

## What are Management Accounts?

Management accounts are accounts which are carried out on a periodic basis throughout the financial year usually on a monthly, quarterly or 6 monthly basis. They allow the accountant and business owner to be fully aware of the business' financial situation throughout the year. Based on these financial accounts, a management accountant will advise the business owner on the best way forward for the business.

## Who needs a Management Accountant?

In the current business climate, most businesses could benefit from regular management accounts but particularly all medium sized businesses. A management accountant is in the best position to keep business owners up to date with current financial information on how their business is performing.

## Benefits of Management Accounts:

1. Regular management accounts will illustrate movement in the gross margin and overall profitability of the business. The management accountant will complete key ratio analysis on the business accounts and these can help identify trends in the business such as stock turnover, debtor days, cash flow issues and highlight overheads which need to be reduced.
2. Management accounts highlight problems at an early stage so that remedial action can be taken quickly.
3. Banks look positively on business providing periodic management accounts and they are especially important when looking for or reviewing your finance terms.
4. A key benefit of management accounts is that they give the business owner a better idea of how the business is performing.
5. They allow the management team to review up to date information which can help for accurate decision making in the operation of the business.
6. A management accountant will advise the business owner of the best way forward for the business based on the financial information.
7. An accountant who provides a business with regular management accounts will know your business intimately which ensures you receive the best advice on funding, costings and the financial management of your business.
8. Management accounts can help measure the impact of on the company's business environment on an ongoing basis which allows for more immediate action.
9. The management accounts will give rise to more regular meetings with your accountant where all the latest developments in your business sector can be discussed such as new tax incentives, grant funding opportunities, business development initiatives etc.

If you are interested in further information on management accounts,  
contact John Kieran on 047 84955.

