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Choosing Accounting Software

Xero, QuickBooks and FreeAgent compared, and how to move your books to the cloud

Zen Bookkeeping & Advisory
Less Stress, More Success
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Good accounting software saves time, reduces mistakes and gives you a live view of your business. It's also essential for Making Tax Digital. This guide compares the three most popular options for UK small businesses and explains how to switch smoothly.

> *"I started Zen to make finance feel calm and clear for business owners. I hope this guide answers your questions, and if anything doesn't quite fit your situation, I'm always happy to talk it through with you."*
>
> **Ann Williams**
> Founder, Zen Bookkeeping & Advisory

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01 Why move to cloud software?

- **Bank feeds** bring in transactions automatically every day.
- **Receipt capture** apps mean no more shoeboxes of paper.
- **Invoicing** with online payment links helps you get paid faster.
- **Live reports** show your profit, cash and what you're owed at any time.
- **Making Tax Digital** submissions for VAT and Income Tax.
- **Shared access**, so your accountant can help in real time.

02 Xero, QuickBooks or FreeAgent?

	Xero	QuickBooks Online	FreeAgent
Best for	Growing businesses and companies wanting lots of add-on apps	Businesses wanting strong features and good mobile tools	Sole traders, freelancers and small companies
Strengths	Huge app marketplace, multi-currency, strong reporting	Flexible reporting, good inventory and project tools	Very easy to use, tax timeline and estimates built in
Payroll	Built-in payroll	Built-in payroll	Built-in payroll
Making Tax Digital	VAT and Income Tax	VAT and Income Tax	VAT and Income Tax
Good to know	Zen is a Xero partner	Plans range from simple to advanced	Free with some business bank accounts (such as NatWest, RBS and Mettle)

Features and pricing change regularly, so we'll confirm the latest plans when we recommend one for you.

03 Moving your books to the cloud

1. **Pick a start date**
   Usually the start of a VAT quarter or financial year makes the move cleanest.
2. **Gather your opening balances**
   A trial balance, outstanding invoices and bills, and bank balances at the start date.
3. **Set up the software**
   Chart of accounts, VAT settings, invoice templates and users.
4. **Connect bank feeds and apps**
   Banks, payment providers, receipt capture and e-commerce tools.
5. **Bring in your history**
   Decide how much past data you need; we can migrate it for you.
6. **Reconcile and train**
   Check everything balances and learn the daily routine.

04 Apps that save hours

Need	Examples of apps
Receipts and expenses	Dext, Hubdoc, AutoEntry
Getting paid	GoCardless, Stripe, card readers
Chasing debts	Automated reminders built into the software, or credit control apps
Payroll and HR	Built-in payroll or specialist payroll software
Forecasting	Cash flow forecasting tools that read your live data

✦ Zen tip

Start with the essentials, bank feeds and receipt capture, and add apps once those work well. Too many apps at once can create more work, not less.

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How Zen can help

We recommend the right software, set it up, move your data across and train you, then support you afterwards.

- Software recommendations
- Set-up and data migration
- Bank feeds and app integrations
- Training for you and your team
- Ongoing bookkeeping
- MTD compliance

Book a free, no-obligation call

Tell us about your business and we'll explain how we can help, with a tailored fixed-fee quote for just the services you need.

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