



# Market Report

A Snapshot of your Market Sector

## Bookkeeping

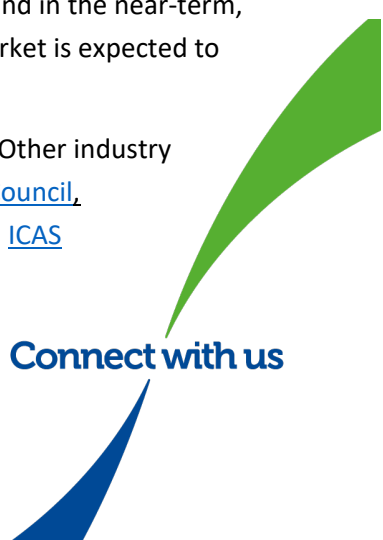
This pack has been designed to provide information on setting up a business in the **Bookkeeping** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2025**.

## What do I need to know about the Bookkeeping market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Bookkeeping companies have been forced to adapt to technological change, with tech advancements and changing client preferences significantly boosting online bookkeeping and cloud accounting. This has encouraged online-only bookkeepers to enter the market while more traditional bookkeepers have been left behind. **Industry revenue is set to climb at a compound annual rate of 2.3% over the five years through 2024-25, including a 2.9% rise in 2024-25 to £6.7 billion.** Industry revenue is forecast to expand at a compound annual rate of 1.8% to £7.3 billion over the five years through 2029-30. The number of UK businesses will continue inching upwards, giving bookkeepers a larger client base, particularly as most new businesses are SMEs. Competition from overseas bookkeeping companies will remain strong as technologies continue to advance, enabling reliable and secure electronic document transfer between companies globally. Advances in DIY bookkeeping software will likely reduce the necessity for traditional bookkeepers unless they provide more value-added services. Labour shortages for bookkeepers can be mitigated by companies training their staff to utilise the power of AI to improve operational efficiency. (IBIS World, *Bookkeeping in the UK*, December 2024).
- ◆ The accounting and auditing industry benefits from the wide range of businesses it serves and the requirement for most UK businesses to have their financial accounts audited. During periods of economic growth, demand for accounting and auditing services picks up. During adverse economic conditions, a dip in revenue is limited through demand for countercyclical services. Despite economic hardships in recent years, revenue is expected to climb at a compound annual rate of 5% to £8.8 billion over the five years through 2024-25, including a projected growth of 6.6% in 2024-25. **Over the five years through 2029-30, industry revenue is forecast to swell at a compound annual rate of 4.4% to £10.9 billion.** (IBIS World, *Accounting & Auditing in the UK*, Oct 2024)
- ◆ In 2023, the market value rose by an **estimated 5.2% in nominal terms to £34.6 billion.** All main service sectors continued to show growth last year, except for corporate finance, which was impacted by a slowdown in M&A activity. While economic uncertainty is expected to impact demand in the near-term, as clients focus on reducing costs, the UK accounting and financial management market is expected to grow to 2028. (Mintel, *Accounting & Financial Management – UK*, March 2024).
- ◆ The national organisation for this industry is the [Institute of Certified Bookkeepers](#). Other industry bodies include the [Institute of Accountants and Bookkeepers](#), [Financial Reporting Council](#), [Association of Accounting Technicians](#), [Certified Public Accountants Association](#) and [ICAS Institute of Chartered Accountants of Scotland](#).



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## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Technavio - Global Business Accounting Software Market 2024 - 2028.** One of the most important end users of business accounting software in the global market is the large enterprise segment. **Large enterprises contributed 55.89% to the overall market in 2023 and will decrease its contribution to 55.55% of the global business accounting software market in 2028.** Large enterprises have many operations, a large number of resources, and a complex set of financial management requirements. Because of this, they need accounting solutions that are able to manage large transactions, provide comprehensive financial reports, and offer sophisticated financial analysis and forecasting capabilities. **SMEs contributed 44.11% to the overall market in 2023 and will increase its contribution to 44.45% of the global business accounting software market in 2028.** Small and medium enterprises (SMEs) are one of the most dynamic and influential market segments in the global business accounting software market. Widely regarded as the foundation of economies around the world, SMEs are essential for economic development and job creation. However, due to their limited size and resources, SMEs often face unique challenges when it comes to financial management. As a result, customized accounting software solutions are essential for SMEs.

There are also a number of online resources you may find helpful:

- Under the **Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017** (known as the Money Laundering Regulations 2017, or the MLR 2017) bookkeepers must have policies and procedures in place to check whether clients are laundering money through their business. see [Accountancy sector guidance for money laundering supervision](#) (updated June 2024) and [Your responsibilities under money laundering supervision](#) for information.
- **Institute of Certified Bookkeepers: [Setting up your Business](#).** Advice and guidance for setting up a bookkeeping business, including a checklist for the first steps you need to take.

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) , [Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

**Last updated: January 2025**

**Updated by: Victoria**

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