

For Immediate release

Financial Health Check For Your Business
RA Accountants offers some useful tips on keeping your business in shape.

The economic environment is still tough – and is only likely to get even more challenging in the months to come. For SMEs, keeping a close eye on their finances is essential if they are to withstand the current business climate.

Abdul Hafeez, Partner at RA Accountants LLP, feels that business owners should not be complacent and should regularly reassess their financial wellbeing. He offers some sound advice.

“Firstly, think about how healthy your cash flow is for the next year? Many businesses fail, not because they are unprofitable, but because they run into cash flow problems. Do a rolling monthly cash flow forecast as well as one to cover your business for the next twelve months. And as part of your cash flow forecast, look at your capital commitments and when your payments are falling due. Generally, unless there is a strong reason, do not pay these commitments early.

Are you paying your VAT, PAYE and NIC on time and avoiding penalties? If you are having problems making these payments, talk to your tax office – and plan a schedule of payments. You will still have to pay interest on these late payments, but could avoid the penalties.

How good are your cost control, stock control and purchasing power? Businesses can make significant savings by better managing costs, speeding up stock turnover and negotiating harder on all purchases.

Finally, consider your business structure and think about tax planning. Should you be trading as a sole trader or would it be more beneficial to operate as a limited liability company.? There are advantages and disadvantages to each

structure, depending on your individual circumstances, so it is very important to take advice from your accountant.”

Businesses, by being proactive, will be in better position to ride out the storm and emerge the other side fitter and stronger to take on the challenges of future years.

RA Accountants is a growing accountancy firm based in Eastcote, Middlesex. Their SME clients come from a broad range of sectors – including fast food franchises, recruitment companies, financial services and the healthcare sector. RA Accountants provide a full range of accountancy services with tax planning being a particular specialism.

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