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State of Accounting 2025

**The trends, challenges and
opportunities for growth**

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Introduction

This year's research shows South Africa's accountants and bookkeepers are thriving. There is a sense of optimism for the year ahead with 88% of practices expecting to grow. Accountants and bookkeepers are also preparing for the future by investing in new skills and technology, especially AI, to provide even more support to their clients.

However, demonstrating value and staying innovative remains crucial to keeping clients and attracting good people. While most firms are still focused on the day-to-day tasks, there's a clear ambition to evolve. Looking ahead five years, many accountants and bookkeepers are keen to support clients in new areas, like digital strategy, for example.

This year's report offers a snapshot of the key trends that have shaped the accounting and bookkeeping sector over the past 12 months and offers insight into how practices are responding to new technologies and client needs.

At Xero, we're inspired by the ambition and forward-thinking approach amongst the profession, and look forward to continue to partner with accountants and bookkeepers to drive innovation and growth amongst South Africa's vibrant small businesses.

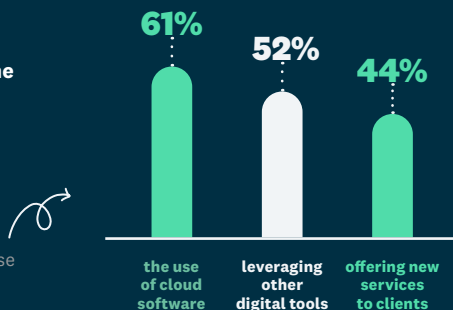


Colin Timmis,
Country Manager, Xero South Africa

Firms are growing and remain optimistic

South Africa's accounting and bookkeeping firms are showing impressive growth. **The majority (85%) have seen their revenue increase in the past 12 months and 88% expect to see further growth in the year ahead.** This success is largely being fuelled by embracing new technologies and expanding services.

The top factors contributing to revenue growth are:



Which of the following factors have helped increase revenue at your practice over the last 12 months?
Base: 89

Attracting and retaining talent is a key challenge

One of the biggest challenges facing the profession is not enough young people choosing accounting as a career path (42%). To address this, many believe the profession needs to modernise:

45%

of accountants and bookkeepers think there should be a greater focus on technology and digital innovation in practices to attract more talent

44%

think there should be more training schemes or apprenticeships to encourage talent to train on the job

43%

think more could be done to better demonstrate innovation and how technology is being used in the industry

Underpinning these challenges, 37% identify an overall lack of digital skills being taught in the industry as a significant issue.

In response, many are planning to invest in developing skills in the year ahead. In total, 41% plan to upskill current staff and 34% want to develop skills in new technologies like AI using a combination of internal and external training.

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“What sets us apart is our investment in people and systems. We support professional development through SAICA, CIMA, ACCA, and SAIT programs, giving young individuals the exposure and tools they need to become outstanding accountants.”

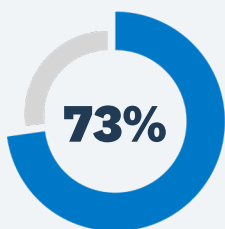
Angelique van der Berg,
Operations Director,
CFO360



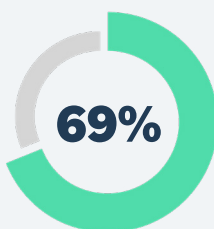
The evolving role of accountants

Today, the key areas accountants are supporting their clients with are tax and compliance (47%), technology advice (46%), and helping them access capital or funding (42%).

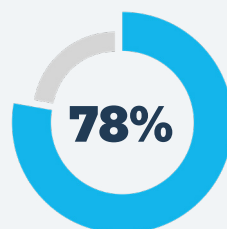
In the next five years, accountants and bookkeepers say they would like to support their clients with financial forecasting (50%), business strategy (46%), and digital strategy (44%). It's encouraging to see the majority are already training themselves and their staff to help grow these skills:



**Financial
forecasting**



**Business
strategy**



**Digital
strategy**

Are you training staff/yourself to grow these skills?
Base: Total (52)

Staying innovative and demonstrating value

Over half (51%) of firms feel clients don't fully understand the value of collaborating with an accountant. While accountants can demonstrate value through advisory and

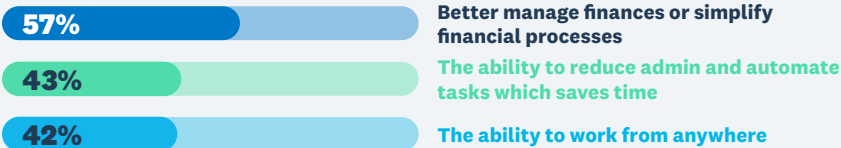
value-based pricing, there is an opportunity for them to leverage new skills, especially around emerging technologies, to add more value to their clients' businesses.

