you will have to make your first submissions for the quarter ending June 2020 and will have only one month to do so. Additional submissions will then need to be made every quarter.

The transmission from your bookkeeping software must have full income and expenditure information for the quarter. You cannot submit an estimate. In addition, you will still have to prepare your year-end accounts and tax return as normal, and these will form the final submission for the year.

How do you keep your records at the moment? Are you keeping a cashbook and some spreadsheets which you send to your accountant at the end of



the year? If this sounds familiar then you need to act and change how you maintain your books. Sorting them once a year will simply not be good enough.

## Practices

Many specialist dental accountants can provide a remote bookkeeping service for practices. Throughout the year these maintain the practice books on a software package. This can link to the business bank account so a transaction is never missed. The practice then sends a few pieces of additional information every month and the bookkeeping is then fully up to date. The records are then ready to be submitted to HMRC.

Good regular bookkeeping also has many knock-on benefits. You will be able to view your cashflow much more clearly, and analyse your practice financial performance to help you make sound business decisions. This also provides an estimate of your forthcoming tax liabilities.

## Associates

For associates it's even easier. Many accountants now have associates up and running on smart phone apps. They simply use the app to take pictures of their pay and expenses and immediately the accountants have their records. These are then processed into software ready to make the submission to HMRC each quarter when required.



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