

DIY Accounting

DIY Accounting User Guide Limited Company Accounting

Introduction

Thank you for purchasing a license to use our limited company accounting system.

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

The most important accounting principle to understand is entries to the **Sales** spreadsheets are details of income, sales, while entries to the **Purchases** spreadsheets are the business expenses. With the exception of purely banking items such as bank charges, bank interest payable and received, entries to the **Cash** and **Bank** spreadsheets are not cost items but the platform for the receipt of income already entered on the **Sales** spreadsheet or payment of indebtedness already entered on the **Purchases** spreadsheets..

Sales spreadsheets deal with business income.

Purchases spreadsheets deal with business expenses.

Cash and Bank spreadsheets record how income was received and expenses paid.

The package contains many features including automated calculation of tax allowances, corporation tax, stock control and an all-important payroll interface which permits the package to be used with or without the automated Payroll Software.

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 **Sales spreadsheet**

Enter purchases on the **Purchase spreadsheet**

Enter cash and bank transactions on the preset **Cash and Bank spreadsheets**

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, live debtor and creditor reports, automated VAT returns, and a set of annual accounts ready for publication and submission to Company House and the Inland Revenue..

Payroll Software

DIY Accounting payroll is a one click payroll system that can be fully integrated into the Limited Company accounting software by simply saving the payroll files to the same folder as the accounting software.

This is achieved by the accounting software already containing a wages interface that has to be manually updated if not using the DIY Accounting Payroll Software. If DIY Accounting Payroll Software is adopted then integration is automatic.

Copyright. By purchasing this accounting spreadsheet system you are licensed to use the software including making copies as required for your own business only. No part of this system may be reproduced or transmitted by any means to any third party whether for financial gain or otherwise without the express permission of the owner, Terence Cartwright. Resellers may be granted a license on application to and at the discretion of the owner.

<http://www.diyaccounting.co.uk>

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PREPARING TO GET STARTED

As all Companies are required to produce a Balance Sheet each year then before entering live transactions for the financial year these opening balances need to be entered in the worksheets. The format for these entries having been preset to ensure the information entered is both compatible with the accounting software and reasonably straight forward to enter.

Corporate Details

Enter the company name, director name, registered office and number at: [Financialaccounts > OpenAccounts](#)

Limited companies are required to keep a set of statutory books which are located at [Companysecretary](#). Open this file and update the information with details of shareholdings and the company officers. The worksheet: [Companysecretary > Boardmeeting](#) is where the **dividend declared** for the current financial year is **entered**, not the previous financial year's dividend.

After the end of the financial year to declare a dividend **ENTER** the total dividend payable for that year in the [Boardmeeting](#) schedule

Previous Year Accounts

Opening Balance Sheet and Profit & Loss Account

From the previous set of accounts enter the balance sheet details at:

[Financialaccounts > OpenAccounts](#)

Initially enter the totals from the previous balance sheet in **Column E** and subtotals of the main balances in **Columns G to O** for fixed assets, cash and bank accounts and Revenue creditors.

In the second section of this worksheet enter the previous years Profit and Loss account figures ensuring the retained profit or loss for the year agrees with the previous final accounts as these figures will then be automatically shown in the current year published accounts at:

[Financialaccounts > PubP&L](#) with the balance sheet at [Financialaccounts > PubBalSht](#)

In addition to the opening balance sheet entries further detailed specific entries are required in respect of individual fixed assets, debtors – sales not yet received, creditors – purchases not yet paid, outlined below to ensure continuity of capital tax allowances and tracking of business debts receivable and payable.

Opening Fixed assets

Having entered the original cost and accumulated depreciation totals for each category of fixed asset on the [Financialaccounts > OpenAccounts](#) worksheet further detailed information is required at:

[Fixedassets > Schedule](#) in the top section headed EXISTING FIXED ASSETS

Automated areas of this worksheet are shaded where no entries are required.

List individual Fixed Assets in the appropriate category, each category total is checked to ensure the total original cost and accumulated depreciation entered equals the opening balance sheet totals.

