**28-02-2024 - Video\_Transcription**

[Attendee 9] (0:38 - 0:43)

Hi guys. Hi, good morning. Hi everyone.

[Attendee 3] (1:01 - 1:05)

The silence is deafening. I know. That was killing me.

[Attendee 7] (1:08 - 1:09)

Are we waiting for Josh?

[Attendee 8] (1:12 - 1:14)

It's 30 seconds too long for you Grant.

[Attendee 3] (1:15 - 1:21)

Yeah, I know, yeah. Yeah. Is everyone over 50% through their Sunday sanity?

[Attendee 6] (1:23 - 1:24)

No.

[Attendee 3] (1:24 - 1:36)

Oh, come on. It's not a good week. Definitely not.

How about you? How about 80% through? I was like a robot.

Yeah, 80%.

[Attendee 6] (1:36 - 1:38)

Well done to you. Well done.

[Attendee 3] (1:39 - 1:44)

I know. Rock and roll. Not usually like that.

I just wanted to shout about it.

[Attendee 1] (1:45 - 1:49)

Such a show off Grant. Rub it in.

[Attendee 2] (1:49 - 1:53)

What's the secret? Is there any secret you can share?

[Josh Keegan] (1:54 - 2:03)

Once Grant's finished showing off, I'll crack on with my mentoring. I'll let you do this though Grant for a bit. Get you in the limelight and enjoy yourself.

Where's he gone? Has he disappeared?

[Attendee 7] (2:04 - 2:06)

Yeah, he just wanted to tell us about this.

[Josh Keegan] (2:06 - 2:23)

It's just my job to laugh, isn't it? He's done for the day. Perfect.

How's everyone doing? Yeah, good. Awesome.

What's that? Let's build on Grant's question. How is everybody getting on?

Are we productive at the moment?

[Attendee 10] (2:24 - 2:26)

Behind? Behind.

[Josh Keegan] (2:28 - 2:39)

Behind. Anyone find it very difficult to juggle the winter with a busy business? Yep.

Difficult, isn't it? Very, very difficult.

[Attendee 8] (2:40 - 2:53)

Especially this month, Josh. I'm so busy with the various projects and my thoughts and things.

[Josh Keegan] (3:06 - 3:14)

Andy, I think your microphone's quite laggy for some reason. So we can't actually hear what you're saying. It might just be me, but I think it's quite laggy.

Can you hear me?

[Attendee 3] (3:15 - 3:16)

Definitely, Andy.

[Josh Keegan] (3:16 - 6:38)

Yeah, Andy, your microphone's quite laggy, unfortunately. We missed a lot of that detail. It sounded like you opened your heart to us, didn't it?

For whatever reason, the universe decided we weren't meant to hear it. But if you want, I'll tell you what, we'll leave it to the end and you can get yourself a better connection and then we can hear what's going on. I think the reality is there's been a few posts in the group as well.

And it's like, this is really difficult. And every year it always surprises me. You sit down, there's lists of stuff.

And on the face, it all looks quite simple, all looks quite straightforward. And you plan it in your diary. Once it all looks good, we're going to nail this, we're going to get it done.

And then you're getting into it. And it's like, curveballs in the business come, things take like 10 times longer than you ever expected or anticipated. We've just had sickness in my house for the last two weeks with two kids.

And it's just absolute chaos. And it's like, it's very, very difficult. This is very, very difficult.

But this is like make or break. And I promise you, every hour you spend doing this winter work, every hour you spend working on the business as opposed to into it, you will be so grateful for summer, it will literally give you 5, 10, 15 hours per week per month back in the summer season. So you've just got to keep going.

And we're going to, we're going to talk through how to make this really realistic and achievable in the next workshop. But for now, it's like don't focus on what you can't do, focus on what you can do. And so if you can't do five prime times a week, like this being recorded, and I shouldn't officially tell you not to do your 20 day challenge.

But if you're genuinely trying to do five prime times a week, and it's just not working, and it's causing you stress, pressure, you're not seeing the kids, you know, you're not enjoying your business, you're mega stressed. And it's like, you know, you've got a way up like, is that something you need to do? Or could you do three 20 minute prime times?

Or can you just do a Friday afternoon, and just start thinking about what things you can do as opposed to things you can't do. And really just put that stuff in lock and, you know, be honest with yourself and make it happen. Like winter is a really difficult season.

Like we talked about winter is in like, pit stop, you know, coming away from the business that cut away from the noise, but in reality, it's even harder because the noise never fully stops. And now you're you've got so many hours working on your business, you better have any time to work in it anymore. So it's all part of the journey.

And it's definitely where we all need to be. And I'm going to dive into our midweek mentoring session now, and we've got a really good, really good group of people. We've got loads of you on.

That's good. Nice to see everybody. And in this session, what we're going to be doing is world class finance function.

So midweek mentoring special world class finance function, I'm going to take you through a bit of content, literally 10-15 minutes, and then just basically just open the floor for any questions anyone's got on world class finance function, getting the finances set up for good, any finance actions they need to do this winter to get all this stuff nailed. What I'd say is I'm probably not going to open it to very specific questions around your own specific tax issue, your own specific, whatever it may be. But anything that's a bit broader is going to apply to everybody.

I think that's where I have the most value to everybody, everybody in the room. So who got value from the world class finance function session on the program?

[Attendee 8] (6:38 - 6:39)

Yeah.

[Josh Keegan] (6:39 - 9:44)

And who would say they've already started to implement some of that stuff? A few of you? Yeah, well done Grant.

Yeah, a few of you. Cool. And is it all clear?

Like, is it really clear? Or do we all have, you know, put your hand up if you've got a few questions about how to actually pull this together and make it all happen? Yeah, Greg has.

David, cool. Andy, right, cool. Nice.

So Smitha as well. Right. So what I wanted to do is to show you the output and show you what we want your team and your business to be producing.

And this is basically the output of world class finance function. And this is basically the thing you should be looking at every single month without fail. And I'm going to share that with you.

I'm going to show you behind the scenes what it actually looks like for you to meet. So you can learn from that and you can design this for your business. In reality, most entrepreneurs, they will never get this right.

They live off of the bank balance. They don't have reports. They basically log into online banking and they see what's going on.

And that's how they make their most of their decisions. They never get financial clarity and they build their lives building businesses that are always busy. They never make them enough money.

They're always stressful. They're always highly volatile. And this is because they never get that world class finance function right.

And they never get total clarity on the finances within their businesses. Where we're trying to get to with this and what the world class finance function allows you to do is it means like in a really leveraged way, you can look after every penny in the business. You can know that every property you have is performing in the most optimal way.

Every line of business is going to be profitable and it's going to perform really well for you. You can make really strategic decisions. You make decisions which are all about building more profit, building more wealth for you and your business.

And this is all about creating highly profitable, highly lucrative businesses, as well as creating long term wealth. And I think one of the things that this gives you as well is that's all the cool stuff like more profit, more money, more wealth. Who doesn't want that?

In reality as well, you see entrepreneurs go for a journey with this. And when they finally have this in place, they finally feel confident. They feel calm.

