

DIY Accounting

DIY Accounting Cabsmart User Guide

Thank you for using DIY Accounting as your accounting system.

Written upon excel spreadsheets the Cabsmart accounting system is based upon single entry accounting principles which has been automated through use of excel formulae significantly reducing the need for bookkeeping or accounting knowledge with all accounting entries automated..

The essential element of the Accounting Software is to reduce the recording of transactions to basics. Using excel spreadsheets to enter data is no more complicated than entering your financial information in 3 lists:

Enter sales receipts on the Taxi Receipts spreadsheet
Enter expenses on the Expenses spreadsheet
Enter vehicle purchases and sales on the Fixed Assets spreadsheet.

Designed to be fast and easy to enter the accounting system is formula driven so that minimum data is entered with automated analysis producing monthly profit & loss accounts, and an excel copy of the all important self assessment tax return ready for printing and copying to the Inland Revenue paper copy or filing directly online.

Back up

Should a problem occur during the financial year which results in the loss or damage of your hard drive then both the financial package and the information entered can be lost.

It is important to back up data at regular intervals.

It is recommended that the files are backed up each week by emailing the files to yourself and then filing the most recently emailed files in a separate folder in your mail box. It will take a few minutes and it may never be needed but hard drive problems do occur and if it happens to you a back policy could save you hours of work.

Should a hard drive problem occur the files and information up to the point where you have backed up can be retrieved from the mail box server after your hard drive is fixed.

The same technique can be applied if you acquire a new computer, email the files to yourself and retrieve the files from your mail box as the files are being held not just on your computer but on the hard drive of your mail box server too.

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PREPARING TO GET STARTED

Before starting entries to the worksheets there is a small amount of customisation to be carried out in relation to updating of accounting information relating to vehicles that existed at the start of the financial year.

Existing Vehicles

Enter in the GREEN SHADED AREA details of existing vehicles at the start of the financial year require updating on the fixed asset schedule located in the [Financial Accounts workbook > Fixed Assets](#)

The fixed asset schedule may appear daunting at first due to the complex nature of tax scenarios that have to be accounted for. The calculations normally carried out by an accountant have all been automated leaving just existing and new purchases and sales to be entered.

The fixed asset schedule requires to be updated with the assets existing at the start of the financial year, 6 April 2014.

There are 3 categories of existing assets to be recorded:-

- Other Fixed Assets bought before 6 Apr 2014
- Vehicles under £12,000 bought before 6 Apr 2014
- Vehicles over £12,000 bought before 6 Apr 2014

RECORD only assets purchased prior to 6 April 2010 in this green area and for vehicles record the make and model, registration mark, purchase invoice details, the original purchase cost and the date purchased. If you have more than one vehicle enter each separately and note vehicles costing over £12,000 are treated differently for tax purposes than vehicles costing under £12,000, capital allowances being restricted to a maximum of £3,000 p.a.

If the vehicle is also used for personal as well as business purposes then enter the percentage of private use based upon mileage covered in column F.
This "private use percentage" has the effect of reducing the level of capital allowances claimed by the percentage entered in column F.

If any of these assets have previously been the subject of a capital allowance by yourself it is also necessary to record the Written Down Value at the 6 April 2014.

Written Down Value is the purchase cost of the asset less capital allowances already claimed.

If you know the written down value of your vehicle from last years financial accounts, then enter that amount in column H against the appropriate asset/vehicle details. If you do not know the written down value then your accountant should be able to provide this figure.

If you have never claimed capital allowances on your vehicle the written down value is the same figure as the original purchase cost

Best Option To Fix The Problem Financial Accounts File Not Updating

The financial accounts file updates automatically from the sales and purchase sheets when entries are made there. This can be tested by entering a sale and entering a purchase expense including the entry letter code in purchases as the information in purchases is collected from the top of the expense analysis columns. Open and check the financial accounts profit and loss sheet and those two entries should appear.

If the profit and loss sheet in the financial accounts file does not update the most common reasons and solutions are:

1. When downloading, the financial accounts file was opened and viewed before it was saved. When an excel file is opened before it is saved your computer stores the file in a temporary folder while you view it. Excel also changes the links to that temporary folder. So if you then click save you are actually saving the temporary links not the original links which the other files do not recognise.

Solution is to download the files and save them direct to the folder you created to receive the files before the files are opened and viewed.