Depreciation rates have been preset in Column H with typical depreciation percentages to write off the value of the asset over its useful life. Depreciation rates for a category can be changed to the individual company policy by entering a new depreciation percentage in the un-shaded boxes in Column H or by changing the percentage in the shaded area of column H for individual assets (not recommended as creates an inconsistent depreciation policy).

First Year or Writing Down Capital Allowances should have been claimed for each existing Fixed Asset bought prior to the start of the current financial year. The Net Written Down Value, that is the amount not yet claimed as a capital allowance should be entered in **Column O**. If these amounts are not available request the information from the Company accountant as the amounts are essential to enable the formulae to automate the calculation of the current year writing down allowances.

HM Revenue & Customs Tax Reference

Enter the tax reference as shown in the CT603 notice from HM Customs & Excise on the [OpenAccounts](#). This reference number then goes forward to the excel copy of the Ct600 sheet.

Bank interest received

The majority of banks pay interest net of tax and cell **EH58** in the [Trial Balance](#) grosses up the interest received as it is taxable for corporation tax while the tax already paid is also deductible against the corporation tax payable. The tax calculation deals with this automatically. No special entries required. However the Co-operative Bank pays interest gross without deduction of tax.

To adjust for this simply go to the [Financialaccounts > OpenAccounts](#) sheet and **enter X** in cell **P8**

Losses Brought Forward

Completing this box on the **OpenAccounts** sheet is optional and should be used if the company has losses from previous financial years which it wishes to include in the current financial year to offset the taxable profit and reduce the amount of corporation tax payable.

Companies who do not have losses to carry forward should leave this box blank as should any company with previous years losses that does not wish to carry them forward this financial year.

Sales not yet received at start of financial year

While the opening balance already entered in **Financialaccounts** ensures the opening balance sheet is correct it does not provide individual tracking of money still owed to the business by clients. This is achieved by entering the individual sales invoices not yet paid by customers at:

Sales > OpeningDebtors

The Column format A:N being the same as the current year sales worksheets to enable outstanding amounts to be transferred into the **OpeningDebtors** worksheet by copying and pasting from the previous year DIY Accounting worksheets if applicable.

The total in **Sales > OpeningDebtors** Cell F1 should equal the amount entered in **Financialaccounts > OpenAccounts** Cell E16.

Subsequent receipts can then be entered manually from cash and bank accounts to maintain financial control over the opening debts owed to the Company by customers.

Purchases not yet paid at start of financial year

While the opening balance already entered in **Financialaccounts** ensures the opening balance sheet is correct it does not provide individual tracking of money owed by the business to suppliers. This is achieved by entering the individual purchase invoices not yet paid to suppliers at:

Purchases > OpeningCreditors

The Column format A:N being the same as the current year sales worksheets to enable outstanding amounts to be transferred into the **OpeningCreditors** worksheet by copying and pasting from the previous year DIY Accounting worksheets if applicable.

The total in **Purchases > OpeningCreditors** Cell F1 should equal the amounts entered in **Financialaccounts > OpenAccounts** Cell E20: Cell E23 inclusive

Subsequent payments can then be entered manually from cash and bank accounts to maintain financial control over the opening debts owed by the Company to suppliers.

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.

VALUE ADDED TAX

VAT REGISTERED BUSINESS

No adjustment entries are required as the sales and purchase spreadsheets are already preset to collect VAT inputs and outputs at the standard VAT rate of 20%, 17.5% or 15.0% as applicable for that month. Where zero rated or exempt sales or purchases occur overwrite the VAT calculated with the actual VAT on that invoice. Entering the actual VAT overwrites and removes the formulae in the VAT cell to allow this manual entry.

CONVERT TO NOT VAT REGISTERED BUSINESS

Disable the VAT calculation throughout the accounting system as follows:

Go to **Sales Spreadsheet Column G Row 2. Cell G2 (this cell is shaded light green)**

Enter 0 to overwrite the VAT rate of 20%

Entering Zero in the sales spreadsheets is then automatically carried forward to the remaining months of the both the sales spreadsheets and the purchase spreadsheets disabling the collection of VAT.

CHANGING FROM BEING NOT VAT REGISTERED TO BEING VAT REGISTERED

If the business circumstances change and the business becomes VAT registered during the financial year the VAT function can be enabled as follows.