Technology remains key to practices

Cloud-based software and technology is believed to have played a significant role as a driver of growth for the industry. And over the next 12 months, **an overwhelming 95% plan to spend the same or more on technology.**

Overall, **80%** of practices are already using cloud-based technology for processes like accounting and finance management. While nearly half (46%) are also offering advice on the right tools and apps for small businesses.

The top reported benefits of cloud-based technology are:



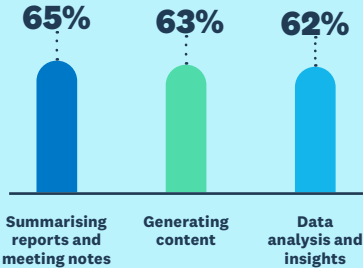
In your experience, which of the following have been the key benefits of using cloud-based technology for your practice?
Base: Total (105)

Accountants are on board with AI

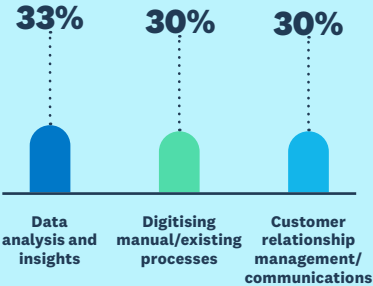
AI is rapidly emerging as a valuable tool for accounting and bookkeeping firms and is being used to automate tasks and improve

data analysis. Many are using it in their practice and are eager to explore how it can improve different tasks.

Top current uses:



Top planned uses:



Thinking about the next 18 months, which best describes how your practice is planning to use AI for the following areas? Base: Total (105)

“As a firm we use AI daily to help us answer tax questions faster, and it speeds up things like bookkeeping and accounts preparation. Most of the tools that we use already have AI built in. We’ve started building some internal tools and expanding our use of others that use AI to help us work smarter and faster. AI and automation will continue to streamline tasks, but the human touch will be irreplaceable and in all likelihood we’ll have a more valuable working relationship with our clients. At CFO360, we’re ready and excited for that shift.”

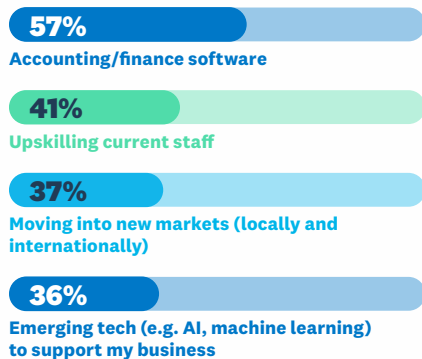
Angelique van der Berg,
Operations Director, CFO360

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Looking at the year ahead

The accounting and bookkeeping industry looks to be in good shape with practices seeing notable growth in revenue. It's also positive to see that the optimistic growth outlook means practices are looking to further invest in technology, people and expansion like moving into new markets.

Top areas where practices want to invest:



Which of the following, if any, is your practice planning to invest in over the next 12 months? Base: 105

Technology seems to have been instrumental in supporting growth and practices have an appetite to use innovations in cloud and AI. However, developing the skills to fully leverage any future investments in technology will be key. Software providers, industry bodies and government departments all need to play a role in supporting practices to fully unlock the potential of digital tools to benefit small businesses and the wider economy.

“Following a successful year for the accounting and bookkeeping industry, optimism is high for the future and there is an opportunity for practices to be ambitious with their expansion plans. With SAICA named the most trusted accountancy body worldwide, many may want to explore if they can take their services abroad and compete internationally.”



Colin Timmis,
Country Manager,
South Africa, Xero

Methodology

Xero partnered with [KLA](#) on this research, surveying 105 accounting and bookkeeping professionals who work in practice in South Africa. Responses were collected from a mixture of job roles across a range of sectors. Fieldwork was conducted via an online research panel between 7 March and 20 March 2025. Some survey options have been edited throughout for readability.





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