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Bookkeeping and Accounts For Small Business

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Introduction to this book

You will not become an accountant by reading this book. Nor do you need to be one in order to make a success of running your own business.

The aim of the book is to introduce the reader to the language and principles of book-keeping and accounts so that those who have already started their own small business or who are contemplating doing so in the future will gain the following benefits:-

- i) confidence to begin and sustain the task of proper and accurate record-keeping; and
- ii) sufficient knowledge of the basic principles that will enable them to do so in a manner that best suits their particular business; and
- iii) an understanding of what their accountant is talking about when business accounts have to be drawn up; and
- iv) the determination to acquire a discipline essential for the control of their business.

The book is set out as follows:

Chapter one is an introduction to first principles. The distinction is emphasised between the individual as a private person from the proprietor of the business, where the business as a separate public entity trades in Goods and/or Services and the private individual does not.

Chapter two deals with the books that should be kept, whatever the type of business, the recording of Cash or Credit sales and Purchases as the "Trading Accounts".

Money as a flow in and out of the business; distinguishing the running expenses from other purchases. The Single Entry System and the Analysed Cash book.

Chapter three introduces the Double Entry System for the more sophisticated business and the advantages of this method over the simpler Single Entry method, with illustrations.

Chapter four introduces the Trial Balance as the method to test the accuracy of your bookkeeping; the component parts and what they are essential for. It also deals with the main types of error that can occur in compiling the trial balance.

Chapter five deals with using the books of account to prepare the Final Accounts - the Profit and Loss Account and the Balance Sheet.

Chapter six deals with accounting for Petty Cash and how this fits in with the overall system of control.

Chapter seven deals with accounting for Value Added Tax.

Chapter eight deals with checking the accuracy of the Internal Accounts with an External Control - the Bank Reconciliation.

Chapter nine deals with keeping the books of a small Partnership, building on the same principles used by the Sole Trader.

At the end of this book you will find useful information about some of the professional and Statutory bodies that can offer further advice on the financial aspects of

business.

Although this book cannot cover " everything you need to know" about the accounting side of your business, such as taxation or the law, it offers practical assistance to beginners to help them understand the basic principles and skills of bookkeeping needed for efficient management.