They feel collected. They feel sound, like sound knowing what their bank balance is going to look like for the next 12 months. They feel the safety knowing that they've got a balance sheet and they understand what liabilities they have.

They understand what they've got to pay back when. They feel comfortable knowing that last month's performance was better than the months before. And they're making progress.

And they use this dashboard. They use all these numbers to make every single decision. So that allows them to be far better decision makers.

It allows them to think far more strategically. And this really is, as an entrepreneur, what takes you to the next level. So what I want to share with you now is the finance plan.

And we talked about this in the world class finance function session, where we talked about the first step was the aim of the game. Then it was the four professionals. And the third step was called the three pillars.

And we talked about the three pillars. What are the three pillars? Three reports everybody needs to look to review every month.

Balance sheet. Roland Grant. P&L.

Roland Grant. Come on. Not all three for Grant.

Somebody else, shout out.

[Attendee 3] (9:44 - 9:45)

I'll let someone else do the last one.

[Josh Keegan] (9:45 - 19:55)

Yeah, go for it. No one knows. Cash flow.

Roland Grant. Why are you letting them have all the credit? Why are we letting Grant have all the credit?

Look like the best student. Too quick. That's the problem.

Too quick. Rapid. So yes, Grant absolutely nailed them.

So P&L, balance sheet and cash flow forecast. And that's what we want to be looking at and reviewing. And that's what we want to get every month.

So if you think about how we're going to build this, well, the main thing is like when you're building anything, it's like what is the output you want? And then we're building all the inputs to make that output happen. So I'm going to share with you is a world class finance pack.

And this is basically one of my own packs that I review. And I've just changed the numbers and just changed the company name to make it a bit more anonymous. But this is an actual pack I've taken.

I've changed a few bits, but it's like literally what I look at now. I'm going to show you what it looks like. And I can put this in the group before you ask after so you can take this.

And this is the output we want. So you can take this output. You can show it to your bookkeeper, your finance manager, anybody you like.

And you can say this is what I want. And hopefully they can produce this and put it in place for you. It's going to take you through this now.

So just for a share of this, this is a company of mine. It's a very, very small company, very simple. It's just a company that owns two properties in it.

I've changed the names of the properties, changed the name of the business. And I've changed a lot of the, a few of the numbers here and there as well to make it anonymous. It's not my actual information, but this is an actual management accounts pack, actual commentary that's produced.

So you can see what good looks like and where we're trying to get you to go to. So let's do it. So cool.

So every month on the third Thursday of the month, I have one of these produced for every single one of my entities. Now the, each entity or reporting pack we're going to call it is slightly different because you may want a very different set of schedules for a noisy trading business to a property business, very different companies. And there's specific things you want in a trading business that you may have a problem about in the property business and vice versa.

So every single pack will be different. There'll be set of fundamental schedules that make up this pack, but then there might be supporting schedules that are very, very business specific. So the top, the first tab is just a summary tab.

And this is basically as it says in a summary. And it just basically tells me the performance of the, of this specific business in the last two months, actually. So that the month I'm interested in being this one, but then it shows me last month as well.

We talked about in world-class finance function, the basic level is spot the difference. So if you don't have budget to actuals, it's just spot the difference. And you can see here by putting July and June next to each other, we can see, I'm just going to mute Akash.

By putting June and July next to each other, you can quite clearly see, well, rental income went down. Okay. Why?

Cost of sales went down. Gross profit went up. Gross profit margin went up.

Admin costs, which is like your overheads basically stayed the same and net profit went up. So it's good to see, cause you can see the trend. You can see the trajectory.

It just tells us a very, very quick story to know, right. Things got better from the, from the previous month. So this is the first point.

It's just basically a very simple summary of like what's actually happened. Basically income cost of sales, gross profit, gross profit percentage, admin costs and net profit. And this is just basically a P and L very, very top level P and L.

That's the step one. What you'll then see as well is there's some notes. And what we want is we want to basically be told the entire story up here.

So if we didn't want to, we didn't, if we didn't want to, we didn't have to go and look at the rest of the tabs. So note one is income. Income decreased due to rent from room two at 54M not being received by a tenant.

So basically it's saying income's decreased, which is what we know. And it's because basically we've not received a certain level of rent from the tenant. Cool.

Good story. I understand that now. I understand why income's less.

Decreased cost of sales in the prior month due to low utility bill bills for both properties. So basically I've told, I've been now been told why it's so, uh, so different. Uh, utility bills were much lower.

I won't go from June to July. Cool. Understand.

And it's a good story. And of course there's other stuff within cost of sales that will be impacting cost of sales. But what I want is like, what's the big thing?

What's really causing the majority, majority of that, that movement, gross profit, increasing gross profit due to reduction in income, but reduction in cost of sales based on note one and note two. And then net loss or net profit increase in net profit due to lower cost of sales in July compared to June. So basically what it's telling me rented income was down to didn't receive a payment from the tenant.

Cost of sales was, was down because our utility bills were slashed. And then admin cost basis said the same. I changed my net profit was up because although we didn't receive income from the tenant, we, uh, we had a big reduction in utilities.

We had a large one of cop payment utilities in June. So that's sorry, top level. And now, now I understand for this company, like what's going on now, this is very simple, but you still should be at a level where even if you've got 500 properties in here, or you've got, uh, you know, a trading business with 20 million pound turnover a month, that you should still have a story.

It gets harder to summarize that story. Uh, you know, the more complex everything is, but it still needs to be a story. So you understand the narrative and you understand what's happened and why.

So that's step one. Next, next is budget to actuals. By the way, if anyone's got any questions at any point, feel free to shout out or raise your hand or whatever you want to do.

So next is budget to actual. So we talked about spot the difference at basic level, um, where you, where I'd like for all of you to get to over time. And, you know, if you, if you've not done any world-class finance function before reporting, I'm not expecting to be here quick, but we want to get to budget, budget to actuals.

Was that a question or someone coughing? Uh, no worries. So budget to actuals.

And basically what this is, what this isn't saying is right. Well, we achieved a rental income of what? 7, 4, 5, 6.

Okay. That's cool. But what did we actually budget to achieve?

And that's what I'm really interested in because it's like, I gave the example in the workshop, you know, my, my renting could be 7, 4, 5, 6, and that should be 500 pound above budget, or it could be like it is actually 7, 4, 5, 6, and it's a 701 pound below budget. So what you can see here is that any reds here is where I've got a bit of a problem and I need to look at. So you can see here, my, uh, my income was down by 8%, which matches the story on the summary tab compared to budget.

And it's explained why, um, I've then got reduct, slightly reduction management fees for that because my income was down. I think that my repairs and maintenance, et cetera. And what we can see is this is just giving me a story.

So what's going on in each and every line and what's happening and why I couldn't understand then for each and every one what's happening. Why are these different? Why are these not, as we said, they were going to be in the budget.

So there's a lot of value in this. It turns this from data to information. It's like the budget's telling me I'm low against budget.

I'm high against budget. And like, why is that important? Well, I've used these budgets to plan my entire business.