2. Another cause of breaking links between the files is when columns are changed or added or the file name is changed.

Solution is not to change the file names and not to add or remove columns in the spreadsheets.

PROTECTION AND PARAMETERS

Worksheet Protection

Financial Accounts spreadsheets are protected to preserve the formulae. A protection password was not used except on the self assessment tax return which is password protected. The password is not provided for copyright reasons..

To unprotect a sheet, go to the menu bar:

Click Tools > Protection > Unprotect Sheet

The data entry spreadsheets Taxi receipts, Expenses have not been protected.

A manual entry in any cell containing a formula will overwrite that formula.

Only enter data in cells that do not contain formulae.

Create a back up copy of your spreadsheets for use as a test model and also provide a source from which any formula driven cells subsequently overwritten may be replaced.

To restore the formulae overwritten in the active spreadsheet:

Go to the back up spreadsheet. Highlight the cells to be copied.

Click Edit > copy

Go to the overwritten spreadsheet. Highlight the same cells to be replaced *Click Edit > paste*

After all the transactions for an individual month have been completed, protect the worksheet. This avoids inadvertent corruption of the information.

In the case of sales and purchase spreadsheets protection also provides a Vat audit trail.

To protect a sheet, go to the menu bar:

Click Format > Cells > Protection > Click Locked and Hidden so "ticks" appear > OK

Click Tools > Protection > Protect sheet > OK

Enter a protection password if you require additional security.

Formulae Parameters

Preset formulae have been entered in the monthly Expenses spreadsheets down to row 204.

This allows up to purchase transactions to be entered each month and analysed which is

sufficient for all know self employed taxi drivers. If the number of purchase transactions exceeds 200 in any month the formulae will require extending to the additional rows used.

To extend the formula driven cells click each formula bearing cell in the row, place the cursor on the bottom right hand corner of the cell, a + appears, click and drag the + down to the required row number. Note do NOT click and drag formula cells ACROSS the page as this destroys the formulae.

Column totals.

There is no need to change the formula in row 1 which totals each column as this has been preset on both the sales and purchase spreadsheets to add up all cells in each column down to row 999.

Printing Parameters

Printing areas of the sales and purchase spreadsheets have been restricted to the first 68 rows. This prevents many sheets of blank pages being printed if rows below 68 are not used.

Without this restriction all rows containing formula down to row 204 would be printed each time.

To change the printing area to suit your own requirements.

Go to the menu option *Click File > Page setup > Sheet*

In the "Print area" box delete 68 and enter the number of rows to be printed

Mending Broken Links

If the links between the spreadsheets become corrupted for any reason these can be automatically corrected by Microsoft Office 2003 excel.

First unprotect any protected sheets in the workbook.

Then re-open the workbook. You will be asked if you wish to update the sheet.

Click > Update Click > Edit links

Highlight in the dialogue box the links to be corrected and click the same file in your accounts folder. Microsoft Excel then automatically corrects all the links so worksheets update correctly

TAXI RECEIPTS SPREADSHEET

Transactions to be recorded are from 6 April 2014 to 5 April 2015.
Record transactions 1 – 5 April 2014 in March 2015

Data Entry

The columns for entering details of your sales are A – F

Column A – Date of the sales transaction has been pre-entered for you.

Column B – Relevant day has been pre-entered for you.

Column C - **Enter** the customer name or source of sale if you need to keep a note of the sales source, e.g. source of other income receipts or the name of rent due.

Column D – **Enter** the mileage incurred in connection with the days sale...

Note you may only claim mileage allowances if you are not claiming motoring costs such as the vehicle cost, repairs, tax, insurance, or fuel.

If you wish to claim vehicle expenses rather than mileage allowance leave this column blank. It is recommended that you record the daily mileage to enable the most tax beneficial option to be selected.

Note: Accurate mileage claims are important as should the Inland Revenue subsequently inquire into your tax return they may request documents such as MOT certificates to check the total mileage and would certainly test whether the mileage was consistent with the amount of sales received.

Column E – **Enter** the total amount of fares received including any gratuities.

Column F – **Enter** other income such as business start up grants.

Note do not include any amounts recorded in this column in column E as they do not form part of business turnover and are accounted for separately on the self assessment tax return.

What happens to the information entered?