Go to **Sales Spreadsheet Column G Row 2. Cell G2 (this cell is shaded light green)** in the month VAT registration is effective.

Enter 20 to overwrite the VAT rate of 0% and

No entries are required to the VAT percentage on the purchases spreadsheet which automatically adopts the same standard VAT percentage entered on the sales spreadsheet from the same month.

VAT will then be automatically collected and recorded on the VAT returns from that month onwards.

CHANGE REQUIRED IF VAT FLAT RATE REGISTERED

Businesses with a turnover including VAT of under £150,000 p.a. may adopt a flat rate VAT scheme the rate varying according to the industry.

When a flat rate scheme is adopted invoice sales including the 20% standard VAT rate.

Also change the VAT calculation throughout the accounting system as follows:

Go to **Sales Spreadsheet Column G Row 4 Cell G4 (this cell is shaded light blue)**

Enter the **FLAT RATE PERCENTAGE**

These entries to the sales or purchase spreadsheets are then automatically carried forward to the remaining months effectively changing the collection of VAT from the standard rate to the Flat Rate percentage.

In addition it shows sales turnover net of the flat rate percentage and accounts for all purchases including VAT input as a business expense.

VAT CASH ACCOUNTING SCHEME

The VAT collection system is set up to collect the VAT totals from each month's sales and purchases spreadsheets. There are no special arrangements for businesses that have adopted the VAT cash accounting scheme and so the entries to the sales and spreadsheets should be made not according to the date of the sales and purchase invoices but entered in the month they were paid.

Adopting this system of recording means valid invoices are not entered until the cash is received or money paid out and the profit and loss account will reflect this.

At the end of the year the unprocessed invoices will require to be entered as the annual accounts include all invoices for the financial year not just those that have been settled.

VAT records before and after financial year

For VAT registered businesses only:

No set up entries are required to **Vatreturns** if the VAT quarters coincide with the company financial year.

Five automated VAT Returns are provided to ensure overlaps at the start or end of the financial year which may not coincide with VAT quarters can be accommodated. To ensure any months before or after the financial year can be included in the **Vatreturns** 8 additional worksheets have been provided on **Vatreturns** 2 months sales before and after the financial year plus 2 months purchases also before and after the financial year.

To ensure the first VAT quarter includes any relevant sales or purchases relevant before the financial year enter total sales and purchase invoices on these additional worksheets which may typically be entitled for example **S0309** – Sales March 2009 or perhaps **P0209** – Purchases February 2009, or individual invoices if an audit trail is required.

Any entries to these additional months are included in the VAT returns through the

Vatreturns > Vatinterface but with the exception of the VAT liability arising are not included in the financial accounts sales and expenses for the financial year.

PROTECTION AND PARAMETERS

CORRECT DATE FORMAT

Transaction dates are entered in sales, purchases, cash and bank spreadsheets.

The correct format in which to enter the date is DD/MM/YY

Incorrect format is dd.mm.yy as the package does not recognise such an entry as a valid date

Worksheet Protection

Three levels of protection may be applied to worksheets:

Unprotected: Manual entries to cells overwrite formulae in that cell

Protected: Manual entries are not permitted to preserve formulae

Password Protected: No entries required

Main data entry workbooks are Unprotected:

Sales

Purchases

Cash and Bank

Fixed Assets

Company Secretary

Workbooks requiring none and occasional entries are Protected:

Financial Accounts Trial Balance, Corporation Tax Calculation, CT600

Password Protected files

Financial Accounts Admin contains the dates and tax rules applied

Password is not supplied to protect the integrity of the calculations

To unprotect a Protected Worksheet not password protected, go to the menu bar:

Click Tools > Protection > Unprotect Sheet

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

Protected advised for sales and purchase spreadsheets to preserve the required 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

Row 1 of the main data entry workbooks contains formulae that sum the contents of each column as follows:

Sales to Row 300

Purchases to Row 300

Cash and Bank to Row 200

Data entries below Row 200 or 300 will not be included in the column totals unless the formulae in Row 1 are amended to include the additional rows used. To extend the column summation, change each cell in Row 1 containing summation formulae from row 200 or 300 to the required Row number.

Formulae to analyse entries in the main data entry workbooks have been preset to the same row levels 200 and 300 which will require extending to the additional rows.