I've used these budgets to plan my drawings, to plan my cashflow, to plan everything. So if I'm not hitting my budget, I need to know because it's going to impact, you know, the next 12 months. So what this does gives you a very simple schedule, read to what we need to look at, like what are the issues and why, um, and we take a view, like sometimes, for example, you know, a 10% variance here, for example, on four pounds is not something I'm worried about, but a, you know, an 8% variance on rent is something that I'm more, more concerned about.

And then you've got some additional bits and pieces down here. Overall, we can see the story is we achieved a, uh, profit of 3,351 pound. Uh, and it was actually down by three.

It should have been three, seven, uh, nine, six, which is down by, by X amount of, uh, 444 pound. So that's the overriding story and what, and what happened compared to budget. So that gives you the budget to actuals.

And once again, this is all at top level, but we're going to, I'm going to show how this progresses. Profit and loss. This is basically the exact same thing, but I'm just doing month to month, just about useful sheet to shoot the track, shoot the trends month on month.

So you can kind of see stuff will happen. And so for all of you guys that have property business in particular, this is always really valuable because property should be quite consistent. And you see here, we had this weird 752 pound spike in heating, then reduction down to 190, et cetera.

Now keep going, but I'm going to show you some support schedules to this in a minute. Balance sheet. So about 40 of that, what I'm going to show you is there's some value in this a hundred percent, but any of you that have like multiple lines a bit in your business or multiple property in your business, you'll want this as well, which is basically P and L by property.

So these two tabs here are the two properties, which are in this company. And what these do is basically if you add these two together, they will feed up to the top level tab to this profit and loss tab. But it's much easier to look at things at a lower level and understand what's gone on, because then you can see what's happened per property to see, understand how they're feeding up to the top level.

So in 88LL, for example, you see my, my rental income was done at 850 pounds. Cleaning was down by whatever, you know, you can just very clearly see what's happened within this property. And you really want to be looking at this every single month to work out every single property, what you need to change, what you need to update, what you need to do to actually drive the improvements forward.

So if you're making each asset or each line of business perform well at a granular level, that's how you impact the whole. So what you want is make sure you've got your multiple P and L. So generally most people need a P and L by property, by line of business, by whatever's going to suit your business better.

So a good place to actually start is I could have looked at these first because it tells me the story of this property. So this property made 1600 pound, we're down by, you know, however much that is, 500 quid on last month. And we know the reason for that is because the tenant didn't pay that rent, 550.

So we can see that. And then another property here. Go on David.

[Attendee 2] (19:56 - 20:05)

So your budget to actuals, when you work out what your budget is, is that literally just that the average of the past 12 months or is it what you, what you aspire it to be?

[Josh Keegan] (20:06 - 20:48)

No. So, so yeah, that's a really good point. So the methodology of working on a budget can, can vary, but I'd say with property generally, what we'll do is we'll take the last 12 month performance, probably less actually, but we'll, we'll get the last 12 months to see it, but we'll probably only look at the last three months.

And then we'll use the average over the last three months. But also, you know, if you, if you know that your average for the last three months was, you know, your rent was for the last three months is 3000 pounds, but you know, in June, it's going to go up to 3,500 pound. You would then manually override that in June onwards to put that in.

So although we use the averages, we'll also like go, well, we know that's going to change. We know it's going to change. So it's, it's, it's overriding those averages with numbers that we know are going to shift and change.

[Attendee 2] (20:48 - 20:51)

So you just update it on a, you know, every couple of months.

[Josh Keegan] (20:52 - 22:06)

Well, you want to set the budget at the start of the year. And then so, so people don't often notice, but the words budget and forecast get used interchangeably. Budget is something you set at the start of the year and it never changes.

So, so in reality, how useful is a budget for us? Not too heavily. A forecast is where we find the value.

So what we, what we do, what we prescribe is by the end of March, you want to have a 12 month forecast done for your set of businesses. And then every quarter you would just go for a bit of a formal review process. We call it, we call it key assumptions.

So you want to look at any key assumptions that have changed. Like for example, I've just been given a message from somebody today saying that the NHS contract, that the funding for the NHS contracts, we have a number of properties has been pulled. So I'm not just going to know that information and just keep it in my forecast the same.

I'm going to find out when is that going to change? And then I'm going to update my forecast with those numbers when I know about them, because otherwise I'm just going to sit there looking at the budgets for nine months going, oh yeah, it's wrong because of this. So we want to add value to ourselves.

In a corporate world, the budget's the budget. You normally have a budget a forecast to actual and an actual, it's too much. Just forecast to actuals at the level we're at is going to add the most value I'd suggest.

[Attendee 2] (22:07 - 22:07)

Thank you.

[Josh Keegan] (22:08 - 35:28)

That's right. Any more questions on that before we move on? No, we're good.

Cool. So yeah, you want to set this at a granular level and work its way up. And so for each property, you want a P&L by property.

So you can see how each one's performing within this. And there's something in Xero called tracking categories. You want to make sure you've got tracking categories for every line of business that you want to report this against.

For a trading business, for example, my letting agency, I had three P&Ls. I had the management P&L, which was basically the management income and overheads at the maintenance P&L, which was the maintenance revenue and the maintenance engineers. And I had the tenant find P&L, which was basically the tenant finds that we did versus the sales commission.

And it's very valuable to look at each one individually. So you see where the attention needs, whereas if you don't, you just look at them at top level, it gets really, it's really hard to work out what you need to change. And I think that the biggest sentiment for a P&L is past performance equals future results.

And what we want to be doing is looking at stuff. Like for example, when we got into June and we saw this light power and heating was too high, I think it's in the other property. Yeah.

So you've got like a really crazy light power and heating bill here. It's like, well, what are we doing? So we can ring the utilities.

We can provide a meter reading. So we know it's going to come down next month. Or if maintenance is just too high one month, it's like, well, what are we doing?

We need to set a budget. We've got to, you can't approve stuff. So again, the granular level of building up.

Next is your balance sheet. And I really do think that everyone here should really understand the balance sheet and you should be at least reviewing it on a month by month basis. If you look at this balance sheet, one of the things about it that you might notice, which is very different to what I see with a lot of balance sheets is none of these numbers are theoretical.

They're all real numbers. So ASM is literally that's our bank balance or that was our bank balance. Accounts receivable, that's money that's due from people.

It could be a tenants. It could be anyone that owes us money. Pre-payments, that is, I don't want to get too technical, but basically that's when you pay for something upfront.

And so it goes there and you then allocate it to your P&L, but that's an actual number. I think that's for insurance. So I knew what that was.

These here, 18LL and 54EMP. These are the actual properties. So you break down, I'd really advise not to have a line that just says fixed assets or property investments.

I see people do it all the time. It's like, whatever, bit this nice big number, but you really need to have each property broken down on the balance sheet. So you can see each one and you can actually see, right, is that correct?

And we want the same for mortgages. So we can actually get information from this. So you can actually look at what's my asset value of this property versus my mortgage value.

And you should be able to see that really easily. So you've got on here, I always do it like this way. You can do it however you want.

We always do like the cost price and then the refurbishments. So this is what we said, the cost price, and this one capitalized on refurbishments. You could lump those together if you want to.

I like them separate. And then this is a separate property, cost price and refurbishments. Then you've got liabilities.