Row 1 totals each column down to row 99

The totals of each sheet are then collected by the financial accounting spreadsheet to produce the monthly profit and loss account and self assessment tax return.

The sales mileage if recorded is also automatically transferred to the purchases spreadsheet which adds the sales mileage to the purchase mileage and calculates the mileage allowance.

EXPENSES SPREADSHEET

Transactions to be recorded are from 6 April 2014 to 5 April 2015.

Record transactions 1 – 5 April 2014 in March 2015

Data Entry

The columns for entering details of your sales are A – F and T & V

Column A – Enter the date of the purchase transaction

Column B – Enter the supplier's name or source of purchase

Column C – Enter your reference number of the transaction or purchase invoice number.

Column D – Enter a single letter to identify the type of expenditure in the expense code column to automatically update the expense analysis. Eligible letters and definitions of column headings are shown in glossary of column headings...

*Entry of this expense code is **mandatory***

Column E – Enter the mileage incurred in connection with the purchase. Should a journey be completed without a purchase enter the date and nature of the journey on a separate line excluding sales mileage that can be entered on the sales spreadsheet.

You may only claim mileage allowances if you are not claiming vehicle running costs such as the vehicle cost, repairs, tax, insurance, or fuel. It is recommended that you include both vehicle running costs and mileage covered on the expense sheet as this enables the cost comparison to be made in

Financial Accounts > Profit & Loss Account

The heading on the P&L account automatically compares your vehicle running costs including capital allowances with a mileage expense claim and automatically selects which method – vehicle costs or mileage – is the most beneficial option ignores the other option unless or until the cost basis of your entries on the sales and expenses sheets change the calculation..

It is recommended you maintain both records as purchase of a new vehicle could change the option.

Purchase and sales mileage are calculated, totalled and included as a business expense on row 4. No manual entry is required on row 4 as it has been automated.

The formulae in respect of mileage allowances automatically calculate the amount in accordance with current Inland Revenue rates of 45p (from April 2011) for the first 10,000 miles and 25p per mile thereafter.

Column F – Enter the gross purchase value of the transaction including Vat.

Formulae driven automated columns G - S

No entries required in these columns

Columns G – S The letters entered in column D automatically update the expense analysis.

Column T – Enter a concise description of the vehicle

This description will be useful when completing the capital allowance worksheet which is located within financial accounts.

What happens to the information entered?

Row 1 totals each column down to from row 5 to row 199

The totals of each sheet are then collected by the financial accounting spreadsheet to produce the monthly profit and loss account and self assessment tax return.

And most importantly the cost comparison between claiming mileage allowances or vehicle costs.

Glossary Expense Column Headings

Fuel & Oil Expenses

Expense Code D

Purchases Column G

Petrol, diesel and oil

Car Hire & Vehicle Leasing Costs

Expense Code H

Purchases Column H

Vehicle hire and leasing costs.

Vehicles bought on hire purchase:

Separate the monthly payment between interest and capital repayment.

Include HP interest only in this column.

The capital element is ignored as the purchase cost of the vehicle should be recorded in Capital Allowances where the appropriate tax deductions are calculated.

Repairs, servicing and parts

Expense Code R

Purchases Column I

Repairs, servicing and parts including tyres.

Road tax and insurance

Expense Code T

Purchases Column J

Road tax, insurance, AA/RAC membership

Employee costs

Expense Code E

Purchases Column K

Salaries, wages, bonuses, casual staff. Do not include your own wages and national insurance costs.

Premises costs

Expense Code P

Purchases Column L

Rent, business rates, water rates, light, heat, power, property insurance and security. Include any amounts of this nature for "use of home" in this column.

General Administrative expenses

Expense Code G

Purchases Column M

General office expenses including telephone, postage, stationery and printing.

Include payments for radio hire in this column.

Advertising and promotion

Expense Code A

Purchases Column N

Advertising, promotions, mail shots and entertainment costs.

Legal and professional

Expense Code L

Purchases Column O

Council licence fees.

Accountants, solicitors, surveyors, architects, professional indemnity insurance.

Costs and fines relating to traffic offences should NOT be included as they are disallowed for tax purposes.

Bank Interest

Expense Code I

Purchases Column P

Interest on finance payments and bank loans/overdrafts excluding repayment of capital.