To extend the formulae below rows 200 or 300 highlight the last row containing formulae, place the cursor at the bottom right hand corner of the last cell until a cross sign "+" appears, click and drag the "+" to the required row number. Only click and drag formulae downwards.

DO NOT Click and drag cell formulae across the page as this changes the column reference points and effectively destroys the formulae by changing the reference columns..

Printing Parameters

Printing areas of the main data entry workbooks have been restricted to avoid many blank sheets being printed unnecessarily as follows:

Sales Printing restricted to Row 75

Purchases Printing restricted to Row 75

Cash and Bank Printing restricted to Row 75

Without this printing restriction sheets would be printed down to the last row on which formulae was entered.

The print area can be changed to suit your own requirements, go to the menu bar.

Click File > Page setup > Sheet

In the "Print area" box delete replace the entry with the area required

SALES SPREADSHEET

Record income from all sources, except bank interest received, in the **Sales** workbook using the separate spreadsheet provided for each month. The analysis to separate different types of income received is achieved by entering a single letter in Column F which automates the analysis.

Sales turnover includes all money earned by the business before deduction of business expenses and includes monies for goods sold, fees and commissions receivable. Investment grants and proceeds from the sale of fixed assets are also recorded on the sales spreadsheets and analysed separately through the Code Letter System and subsequently accounted for separately.

Enter sales credit notes and bad debts written off as negative amounts

Data Entry

Sales Date	Customer Name	Sales Invoice Number or reference	Sales Description	Enter Expense Code Letter	Sales Value including VAT	17.50	Sales Net of VAT
						VAT Output	

Column A – Enter the date of the sales transaction in the format dd/mm/yy e.g. 01/01/10

Column B – Enter the customer name or source of sale e.g. a retail business with 2 shops might wish to simply record Shop A or Shop B

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

Column D – Optional column for recording a description of the monies receivable.

Column E – Enter a code letter to analyse the type of monies receivable:

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter A = Sales turnover Product **A**, use of separate product analysis optional.

Enter Letter B = Sales turnover Product **B**, use of separate product analysis optional

Enter Letter C = Sales turnover Product **C**, use of separate product analysis optional

Enter Letter D = Sales turnover Other **D**irect Income, income subsidiary to main business income

Enter Letter G = Investment **G**rants and Other Government incentive schemes

Enter Letter O = Amount of specific Bad Debt written off due to being **O**utstanding 6+ months.

Enter Letter FS = Value of **F**ixed Assets **S**old.

Column E contains a drop down menu that can also be used to select the analysis code

Column F – Enter total amount receivable including any VAT chargeable on the sales value.

Column G – No Entry required. **Column G** contains formulae to automatically calculate the VAT output tax. The VAT calculation can be disabled by changing **Cell G2**. This change will then be carried forward to each subsequent month. Non VAT registered business see **VAT Returns** section of this guide

Column H – No Entry required. **Column I** contains formulae to automatically calculate the net sales value.

Sales receipts

This section is not part of the accounting entries but for your information purposes only to keep a check on who owes what

For your information only. Enter How Paid e.g. Cash, Cheque etc.,	0.00	0.00	30-Dec-08
	Receipts from Customers		
	Actual amount received	Sales Value not yet received	Number of Days Outstanding

Column J – Enter the Cash or Bank accounting source where details of the amount received in respect of the item on this row is detailed.

Column K – Enter the actual amount received as shown in the Cash or Bank accounting source record.

Column L - No Entry required. Formula driven to calculate the amount still not received

Column M - No Entry required. Formula driven to calculate the number of day's amount outstanding.

Sales Analysis

Sales Net of VAT			Other Income	Investment Grants	Bad Debts written off	Sale of Fixed Assets
Product A	Product B	Product C				
A	B	C	D	G	O	FS

Columns O P Q R S T U

No Entries required. Formula driven analysis by the code letter entered in **Column E**
Entry code letters A B C D G O FS appear at top of columns under the heading as indicated above

Sub Contractors Only

Sub contractors only	
CIS Tax Deducted	CIS Certificate reference

Column V – **Enter** amount of income tax deducted from sub contractor as shown on CIS certificate issued
Enter the formula =if(G5>0,I5*0.18," ") in **Row 5 Column W** to automate the calculation. Click and drag to extend the formula to the rows required, deleting the formulae as required in rows where not required
Column W – **Enter** reference number of CIS certificate when income tax deducted from sub contractor.