Now, once again, these are real. 200 pound, we actually owe someone 200 pound accrual. This is once again, just an accounting adjustment, but it's done for the management accounts.

These are directors' loan accounts. There's three directors in this company. So these are our three directors' loan accounts.

HMRC accruals, this is basically us just saying we owe X amount of money to HMRC, so we're putting it for our accounts. And then probably what's really valuable for you guys, I'd say, is these. So I've just hard typed over these.

I don't want to reveal who our debtors are, but these are basically loans. So I would always recommend if you have like private lending against your property company, which a lot of people do, you'd say, so say if you got a loan from me of 100 grand, so you'd have something like loan, private loan, Josh, here you go, 100,000. I'll probably only do it for like 25%, so put that in there.

And so you can basically actually add it to the balance sheet there, and then it's really clear what that loan is, and we need to be really clear on that, and that acts as a debt schedule for you as well, so you can see what your actual liabilities actually are. And then for us, we pay down these loans, so each month, so you can see that just deteriorate over time. Need to make sure that happens.

Another check for you guys is making sure that if you have loans on the balance sheet, which you should do, and you're not paying the interest till the end, so the interest is rolled up, you still need to be accounting for the interest on a monthly basis. So say if this loan with me, 25% was due at the end of the year, like it's a 12-month period, 100 grand at 25%, so £125,000 repayment, you'd want to be doing £25,000 divided by 12, which for the sake of numbers, £2,400 a month would go to the P&L as a cost, and then it would also go to the balance sheet as a loan, because in month two, you don't owe me £100,000 anymore, you owe me £100,000 plus one month of interest.

In month three, you owe me £100,000 plus three months of interest. So you need to make sure this should be your actual financial position. This should be a real loan that you know you've got to pay back, and it should be right.

It shouldn't be a separate schedule, it should be like this, it just says it on your balance sheet. Mortgages in here as well, like breaking down your mortgages, really valuable exercise. If you've got any on capital repayment, it's really good to be able to see it.

And then equity. So one of the things that's really important about balance sheet that people often don't realise is your equity is a really important number, because if you don't have equity, so if you go on to zero now, and this number at the bottom is negative, that means you can't take it via dividends. So you can't take money via dividends if this number is negative.

If this number is positive, it means you can take money via dividends. So it's a really good number to understand because this is what dictates that. Now, if you go on to a zero, and it's actually not been updated for a year, then of course, you're never going to know how this number looks, etc.

Two things to just check, like now on zero or something to look at is what is your equity number? And what is your, if you've got a director's loan account, what's your director's loan account number? And I said, those are two key numbers you want to keep an eye on.

And I've got a podcast coming out in a couple of weeks about that, because if your director's loan account is in a negative position, you need to really look into that, because that can result in temporary tax, they can get quite expensive. So that's your balance sheet. And once again, these should all be what we call reconciled.

So it's just checking that these are all accurate, and we're happy with them. So like, for example, that's as per loan schedule. So that's been checked on the loan schedule that that's accurate.

So every month, it should be updated, it should be fully accurate with the actual position. And it's quite cool, because this isn't our actual net wealth in this company, because we haven't like capitalized, you know, we didn't do any revalues on these, and these the actual asset value on these is much, much higher. But it's still cool to see every month of this progressing.

So I think this is a month that we paid off, you know, quite significant balances on these loans, for example. So it's like, you know, this is your actual net wealth in this in specific businesses. So you want to keep an eye on this.

Next is bank reconciliation summary. So I'd recommend everyone has this, and this very simply, this is just what's left in your bank account to reconcile. And I'd say if there's anything on here to reconcile, which basically means there's like account lines on here, which you need to actually be put into your P&L or your accounts, then it's not worth having the review because your account is essentially wrong until it's fully reconciled.

But at least you can flag up on here and understand that. So this is basically, are there any bank lines that have still got left to be dealt with, that need to be put into a specific place? The next two are around working capital, and I highly recommend getting your head around these.

One of them is age receivable summary. So age receivable, I know it's like accounting language and it's not, you know, you can turn people off, but age receivable just means money that's due to you and how old that money is. And like, if you think, you know, how does this actually work?

Well, theoretically, rather than you just sending someone a message to say, oh, you need to send us five grand for this new service, you should be sending invoices. And then that invoice will have an invoice date and then it'll have a due date. And if that person has not paid that invoice date within five days of that invoice, then it'd be five days overdue.

So for those of you with portfolios and who manage credit control, this is the report that should help you do that. And basically all this is showing is like, but right now it's saying this company is due to pay us 4699. That's what they're due to pay now.

And there's some strange balances on there for them as well. But basically on this, you should have a list of all the outstanding invoices that are due to be paid to you. And it's just once again, really important that you're managing that effectively because you should be putting that money in as quick as you can, because that's how you keep your cash balance up and how you manage difficult cashflow situations.

Then on the flip side of that, you've got your age payables, which is basically money, you know, if age receivables, there was money that needed to come to you, age payables is money that should go out to you. So in an ideal world, you get sent a bill from a client or whoever, you add it to zero, you add the due date and then you pay based on that due date. And one of the reasons why you need to think about like getting zero involved in this is because rather than it all being your head, you can actually get out of the system.

Then other people know what money's due out when, and then they can help you forecast cash. So age payables, I strongly recommend looking at this every single month and actually looking at what you're due to pay. And what you find is like, I remember years ago when we started clearing up accounts for people, I get sometimes, honestly, I just look at these accounts and I'd agree to clean them up and I'd be like, oh my God, like, I just don't even know.

I'd be so overwhelmed by it, I just don't know where to start. This is just an absolute mess. There's thousands and thousands of bank lines.

I just don't even know if we can actually do this. I remember speaking to my finance manager at the time, said like, literally, where do we start? This is just an absolute, I won't use the language, but, and they said to me, you always start with accounts payable and accounts receivables, age payables, age receivables.

Because as soon as those are clean, that has an impact on your P&L and your balance sheet. And that is the first step to clearing everything up. So in order then to keep, so if you work that backwards, one of the things that I always advise to clients, if you want to keep your accounts clean, you want to keep your information easy to understand, easy to use, easy to like, make decisions based on, make work of actually keeping age receivables and age payables nice and updated and clean.

And when I say update and clean, it's not rocket science. You should just be able to go on here and everybody should just say, property entrepreneur. So it could be like your subscription to property entrepreneur.

I don't know how much it is. So it's 500 a month. And it's basically right.

It says in here, basically come on and just say, right, apparently our property entrepreneur payment is 500 pounds overdue. And it's like, oh yeah, I wonder why Bianca kept calling me. It's like, well, yeah, it's because you're not paid.

And it's like, this should be telling you this before it gets to the point where there's credit control, where you've not factored it in. It's like, you should be reviewing this every month. And the aim of this review is to make sure it's accurate, it's up to date.

And if there's anything you know about that you're due to pay that's not on here, you should be saying, well, why has it not gone onto the system? We need everything on the system. And then the only other one that I've got on here, which I think is really highly valuable is for me, my maintenance is managed by an agent.

