61% Of Startups Avoid Using Accountants, According To Survey

Wednesday 25 May, 2022

A survey of new businesses by advice website, Business4Beginners has revealed 61% plan to avoid using accountants.

Just 28% of the 962 survey respondents indicated they would be using an accountant for their tax returns, while 9% were still undecided.

This indicates that, as the squeeze on living costs continues to stifle the economy, new businesses are opting to save money by completing tax returns themselves, running the risk of incorrect submissions and overpaying on their tax bills.

Meanwhile, of those considering using DIY accounting software, 58% said that 'ease of use' was the most important feature, followed by 35% who stated 'price' as the biggest factor.

1 In 5 UK Businesses Fail Every Year

It perhaps shouldn't be surprising that startups are focusing on cost-cutting measures in their formative years, given that it's estimated 1 in 5 businesses fail in the UK every year.

However, Paul Bryant, the founder of Business4Beginners warned *"I understand that businesses are desperately looking at ways to cut costs, especially while trying to get an idea off the ground. However, they should think carefully before opting against hiring an account.*

"A good accountant won't just submit your tax returns for you. They will advise on the various tax-saving measures that are available to small businesses and can often end up saving you money. And that's not to mention the time and effort they save business owners from trying to do it themselves. That alone can be the difference between the success and failure of a business."

The Rise Of DIY Accounting

The findings may also indicate a growing understanding of bookkeeping knowledge within the business community that has increased the confidence of entrepreneurs to take on accounting tasks themselves. This has been driven partially by an increase in easily available information online, and vast improvements to accounting software that has taken much of the manual work away.

However, given the potential legal and financial consequences of submitting incorrect tax returns, most businesses would be advised to resist the temptation to avoid using accountants.

The full survey results, analysis and further comments can be seen at https://www.business4beginners.co.uk/survey-accountant-usage/

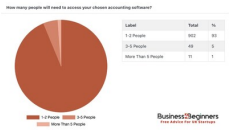
About Business4Beginners

Business4Beginners was established in 2013 as an independent blog to help budding entrepreneurs start, establish, and grow their business, from idea to success.

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