Row One Totals

Each column is totalled to row 300 and collected on the **Financialaccounts > TrialBalance** to produce the accounting resource to produce the monthly and annual profit and loss account and balance sheet.
The sales mileage recorded is automatically transferred to the **Purchases** spreadsheet which adds the sales mileage to the purchase mileage and calculates the mileage allowance.

Cell A1 of each monthly spreadsheet contains a check total which should be zero after entries completed.

Opening Debtors

The **OpeningDebtors** worksheet as explained in "Preparing to get started" is to maintain continuity of financial control to assist the collection of all amounts due to the business.

Closing Debtors

Part of the year end accounting procedure after all receipts have been entered from **Cash** and **Bank** to the **Sales** workbook **copy and paste** items still outstanding from each month to this worksheet, the total in Cell F1 should equal the closing debtors figure shown at Cell EJ20 of the **Financialaccounts > TrialBalance**

PURCHASES SPREADSHEET

Record expenses from all sources, except bank interest and charges, in the **Purchases** workbook using the separate spreadsheet provided for each month. The analysis to separate different types of expenses incurred is achieved by entering a single letter in Column F which automates the analysis.

Business expenses includes all costs incurred by the business before including purchase of fixed assets which subsequently also require to be entered on the fixed asset schedule where individual assets are depreciated over their useful lives and capital tax allowances calculated.

Enter purchase credit notes as negative amounts

Data Entry

Purchase Date	Supplier Name	Purchase Invoice Number or Reference	Purchase Description	Enter Expense Code Letter	Total Purchase Value including VAT	17.5	Purchases Net of VAT
						VAT Input	

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 – Optional column for recording a description of the business expense.

Column E – Enter a code letter to analyse the type of business expense.

Column E contains a drop down menu that can also be used to select the analysis code

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter **S** = Direct Materials purchased for resale including **S**tock and items consumed to generate sales such as manufacturing materials.

Enter Letter **C** = Purchases of sub **C**ontractor services resold to generate sales turnover

Enter Letter **O** = **O**ther Direct Costs includes any other cost of sales purchases.

Enter Letter **D** = **D**irectors gross wages which have not been included in the Paye system.

Enter Letter **W** = Employees gross **W**ages which have not been included in the Paye system.

Enter Letter **R** = **R**ent, business rates and water rates and other premises costs e.g. security

Enter Letter **P** = Lighting, heating and other costs associated with operating the **P**remises.

Enter Letter **T** = **T**ransport and distribution costs moving the goods sold to the customer.

Enter Letter **Q** = Tools, **eQ**uipment and plant hire costs.

Enter Letter **M** = Repairs and **M**aintenance of business premises and equipment

Enter Letter **U** = Cons**U**mable materials include non direct purchases such as cleaning materials

Enter Letter **A** = **A**dvertising, leaflet, promotion costs including customer entertainment expenses

Enter Letter **G** = Telephone, postage, stationery and **G**eneral administrative expenses

Enter Letter **H** = Travel and **H**otel business expenses

Enter Letter **V** = Motor **V**ehicle expenses, fuel, tax, insurance, repairs and emergency memberships

Enter Letter **N** = **I**nsurance costs relating to premises, equipment and indemnity insurance

Enter Letter **F** = Leasing costs relating to vehicles and other business equipment **F**inanced

Enter Letter **L** = **L**egal and professional fees, accountants, solicitors, surveyors, architects, licences

Enter Letter **Y** = Charitable donations **Y**

Enter Letter **Z** = Goodwill costs incurred on acquisition of new businesses. **Z**

Enter Letter **FA** = **F**ixed **A**sset purchases

Column F – Enter total amount payable including any VAT chargeable on the purchase value.

Column G – No Entry required. **Column G** contains formulae to automatically calculate the VAT input tax at the standard 20% rate. Where the VAT charged is not 20% of the purchase value such as non VAT invoices, electricity bills and zero rated items enter the actual VAT manually overwriting the formula.