And so for me, I really always want to see repairs and maintenance. So I have a little separate tab called repairs and maintenance by property, which just shows me all that's been spent on repairs and maintenance in the month. So I can review it and challenge it.

And there's not much on this one in this month, but sometimes this is quite an extensive list. And my finance manager goes back and challenges and say, what's this? Why have you spent that much on that?

Why did it cost 50 pounds to put some rat poison down? But it's quite extensive because it's an account I really wanted to have a focus on. But there'll be some accounts that for you are quite sensitive and you might want to have that focus on too.

So think about what those accounts are that you need to look at. It could be a sales account. It could be repairs and maintenance.

It could be a director's loan account. It could be your debt schedule and all the interest payment to investors. Whatever is quite sensitive and it's really important.

You shouldn't be managing that somewhere else. It should just be part of this monthly review that you have that someone else pulls all this stuff together for you. I can see Natalie on the line.

She's reminding me she's doing refurbs at the moment. So she might have refurbishment accounts on there so she can review them every month and just really go through every property and go, yeah, that'll make sense. Or where's these three invoices?

Or, you know, hold on. It's just getting your head around exactly what's going on to make sure it's in line with what you expected. And part of this is like verifying the information.

But also this is also kind of giving you the information because although some of it's in your head, sometimes you don't realize how much you've spent or how much you've overspent or what you're not doing. Like you put those three receipts in your pocket and you never sent them through. So it's keep it all up to date.

And once it's all up to date, this is what actually empowers you to make the decisions you need to make. I'm going to give you a lot of information now. I'm going to send this through on the group.

I'm going to open up if anyone's got any questions or want to ask anything specific to this, I'll happily support. And yes, Richie, I will get a copy. I'll put a copy of this in the Circle app as well.

No problem at all.

[Attendee 6] (35:28 - 35:58)

In an ideal world, I've got a question. You've got you've got this, you know, this financial clarity. And in your hierarchy, there will be different people looking and reporting.

So could you just give us a breakdown on who's reporting what exactly? Because you've got you mentioned your finance manager has been challenging some of the, you know, some of the costs on your maintenance. So how is that document being divided in terms of responsibility, if at all?

[Josh Keegan] (35:58 - 41:24)

Yeah, really good question. So I'm just going to get a little. Do you like a little visual representation, Greg, to support you?

Of course you would. One sec, let me just get that open. My apologies in one second.

There we go. So I'm just going to share my screen. So if we go back to four professionals, and just take you through exactly how it works.

And OK, cool. So if we revisit the four professionals and just try and get clarity on how it would work. So.

To recap, finance assistant, generally, this could be your VA, your PA, someone that generally sit in your business, and this could be anywhere from three dollars an hour to 15 pounds an hour, and they don't need to be a qualified accountant. So right now, my finance assistant is basically my executive assistant, Bryony. She's not city council orientated, but she does the payments.

She manages the invoices. She puts stuff up for approval. You know, she doesn't really do much on Xero, but she does what she knows.

She knows what she needs to do to make sure that things are smoothly moving forward. So we finance assistant. The next is your bookkeeper.

This tends to be someone that's AAT qualified, which is basically just a technical qualification. Generally, anything from I would always reckon 15 to 25 pounds an hour for this person. You can get it overseas, but I just think it's like can be a false comment sometimes, but I haven't proven wrong.

So bookkeeper and basically what they're doing is wrecks and checks, which is basically making sure that when Greg spends 20 quid at Harrods yesterday, today, the bookkeeper goes, Greg, where's the receipt? Thank you very much. And I'm going to allocate that to client's gifts and it gets put to the right place.

And then they're also doing the checks and also make sure things are accurate. So making sure that, for example, if you have a good example of that. And then like a tenancy deposit account, for example, and making sure that, you know, if you say you've got 20 grand of tenancy deposits, make sure your balance sheet says 20 grand of tenancy deposits, make sure they're right compared to external systems or external information.

Finance manager then oversees this. Their main job is turning data to information. And so their biggest job is reporting.

So that to answer your question, that their primary focus is going to be this pack and overseeing the production of this pack. And they tend to be chartered accountant anywhere from 20 pounds up to 60, 65 pound an hour, depending on experience and where you've got them from. But generally people freak out that price tag.

But my finance manager does a couple of hours for me a month and the rest of the work is done downstream and they're overseeing. So the value is very, very high there. Then you've got your tax accountant.

So to basically answer your question, Greg, and basically give you the, give you the, from the bottom, finance system, what are they responsible for doing? As part of this pack, probably not actually very much. They just need to make sure they're doing their job well.

So, for example, you know, if they've made a payment in the bank, they should only be doing that based on a payment that's in zero. They just shouldn't be creating a mess. They should just be making sure that when they do something that they're telling the right person or they're allocating stuff to the right system.

So they should make sure it's managed well. Bookkeeper. So all of their work, and this is where people get a bit stuck because the bookkeepers, they're responsible for reconciling everything all the time and checking everything all the time, make sure it's all accurate.

So we couldn't have that pack without them doing their work. But the bookkeeper is not the, the bookkeeping can get it to a place where it's like, yeah, P&L looks fine. Balance sheet looks fine.

Checks are all done. I'm happy that the loan account matches the new loan account on, you know, I've logged into online banking. I've checked your credit card and it says minus five grand on there.

And it says minus five grand and zero. I'm happy with all the checks. So they'll do like 80% of the workload for this pack really.

But it's then the finance manager that takes that data and sprinkles the magic on top and gives you the commentary. The right, this is what you said against budget. This is why this is down.

These are the things you need to consider. I've looked at the repairs and maintenance, and I'm really surprised your agency's charged you £150 to do this because it seems quite cheap. So that's why this person comes in.

So in within that finance review, you tend to have both the bookkeeper and the finance manager within that review, but it tends to be the finance managers delivering it and the bookkeepers done the majority of the work, but the finance managers overseeing that work. And where we see the challenges is when people just go for that bookkeeper, they essentially have to become that finance manager and oversee a bookkeeper. And they're expecting this person to like produce these reports and, you know, why can't you do commentary?

And Josh says you can do budget to actuals. It's like, they're not qualified to do it. So you're just going to be frustrated.

So it's like, it's trying to get blood from a stone, which is why you need this person. And then you speak to this person, ideally, to answer your question. Yeah, cool.

Thank you. No worries. Smitha.

[Attendee 1] (41:25 - 42:26)

Hi, Josh. Thanks very much. I just, I'm struggling to get my head around a couple of these points.

So I've got a bookkeeper and I've got an accountant. The bookkeeper does all the recs and checks, uploads the receipts, etc. And then he gives me management accounts each month.

And then my accountant literally just once a year pulls the accounts together and files them. I'm not like, do I, sorry, what would I ask a finance assistant to do if I got like my VA who I'm going to hire to input into this? And what do I, so my bookkeeper gives me these management accounts, which is really helpful and allows me to kind of project ahead into the future, etc.

He's not doing a kind of running commentary. And neither have I got my budget to actuals sorted. So can I get, like, should I get him to do that?

Or do I get someone else like a manager to then look at his management accounts and do a commentary on it? And. Yeah, so I think it feels a little bit.