Bank Charges and Leasing

Expense Code B

Purchases Column Q

Bank charges, credit card charges, hire purchase interest and leasing payments excluding repayment of capital.

Other Expenses

Expense Code O

Purchases Column R

Business expenses not included elsewhere

Fixed Assets – Motor Vehicles

Expense Code F

Purchases Column S

Vehicles used for business purposes

FINANCIAL ACCOUNTS

FIXED ASSETS - CAPITAL ALLOWANCES

Vehicle depreciation has not been calculated in the accounting system since it has no effect on the business tax, depreciation is disallowed as an expense. Instead the business receives tax allowances on the cost of assets, vehicles, to set against its profit.

Currently 18% of the cost of the vehicle, restricted to a maximum of £3,000 for vehicles costing over £12,000, can be set off against profits in the year purchased. First Year Allowances are not applicable to cars except vans which being commercial vehicles as are hackney cabs and included in the other assets section attract the 100% annual investment allowance. The remaining value of vehicles is written off against future year's profits at 20% of the book value remaining, again restricted for vehicles costing over £12,000.

Data Entry

Enter Details of vehicles purchased during the year in the BLUE shaded area.

Enter the details of each vehicle on a separate row.

Other CREAM SHADED areas contain complex formulae that should NOT be overwritten

Column A – **Enter** date vehicle or other asset purchased

Column B – **Enter** vehicle make and model and registration number

Column C – **Enter** invoice number or other purchase reference

Column D – **Enter** amount paid for the vehicle

Column F – **Enter** the percentage of private use of the vehicle which will automatically restrict the capital allowances calculated on this worksheet.

Column H – **No entries required** in this column as the written down value of the vehicle is not calculated until the end of the tax year in which it was purchased.

Enter of written down values are ONLY required for vehicles existing at the start of the financial year.

If the vehicle is sold during the financial year:-

Column M – **Enter** the date vehicle sold in the YELLOW shaded area

Column N – **Enter** amount received for the vehicle in the YELLOW shaded area

Formulae driven automated columns

No Entries required

Column I – Automatically calculates the first year allowance.

Column J – Automatically calculates the writing down allowance

Column P – Automatically calculates any additional capital allowance applicable if the vehicle has been sold at a price below the tax written down value.

Column O – Automatically calculates the balancing charge, this is the amount of capital allowances already claimed that have to be written back if the vehicle has been sold at a price higher than the net written down value for tax purposes.

PROFIT AND LOSS ACCOUNT

This worksheet has been protected as no manual entries are required. It is fully automated.

All the financial information is generated automatically from the sales, purchases and payroll sheets each month to produce a monthly profit and loss account and the annual result to date.

Its usefulness is to enable progress to a successful financial result to be monitored and should banks or other institutions request up to date accounts then you have exactly that at the touch of a print button.

Profit Forecast

No Entries Required

Fully automated and available in real time to determine the Income Tax and National Insurance contributions based upon an automated forecast of the annual profit or loss. The forecast collects the actual profit or loss each month and calculates the average profit or loss based upon the actual months and automatically enters these amounts in future months. This enables an automated calculation of the likely year end liability for tax and national insurance which is then entered on the **Financialaccounts > Profit & Loss Account** in the financial health check section

Financial Health Check

Drawings do not require to be entered in self employed accounts as drawings are not wages but personal decisions. The Inland Revenue is only interested in net taxable profit not how much of that the individual has withdrawn for personal reasons.

However the level of Drawings and the future liability for tax and national insurance is critical to the health of the business with Tax and NI taking 30% at standard income tax rates of net profits earned.

Record drawings on **Rows 28 – 31** on the **Financialaccounts > Profit & Loss Account** and the Financial Health Check provides an indication of the true financial status of earnings against withdrawals and tax liabilities

VEHICLE COST COMPARISON

The heading of the profit & loss account worksheet automatically collects the data entered in the sales and purchase worksheets and the fixed assets schedule in regard to vehicle costs worksheet so that if you have recorded both vehicle costs and mileage in the sales and purchase spreadsheets this heading will automatically determine the most tax efficient option and the message displayed advises of the option selected..

It recommended you continue to enter both until the financial year end in case circumstances change, if for example a new vehicle is purchased.

You cannot claim both mileage and vehicle expenses and the formula in the spreadsheets prevent this by choosing the most tax efficient option from the information entered.

SELF ASSESSMENT

No Entries Required.