The VAT calculation can be disabled by changing **Cell G2**. This change will then be carried forward to each subsequent month. Non VAT registered business see **VAT Returns** section of this guide

Column H – No Entry required. **Column H** contains formulae to automatically calculate the net purchase value.

Purchase payments

This section is not part of the accounting entries but for your information purposes only to keep a check on who is owed what

For your information only. Enter How Paid e.g. Cash, Cheque etc.,	0.00	0.00	30-Dec-08
	Payments Made to Creditors		
	Actual Amount Paid	Purchases not yet paid	Purchases Days Outstanding

Column J – Enter the Cash or Bank accounting source where details of the amount paid in respect of the item on this row is detailed.

Column K – Enter the actual amount paid as shown in the Cash or Bank accounting source record.

Column L - No Entry required. Formula driven to calculate the amount still unpaid

Column M - No Entry required. Formula driven to calculate the number of day's amount outstanding.

Purchase Analysis

Purchases Cost of Sales			Directors Wages Non Paye	Employee Wages Non Paye	Premises		Distribution Transport Costs	Equipment Tools & Plant Hire
Direct Materials	Sub Contractors	Other Direct Costs			Rent & Rates	Light & Heating		
S	C	O	D	W	R	P	T	Q

Columns O – AI

No Entries required. Formula driven analysis by the code letter entered in Column E

Contractor

Contractors	
CIS Certificates	
Tax Paid	Certificate No

Column AK – Enter amount of income tax deducted by Contractors as shown on CIS certificate issued

Column AL – Enter reference number of CIS certificate when income tax deducted by Contractors.

Row One Totals

Each column is totalled to row 300 and collected on the **Financialaccounts > TrialBalance** to produce the accounting resource to produce the monthly and annual profit and loss account and balance sheet.

Cell A1 of each monthly spreadsheet contains a check total which should be zero after entries completed.

Opening Creditors

The **OpeningCreditors** worksheet as explained in “Preparing to get started” is to maintain continuity of financial control to assist the payment of all amounts due by the business.

Closing Creditors

Part of the year end accounting procedure after all purchases have been entered from **Cash** and **Bank** to the **Purchases** workbook **copy and paste** items still unpaid from each month to this worksheet, the total in Cell F1 should equal the closing creditors figures shown at Cell EJ28 to EJ31 of the **Financialaccounts > TrialBalance**

TAX HINTS

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.

Personal expenses on credit cards are 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

Purchase and sales mileage, if recorded, are calculated and included as a business expense on the Expenses Claim Form

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. You may not claim mileage allowance and vehicle running costs.

Should the business claim mileage allowance maintain reasonable records of mileage covered and purpose of journey is required.

Travel & Subsistence Allowances

You may claim a lunch allowance of £5 or the receipted amount if larger, provided there is only yourself and employees 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 and employees 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 which are shared facilities 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 include 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 by claiming mortgage interest the Inland Revenue can subsequently claim the same proportion of any profit made on that property as a taxable capital gain when the property is sold.

Partner assistance

Generally the Inland Revenue do not like claims being made in respect of partners' wages and would normally seek to identify if such claims are real or merely tax avoidance.

If partners' wages are claimed as a business expense 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.

EXPENSES CLAIM FORM

Twelve copies of the expenses claim form are included in the file which can be completed in the file retaining the electronic copy or printed out as required for unlimited copies.

If the company is not VAT registered or operates the VAT flat rate scheme that leave the VAT box blank and no VAT will be calculated. If the business is VAT registered then enter X in the VAT box which then triggers the calculation of the VAT input tax and requires that expense to be supported by a VAT receipt.

Attach all receipts to support the claim for re-imbursement of business expenses incurred

Enter X if VAT registered leave blank if not registered or flat rate scheme ☐

Name		
Address		
	Post Code	

Date From:
 Date To:

Date	Description of Expense	Destination and Purpose	Mileage	Expense Type	Total Claimed	VAT	Net Expense

By clicking the Expense Type a drop down box appears and by selecting one of the options the amount will also appear in the accounting analysis.