[Josh Keegan] (42:27 - 43:05)

I think, I think that the key thing is, if it's not broke, don't try and fix it. And if you're finding the system that you've got in place where your bookkeeper is producing a pack, you can, you look at that pack once a month. And if you're finding that pack is comprehensive enough and gives you the information you need to manage and run the business, and you're very, very happy with it all, then let's not try and introduce additional finance managers, etc.

to oversee that bookkeeper for you. If you're, so that's one point. However, if you find that you want, well, I guess, so is that fair?

Is that, are you getting what you need?

[Attendee 1] (43:06 - 43:49)

It's a big, it's amazing for me, because this is all over the last less than a year. So before it was absolute chaos, where I didn't have any bookkeeper, I barely had zero. And then once a year, I'd pay someone in Africa or Philippines, just to do like hours of work and reconcile everything for the last year.

So for me, it's like a complete step up. I've got so much clarity compared to before, but obviously, it could be fine tuned way better. And the management accounts I'm finding are a lifesaver, because I know what my profit is, like what, you know, what I'm on track for, and what I need to do, etc, etc.

It's not fine tuned as this, but I'm kind of thinking, while it's all relatively new, why not just get it there? And then it's all set up.

[Josh Keegan] (43:50 - 45:00)

Potentially, yeah, I would say, I don't know, if things go well, I wouldn't try and, you know, we've got we've got how long we've got left to winter, we've got four weeks left to winter, like, let's not upset the apple cart and try and reinvent the wheel. If you get a management accounts is providing value. I think the only thing I'd say is, like, do you have forecasting?

Do you have like, forecasts and cash flow forecasts, etc? Is that have you got that level of detail? No.

So that might be something to explore to see if your bookkeeper can do and generally, that will tend to be out of their, out of their kind of remit, so to speak, to get good forecasts. But like, but you know, do you need forecasts? Well, it depends.

Like if I had a few projects going on this year, they're going to cost me, you know, a few hundred pounds to a million quid or whatever. And I knew if I knew I was going to raise had to raise money for investors, I knew I had to rely on refinances, I would really want a forecast, etc, to understand what that's going to look like. And then I'd want to budget to actuals, which is basically me looking at basically going, well, I said this was going to happen, what's happened with what's happened, versus what I said was going to happen to keep me on track.

But you've got to weigh up like how complex your business is. And if you actually if you feel like you need that, or if you've got the accounts now, and that's given you what you want, like, I wouldn't worry about it too much.

[Attendee 1] (45:00 - 45:30)

Okay, cool. That's very helpful. Thank you.

And then just with I do sometimes think, am I, do I need to be paying my bookkeeper like 20 pounds an hour to literally upload receipts and all this kind of thing? So could that be something a finance assistant or VA does? And then he because he's always like, have you got the receipt for this and then send it and then obviously, like by the time he's sorted all that and things could like could someone just have those and just do you could like if you get your finances in the VA or ever to come involved, can we get involved?

[Josh Keegan] (45:30 - 46:01)

That's when they can 100% do for you is to do that job. So you think about one of the ethos is right person, right role, right price. It's like you're probably overpaying a bookkeeper now to do very basic work.

So we want it sounds like you know, 20 pound now you sounds like you got a good bookkeeper sounds like you get what you need from them. And in an ideal world, we'd have a finance manager that oversees them. But if you're at a level where you're getting what you want, let's not add that person in for the sake of it.

Yeah, you get what you need. Now, that's good for another year, then bringing in somebody underneath to do some of the receipts, etc. That might be all you need for now to leverage the cost a little bit.

[Attendee 1] (46:02 - 46:06)

Right. So he says to me, have you got the receipt for this? And I say just deal with my finance assistant.

[Josh Keegan] (46:07 - 46:30)

Yeah, but yeah, probably this is because then your finances will just chase you. But probably the thing to do is just have a system for receipt. So whatever that may be.

But for example, I've got a group, I've got a WhatsApp group of my finance assistant. And when I'm out, I just I just take a picture of a receipt and say, personal expense or add I've got a few companies out to JKTL. Do you know what I mean?

[Attendee 1] (46:30 - 46:32)

And they put that into zero, do they?

[Josh Keegan] (46:32 - 46:34)

They put it into zero, yeah. To be honest, I don't actually know.

[Attendee 1] (46:35 - 46:36)

Yeah, I don't either actually.

[Josh Keegan] (46:36 - 46:41)

Yeah, they do something with it. And they're all happy with it. So I think just find a system for that.

[Attendee 1] (46:42 - 46:43)

That's really helpful.

[Josh Keegan] (46:43 - 46:44)

David?

[Attendee 2] (46:47 - 47:03)

Hi, yeah, Josh, thank you. It's all starting to come together a little bit. It's good.

And two questions, really. First one's not quite practical, really, in just in terms of sort of giving, you know, your finance assistant the autonomy to deal with bank payments and stuff. What what checks and balances you put in there?

[Josh Keegan] (47:04 - 48:56)

Yeah. So I've got a whole podcast I can share on this and basically about how you manage this. So basically, whenever you're thinking about so number one, nobody in this room should be doing payments on any kind of payments.

You need leverage this. It's such a low value waste of time. And I think whenever I yeah, whenever I whenever I don't know about anyone else, whenever I kind of opt in for doing X, it's like something needed to be paid.

And it's in a bit of a rush. And I know they're busy and I want to get it paid. I basically end up always going in.

I get logged out of online banking when 10 minutes later, Santander accusing me of being like this fraudster. I've got to go through a two hour phone call. It's like it's just I know payments when those things are on the Facebook is quite straightforward and easy.

But it's like we don't want to be doing that. My dad still does it every we go for a weekend away. And every Friday, he's got his own business.

He's like, but what are you doing? And so I've just paying all the staff. I'm like, you won't listen.

But so we want to get away from that sooner rather than later. And there's basically if you think about payments, there's the reason why people struggle to delegate is more is more that is is risk more than anything. There's basically two types of risk when it comes to delegating payments.

The first is director risk. So you as a director, David, you know, you could have some hard earned cash in there and somebody transfers themselves, you know, your your dividend or your salary for the month that you weren't expecting. And it's like, oh, God, why did I give that that over?

And the second is client risk. And so in some cases, for example, we, for example, take a fair chunk of our payment for our projects that we do up front. And it's like there's a client risk there because if one my team went in and they swiped 50 grand, then all that work, you know, it's a risk to me as director, but my client's money's gone as well.

So when I had the agency, that was a real thing to be a client money accounting. Yeah, so basically two elements of risk. Based on that, you've got to identify where you are on that spectrum.

So is it do you have do you have client money or anything, David?

[Attendee 2] (48:57 - 48:59)

I don't, to be honest. No, it would all be director risk.

[Josh Keegan] (49:00 - 52:18)

So your client risk is relatively low. Director risk is, you know, moderately high. And then we've got to work out basically how do we mitigate that?

And we do it like safely. And there's a few mechanisms you can put in place. The first is what we call a sweep account.

And basically a sweep account is an account we keep money and only we have access to. So I've got a few of them for my biggest business. I've got a few of them.