All the information is updated automatically from the worksheets.

This sheet is password protected to prevent manual entries and protect copyright.

This return is provided to assist in the completion of the year end self employed section of the tax return. All box references on this document are the same as the actual tax return

This sheet automatically completes the turnover and profit or loss figures for businesses with a turnover either above or below 15K with capital allowances automatically entered from the fixed asset schedule.

Income Tax

No Entries Required

Fully automated and available in real time to determine the Income Tax and National Insurance contributions payable after adding back disallowed expenses and deducting capital allowances.

TAXATION

Expense guidance notes

The Inland Revenue rules for employees/directors claiming expenses are quite strict since they recognise this area as a potential source of tax avoidance.

To comply with the Inland Revenue criteria:

Every expense item should ideally be receipted,

Mileage records have to be maintained showing date of journey, reason for journey and mileage covered.

Expenses covering non-employees have to be excluded.

Round sum allowances excluding permitted amounts are extremely frowned upon.

Only the business element of landline and mobile phone bills may be reclaimed.

Only the business element of household bills may be claimed.

Amounts relating to a different business may not be claimed.

Mileage Allowances

Everyone can claim as an alternative to vehicle running costs mileage allowances of 45p for the first 10,000 miles and 25p per mile thereafter. The formulae in the spreadsheets automatically calculate these rates. You may not claim mileage allowance and vehicle running costs. Should you choose to claim the mileage allowance then keep good records of mileage covered, purpose of journey. You might consider entering the mileage against sales or purchase invoices which naturally provides the date and purpose of the journey.

Travel & Subsistence Allowances

You may claim a lunch allowance of £5 or the receipted amount if larger, provided there is only yourself present at lunch and you are away from your normal workplace for more than 5 hours. You may claim a dinner allowance of £10 or the receipted amount if larger, provided there is only yourself present at dinner and you are away from your normal workplace for more than 10 hours. If you stay away from home overnight you may claim a subsistence allowance of £5 per night to cover incidental expenditure, all other expenditure being receipted. This allowance is increased to £10 if the overnight stay is out of the UK.

If you stay at a friend or relatives house instead of an hotel you may claim an allowance of £25 per night.

Household expenses

You may claim a proportion of household expenses appropriate to the area of your home used for business purposes. If you claim domestic expenses then specific rooms should be designated as business only. For example, if you reside in a 3 bed-roomed house with a lounge and dining room, ignoring the kitchen and bathroom you have 5 rooms. If one bedroom is used as a store room and the dining room used exclusively as an office then 2 rooms are designated as business use. It would be appropriate for 2/5 of domestic costs to be claimed as a business expense. Use a single room exclusively for business purposes and you could claim 1/5 of the domestic bills.

Domestic bills would be heat & power costs - gas & electricity, rent, general & water rates.

If you own the property you can claim mortgage interest (not the capital element) although this is not advised as should you claim mortgage interest the Inland Revenue can claim the same proportion of any profit made on that property as a taxable profit when sold.

Partner assistance

Generally the Inland Revenue do not like claims being made by self-employed businesses in respect of partners' wages and normally seek to identify if this claim was real or merely tax avoidance. If partners' wages are claimed as a business expense you should be able to produce evidence that the amount claimed has actually been paid, e.g. pay by cheque to your partners' bank account. The amount paid should be consistent with the amount of work done. For a claim to succeed the partner should have performed specific duties such as the business bookkeeping, placing advertisements, answering sales calls, quoting for work, invoicing clients, delivering goods and services, etc. etc. Stating the partner duties as "Girl (or Man) Friday" would not be acceptable.

DIY Accounting Contact Information

Our website is the first place to look for any information: <http://www.diyaccounting.co.uk/>
When new packages are available the “Download” page will be updated on our website.

DIY Accounting's spreadsheet packages are maintained and supported under an Open Source model. In return for allowing anyone access to our source files, we find an indefinite low-cost home at GitHub. We continue to keep the website up with downloads for up-to-date packages. This model relies upon community support (an online forum) and accepting donations instead of retaining paid staff and charging a fee.

Please raise a question in our discussion forum here: <https://github.com/antonycc/diy-accounting/discussions>

Or donate to help use keep the packages updated
here: https://www.paypal.com/donate/?hosted_button_id=XTEQ73HM52QQW

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