MTDify Local Edition - Digital Bookkeeping

What is MTDify Local Edition?

MTDify Local Edition is an **offline-first desktop bookkeeping application** for the UK self employed and small businesses. It's a privacy-focused alternative to cloud-based software that runs entirely on your computer as MTDifyLocal.exe - no internet connection required after installation.

Key Philosophy: Your data stays on your device. No cloud storage, no SaaS subscription, no third-party access.

What MTDify Local doesn't do: This information has been included because sometimes people wonder if they need bookkeeping software or accounting software. If you need anything under the "what it doesn't do" list then chances are you need accounting software instead.

https://mtdify.uk

Core Features & Capabilities

1. Business Management

What it does:

- Store one business profile locally

- Helps you compile with the new making tax digital rules to keep digital accounts

- Track business type (Self-Employment or UK Property)

- Set accounting periods (typically 6 April - 5 April for UK tax year)

- Choose accounting method (Cash or Accruals basis)

- Store business name, trading name, and other business information

What it doesn't do:

- Support multiple businesses (Local Edition is single-business only)

- Connect to HMRC or submit tax returns automatically

2. Income Tracking

What it does:

- Record income transactions with dates, descriptions, and amounts

- Assign income to pre-defined HMRC categories (e.g., "Turnover - Sales", "Other Business Income", "Bank Interest")

- Track client/customer names and invoice numbers

- Automatically calculate which UK tax quarter each transaction falls into (Q1-Q4)

- Add notes to income entries

- Filter and search income by date range, category, quarter, or client name

- View income history with pagination

What it doesn't do:

- Handle VAT on income (income is recorded as gross amounts only)

- Generate or send invoices

- Track outstanding invoices or payment status

- Connect to bank accounts for automatic imports

3. Expense Tracking

What it does:

- Record expense transactions with dates, descriptions, and net amounts

- Track VAT separately with automatic calculation (supports multiple VAT rates: 0%, 5%, 20%)

- Assign expenses to 20+ pre-defined HMRC categories including:

    - Advertising & Marketing

    - Car/Vehicle Expenses

    - Office Costs

    - Travel & Subsistence

    - Capital Allowances categories (Computers & Laptops, Tools & Equipment, Plant & Machinery)

- Upload and attach receipt images (stored locally)

- Track supplier names

- Add detailed notes to expenses

- Filter and search by category, date range, supplier, or receipt status

- Automatic tax quarter assignment

What it doesn't do:

- Process credit card or bank statements automatically

- Handle complex multi-currency transactions

- Process bulk imports from spreadsheets

4. Recurring Entries

What it does:

- Set up **monthly** recurring income or expenses

- Automatically generate transactions on specified day of month (1-28 only, to avoid month-end issues)

- Catch up on missed entries when you open the application

- Set start dates and optional end dates

- Mark entries as active/inactive

- Support VAT on recurring expenses

- Track supplier/client names for recurring entries

How it works: When you open MTDify Local, it checks if any recurring entries are due and automatically creates the corresponding income or expense records. For example, if you set up a monthly rent expense for the 1st of each month and haven't opened the app for 3 months, it will create all 3 missing entries.

What it doesn't do:

- Support weekly, bi-weekly, or custom frequencies (monthly only)

- Handle varying amounts (amount must be fixed)

5. Tax Year Management

What it does:

- Support UK tax years (6 April - 5 April)

- Automatically determine which tax year each transaction belongs to

- Switch between different tax years to view historical data

- Calculate quarterly breakdowns (Q1: Apr-Jul, Q2: Jul-Oct, Q3: Oct-Jan, Q4: Jan-Apr)

- Filter all views by selected tax year

What it doesn't do:

- Calculate your actual tax liability

- Pre-fill Self Assessment tax returns

- Submit anything to HMRC

6. Reports & Data Export

CSV Exports:

- Export all income to CSV

- Export all expenses to CSV

- Export transactions by category

- Download simplified yearly profit report with:
    - Quarterly breakdown of income/expenses

    - Year-to-date totals

    - Income by category analysis

    - Expenses by category analysis

    - VAT totals

Printable Reports:

- Income by category (print-friendly format)

- Expenses by category

- Combined category totals showing net position

- Professional formatting for filing or accountant submission

7. Dashboard Overview

- Display key metrics for selected tax year:
    - Current quarter income, expenses, and profit
    - Year-to-date income, expenses, and profit
- Show recent transactions (last 5 income and expense entries)
- Quick links to add income, expenses, or recurring entries
- One-click access to all reports and exports
- Tax year selector for viewing historical periods

8. Data Management & Privacy

- Store everything in a local SQLite database (db.sqlite3 file)
- Create automatic daily backups (stored in /backups folder)
- Retain 90 days of backup history
- Keep all data completely offline - never transmitted anywhere
- Store receipt images locally in /media folder
- Allow manual backup by copying the database file

9. Category System

- Provide 20+ pre-loaded expense categories aligned with UK Self Assessment
- Include 3 income categories
- Filter categories by type (income/expense)

Who Should Use MTDify Local Edition?

Perfect for:

- UK sole traders and freelancers
- Small business owners (landlords, consultants, contractors)
- Privacy-conscious individuals who want offline-only software
- Those who prefer desktop applications over web-based tools
- People with simple bookkeeping needs
- Anyone wanting to avoid monthly SaaS subscriptions

Not ideal for:

- Businesses with employees (no payroll features)
- VAT-registered businesses needing MTD VAT submissions
- Companies requiring multi-user access
- Businesses needing inventory management
- Those wanting automatic bank feeds
- Businesses with complex needs (multi-currency, project tracking, etc.)

What MTDify Local Edition *does not* do

(as a reminder and to make sure you know exactly what you are buying)

- It is **not accounting software** and does not generate full statutory accounts.
- It **does not connect to HMRC** or submit tax returns. You manually enter the totals from your CSVs.
- It **does not include bank feeds** or automatic bank syncing (manual entry only).
- It supports **one business only** per installation (intentionally, for simplicity).
- It **does not generate invoices** or handle payroll.

Everything else like income, expenses, VAT on expenses, recurring entries, receipt uploads, multi-year support, CSVs, simplified profit report - *is included* and works locally on your machine.

Technical Details

- **Database:** SQLite (portable, no server required)
- **Backup system:** Automatic daily backups with 90-day retention
- **Receipt storage:** Images stored locally in /media folder
- **File format:** CSV exports for all reports
- **Installation:** Single .exe file, no installation wizard needed
- **Updates:** Manual download and replace

Try Before You Download

Free Tier: MTDify Starter

https://mtdify.uk/free-bookkeeping-software/

Perfect for hobbyists or those just starting out:

- Add income and expenses

- Basic category management

- Great for getting familiar with the interface

- **Limitation:** No advanced features like recurring entries or comprehensive reports

Online Demo: **https://mtdify.uk**

- Log in with demo credentials

- Add dummy data to test all features

- Data is wiped every 12 hours

- No download required

- Try the full interface risk-free

Getting Started

1. **Download** MTDifyLocal.exe

2. **Run** - No installation required, double-click to launch

3. **Create your business profile** - Add your business details

4. **Start recording** - Add income and expenses as they occur

5. **Set up recurring entries** - For regular monthly transactions

6. **Export reports** - Download CSV files for tax filing or accountant review

Data Ownership

Everything you enter belongs to you:

- Database file: db.sqlite3 (in same folder as .exe)

- Receipts: /media/receipts/ folder

- Backups: /backups/ folder

You can:

- Copy these files to USB drives

- Back up to external drives

- Move to a different computer by copying the folder

- Delete everything when you're done - no cloud copies exist

Support & Documentation

- Installation guide: https://mtdify.uk/docs/installation-guide/

- User manual: https://mtdify.uk/docs/usage-guide-local-edition/

- Trouble Shooting Guide: https://mtdify.uk/docs/troubleshooting/

- Release notes: https://mtdify.uk/docs/release-notes-local-edition/

- Making Tax Digital guide: https://mtdify.uk/making-tax-digital