And I basically have a rule that whenever there's over X amount of money in my in the account that my EA has access to, I just transfer it over. So I that she did try and steal from me or whatever, like the exposure is limited to a certain amount of thousand pounds, you know, a few thousand pounds. And then I feel comfortable with that.

I'm like, OK, cool. Remember, this is if, you know, she's been doing my paper stuff for four years and we've literally never had an issue touch with. And that's one.

The next is then approvals. So what we then want to do is just create an approval system to actually manage this. And you can do this so simply.

And all you need is basically a very simple spreadsheet. That's actually my. So I'm not sure how it works.

So I basically have a bit here that says approvals and every Tuesday and Thursday I go into this into this sheet. Basically, all it is, it's just a list of like people that have sent invoices through on here. Very simple.

And it basically says kind of what it is. You have the artwork and book edits and then it tells me the amount and then it says what it's going to pay from. I've got the invoice link here so I can check it.

And then I will just then just come over here and just take it off. It's not the neatest spreadsheet in the world, but it's there. And you've got notes here when there's a lot of challenge stuff and go back and forth on stuff.

And I'll just take that off. Then Brian will come in and actually pay it. So is that so you've got that kind of extra mechanism there.

So you've still got the approval. It comes on here and you've got the visibility. Then the third like belts and braces is I'd highly recommend something like Wise, Wise Banking or I think Grant said you can do the same on Revolut in the post, which basically like it takes three minutes to set it up.

So it takes three minutes to set up and on that you can create accounts for multiple people anywhere in the world and you can create payment limits and stuff on there too. So for example, you can delegate access to your assistant, your VA, whoever you want it to do it. You can start off with a 500 pound payment limit if you want and you feel comfortable.

And you can also dual factor approve as well. So you could also, she then raises the payment or he raises the payment for under 500 quid. You can go and tick it off to be paid.

And once you feel comfortable with that, you can take away the tick off thing that you've got to do. And once you feel comfortable with that, you might raise it to a thousand pounds. And I think just slowly and steadily taking yourself away is probably the right thing to do.

And then if you think, so you've got all of that, then you've got your bookkeeper that's looking at every transaction, who should be a different person. You've got your finance manager, who's a different person. You're then reviewing the accounts and you've got so much like oversight control there.

The biggest risk is probably more of a mistake than an actual bit of fraud or if there is fraud, it's going to get caught out very quickly.

[Attendee 10] (52:19 - 52:19)

Yeah.

[Josh Keegan] (52:19 - 52:21)

Yeah. So, okay. Does that help?

[Attendee 2] (52:21 - 53:01)

Yeah, no, that's great. Thank you. That makes sense.

Brilliant. Yeah. And then the other question was about the, the My House thing.

Yeah. Shared kind of on Facebook and also been looking at Brendan's school card for his bookkeeper. So I think that for me is the missing link of sort of making sure stuff happens because I've kind of got roughly the right people, I think doing the right things, but it's just that, you know, sort of CAS and VAT returns and making sure effectively there's a box that's checked, I suppose, every month on the right day of the month to make sure that things happen.

I just wonder if it's worth going to a little bit more detail there on how you set that up.

[Josh Keegan] (53:01 - 55:06)

Yeah. So we've, I think there's been a few questions around My House and school cards. So My House, hopefully people are kind of getting that now.

My House is basically the to-do list, which is basically what do you do on a Monday? What do you do on a Wednesday? What do you do on a Friday?

What do you do on whatever day? And you've got your dailies, your weeklies, your monthlies and your quarterlies. So I'd say I'd take that template that we shared with you, David, for your bookkeeper and just populate that, make it really clear and something that you probably need to, probably the biggest things with finance and accounting, if your bookkeeper is like, how often do you need them to reconcile the account and be realistic?

Like I would say, like, I don't know your business a hundred percent well, but I'd say you're probably looking at kind of a weekly full rack would be probably more than sufficient for your, like for the building side of stuff, for the property businesses, you can do that once a month if you like, but choose that frequency. And then basically I'd say, it's just actually just agreeing what the process is. And then I'd say every week on a Monday and you want to one, just review all the things that happened in that week and just agree them all.

I'd say, do you need anything from me? Just let them crack on. That's as simple as it is.

And then scorecard, a scorecard for a bookkeeper, generally when I've done this in the past would be number of bank lines unreconciled. And the date of the oldest bank line, because then say for example, on the first of the month, you get paid a hundred rents from tenants and you have your review on the, on the, on the second, oh, you got a hundred bank lines where it's like, okay, it's good to understand that, okay, we've got quite a big backlog, but as long as the oldest bank lines move forward, then we're happy. Cause it means that she or he's been clearing the, clearing the backlog, which is cool.

If you, if they manage credit control for you, it'd be the amount of outstanding credit control. If you do that, and those are the three main statistics I've always used for bookkeeping. It's always worked.

Assuming that they're hitting my house and they're doing what on there. So you could add a, my house deliverables on there as well, if you wanted to.

[Attendee 2] (55:08 - 55:13)

So my house is different to a scorecard, is it?

[Josh Keegan] (55:13 - 55:21)

Yeah. So scorecard is, is definition of success. How do we define your success?

My house is to-do list.

[Attendee 2] (55:21 - 55:22)

Okay.

[Josh Keegan] (55:22 - 56:01)

So for example, I just had a meeting today, my new marketing and sales assistant. And it's like her scorecard is basically laps, which is leads appointments, presentations, sorry, proposals and sales. That's her success.

Her, my house is on every day. You need to go on Instagram and add 30 people every day, every Wednesday, you need to respond to all Facebook messages. You need to check all the social content that's gone out.

You know what I mean? It's like, it's like they're very different things, but the task that she's got to do will result in overall the elements of success because all of these tasks are things that should be progressing towards that.

[Attendee 2] (56:01 - 56:05)

Okay. Okay. And they're done on a weekly basis.

Are they scorecard weekly?

[Josh Keegan] (56:06 - 56:16)

Scorecard every week reviewed in your one-to-one. We're going to be covering the management frameworks in the coming couple of months, but yeah, in your one-to-one first thing you do for every person is review a scorecard. Yeah.

[Attendee 2] (56:17 - 56:18)

Brilliant. Thank you, Josh.

[Josh Keegan] (56:18 - 56:25)

No worries. I'm conscious of time. I'll definitely, I can stay around, but if anyone needs to go, because we're kind of running over, it's absolutely cool.

Lorraine.

[Attendee 5] (56:26 - 56:49)

Hi, a quick one. When you are purchasing a property, obviously the property price would go into asset on the balance sheet. Where would you put things like costs associated with mortgages or bridging loans, like the valuation fees and the broker fees?

[Josh Keegan] (56:50 - 58:34)

Yeah, cool. So this is probably, you know, when people like to say, why do you need a bookkeeper or finance managers? Because it's like 80% of bookkeeping and finance is quite simple.

But when you do, for example, what you've said, it can be a bit more technical. The answer is it depends, but what you've got to do is say, if you purchased the property and on the, your bank statement, it says 40 grand, which is the money that's actually gone out. But then of course you've, for a deposit, but then of course you've actually purchased property say 150 grand.

What you need to do is create like a statement that says, right. Fixed asset or the name of the property is the 150 grand, you put that into your asset. Then you'd have the deposit on there, which would also go into that asset account.

So yeah, your deposit plus the balance would go to the asset account. Then for things like costs. So you need to just check with your tax accountant or Jasmine's here, she might have gone.

Transactional fees associated with some of those things you can capitalize and you put them on your balance sheet. Some of those things you can't and you put them through the P&L as a cost. So basically what you're doing is creating basically a state, an invoice with all these different lines on them, going to different places based on what the thing actually is.

So yeah, your, the value of the property would be whatever it is that would go to your asset. Deposit would go to the assets as money you put in. The mortgage would go to the mortgage.

A broker fee, for example, I think that goes to the P&L, so that would go to the P&L as a cost. But I think conveyancing and like conveyancing and potentially, um, surveyor's fees, for example, I think that could go on the, on the balance sheet. So that would go into your asset line again, and it would increase the actual line of the, the actual value of the properties.

You kind of capitalize it rather than put it through the P&L.

[Attendee 5] (58:35 - 58:44)

So anything, any expense that would, um, uh, to do with increasing the value of the property would go on the balance sheet.

[Josh Keegan] (58:45 - 59:00)

I believe so, but you just need to double check it. Cause I think the last time I looked at this is like four or five years ago and it can change. But yeah, I think just ask your, ask the tax accountant, um, or ask Jasmine, like the question.

And I believe so. Oh, is Jasmine there? Go on.

[Attendee 7] (59:01 - 59:32)

Yeah, I'm here. Um, yeah, I would capitalize most of that at the initial, when you originally purchased the property, anything to do with the purchase can be capitalized in general. Um, and then when you do revaluate, when you get it remortgaged and things, I would put those valuation fees then through the P&L.

Okay. Does that make sense? Yeah.

Yeah.

[Josh Keegan] (59:32 - 59:39)

You need to just basically take that completion statement you've got there in and basically break it. Every line on that will be aligned on like an invoice.

[Attendee 5] (59:39 - 59:39)

Yeah.

[Josh Keegan] (59:40 - 1:00:05)

And then you've got to then, should all balance back to, to, it should all balance. It should all, yeah, it should all balance back to the, the value on the statement, which would be just on the same, maybe the 40 grand deposit, whatever that may be. It should all be then balanced back because you can, you know, have a value, then a mortgage, et cetera.

And then they should all just be allocated accordingly. But once you've done it, I would just, I would just send it to your tax accountant just to look over it and make sure they're happy with it rather than leave it to the year end when they're not, when they're like, you know, what have you done here?

[Attendee 5] (1:00:07 - 1:00:09)

Yeah. Good point. Brilliant.

Thank you so much guys. Thanks Joe.

[Josh Keegan] (1:00:11 - 1:00:16)

Right. Everybody, any final questions? Should we finish there?

I've got a question.

[Attendee 3] (1:00:17 - 1:00:31)

So without going into too much detail, one of the things that we've always struggled to do in our business is actually find a good bookkeeper. Where would you recommend finding one?

[Josh Keegan] (1:00:32 - 1:00:48)

We've got a call next week, haven't we? Yeah. We'll talk about it then.

Basically, I, I've also found that problem apart from I have access to a company that I'm partnered with who can do that service for you. So if it's, if it's, if it's fits, might be worth pointing in the right direction.

[Attendee 3] (1:00:49 - 1:01:07)

We've sort of got our finance assistant, but we just keep, seem to keep going through bookkeepers and they keep fucking messing everything up. And at the moment, Kay's the bookkeeper, which obviously is not the return on investment that we want from a bookkeeper.

[Josh Keegan] (1:01:07 - 1:01:46)

Perfect. We'll have a chat. I think it's this week.

And yeah, I'll take you through. I use a company in South Africa and they're absolutely brilliant. But I think even with them, it's like, it's hard to, you have to really train them on their account.

And one of the biggest challenges you have, it's like with bookkeepers, particularly people think you ought to get a bookkeeper. And it's like, as an entrepreneur, you're the worst person to be trying to work with a bookkeeper because they just don't think the same way as you. You don't understand why things take so long.

And it, and it just causes a lot of friction. Which is why having a commercially savvy finance manager that sits over top normally works really, really well. That's probably what we need.

[Attendee 3] (1:01:46 - 1:01:50)

We need someone in between our tax accountant and our bookkeeper.

[Josh Keegan] (1:01:50 - 1:02:42)

At your level as well. A hundred percent. You'd get a massive return on investment from having that finance manager oversee stuff for you.

A hundred percent. Cool. Nice.

All right, everybody. Thank you all for your time. Hope you got some value out of that.

Feel free to ask any more questions in the group. I'm more than happy to help. Appreciate there's a lot going on, but similar to the advice I gave Smith.

It's like, it's like, if you're in a good place with this now, it's cool. I wouldn't try and reinvent the wheel. If you know, or you like Smith and you've, you've basically made some significant progress and it's like chalk and cheese to where you were, you know, we've only got four weeks left to winter.

Don't try and reinvent the wheel. However, if you're like fundamentally sitting there going, it's just a nightmare. It's never been right.

I'm not happy with it. And I know I need to level this up. Feel free to reach out or literally just watch back the training and just start putting the wheels in motion to make all this happen.

I'll share resources into the group. And as I said, any questions, just please feel free to let me know.

[Attendee 4] (1:02:43 - 1:03:00)

Josh, before we go, can I ask you just a quick one? It's just about using zero for recording receipts because Smith was saying she had an issue with it and it takes me about a couple of seconds to record a receipt and just save it.

[Josh Keegan] (1:03:00 - 1:03:18)

Yeah. I don't, I think maybe Smith rather than using the Xero app directly, which is called Hubdoc maybe, you can use Dext. Yeah.

And it's meant to be much, much better. My team use Dext. So, I mean, Ben, if it's worth it.

[Attendee 4] (1:03:19 - 1:03:26)

That Xero, it takes you a couple of seconds to put in a receipt. I just don't understand why it's so complicated.

[Josh Keegan] (1:03:26 - 1:03:38)

Well, I don't know either. Maybe she should book in a call you. I don't know if you, if it's worth it, if it's worth of you, Brendan, just use it.

[Attendee 4] (1:03:39 - 1:03:42)

Maybe I don't use it often enough. That's what it is.

[Josh Keegan] (1:03:44 - 1:03:47)

You're quite still aren't you? So you probably enjoy it. Whereas she probably just absolutely hates it.

[Attendee 4] (1:03:48 - 1:03:59)

I wouldn't say I enjoy anything like this, but it only takes, I'll just go, if I'm over for a weekend, I'll just go through the receipts when I'm at the airport on the way back. Take me five minutes to go through everything.

[Josh Keegan] (1:04:00 - 1:04:06)

Nice. If it's not broke, don't try and fix it. All right, everybody.

Thank you all for your time. See you later, mate.

[Attendee 10] (1:04:07 - 1:04:07)

Bye.

[Josh Keegan] (1:04:09 - 1:04:09)

Bye. Bye.