Enter mileage against items or on a separate row. The form totals the mileage and calculates the expense claimed at 40p per mile. If a different amount is applicable change the 0.40 as required

	Mileage Claim @ 45p	0.40	0	Vehicle or Mileage			
					0.00	0.00	0.00

TOTAL AMOUNT PAYABLE

£ **0.00**

The final section of the form is an automated analysis of the expenditure which can then be manually entered in the purchases file. When the expense form is entered in purchases use the entry code letter of say H for travel costs but manually enter the individual amounts in the purchase analysis or all the costs would go to Travel which may not be accurate. Other Expenses may also need to be manually analysed to the appropriate purchase expense heading.

OFFICE USE: Accounting Summary		Reference	Exp01	Entry Code Letter
			Total Purchases	
			VAT	
			Input	
			Expense analysis	
			General Admin	G
			Hotel & Travel	H
			Vehicle or Mileage	V
			Other Expenses	To be allocated manually
Manual analysis required of Other Expenses for accounts				

CASH AND BANK

Four **Cash** and **Bank** account workbooks are provided to record amounts received and paid out as follows:
Currentaccount **Savingaccount** **Creditcardaccount** **Cashaccount**

Essential Accounting Principle

Sales and expenses are recorded on the **Sales** and **Purchases** workbooks not the **Cash** and **Bank** records. Under the double entry bookkeeping system entries to the **Sales** and **Purchases** workbooks create accounts of money owing to or by the Company regardless of whether these accounts are paid or received instantly.

These liabilities are called

Debtors (sales not received) and

Creditors (purchases not paid).

Entries to the **Cash** and **Bank** records are not used to record sales or expenses, with the exception of purely bank generated income and expenses such as bank interest received, bank interest paid and bank charges.

Cash and **Bank** records are used to record the receipts from Debtors and payments to Creditors.

Current Account

Bank Reconciliation

	< Opening Bank Balance	01-Feb-09
0.00	< Closing Bank Balance	28-Feb-09
	< Statement Bank Balance	28-Feb-09
0.00	< Bank - Statement Balance	

Cell A1 - Enter the actual bank balance at the beginning of the first month. In subsequent months the closing bank balance calculated at **Cell A2** is automatically transferred to **Cell A1** in the next month.

Cell A2 - No entries required, this cell automatically adds receipts and deducts payments to calculate the bank balance at the end of the month.

Cell A3 - Enter the bank balance as shown on the bank statement at the end of the month

Cell A4 - No entries required, this cell automatically compares the entries made on the worksheet with the statement balance and reports the total value of any differences. This cell is the Bank Reconciliation.

Investigate and correct any errors between the bank account spreadsheet and the bank statement.

To keep the accounts simple the Accounting Software does not deal with accruals and prepayments on a month by month basis and therefore receipts may have been banked that are not yet shown on the bank statement or cheques issued that are also not yet shown on the bank statement.

Cut and paste reconciling items which are not yet shown to the subsequent months' spreadsheet where the items should be cleared against the subsequent months' bank statement.

Receipts Data Entry

				Enter Code Letters	Amounts received from each Source
			Deposit Bank Reference		
Date	Source of Funds Received	Sales Invoice			

Record bank receipts in Columns A – Q.

Column A – Enter the date of the bank receipt

Column B – Enter the source of the funds received, e.g. Name of Customer or other debtor

Column C – Enter the sales invoice number or other reference to which the receipt is associated

Column D – Enter the bank deposit reference, optional which can assist tracing errors.

Column E - Enter a code letter to analyse the debtor account associated with the receipt.

Column E contains a drop down menu that can also be used to select the analysis code

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BS = Amounts transferred into Current Account from Savings Account

Enter Letter BD = Amounts transferred into Current Account from Credit Card Account

Enter Letter BC = Amounts transferred into Current Account from Cash Account

Enter Letter DR = Amounts received from customers and other debtors

Enter Letter K = Bank Interest net of tax credited to current account as shown on bank statement.

Enter Letter LDR = Amounts received from Long Term Debtors e.g. Repayments of loans granted

Enter Letter LCR = Amounts received from Long Term Creditors e.g. Bank and other loans received

Enter Letter RV = Refunds received from HMRC in respect of VAT returns
Enter Letter RC = Refunds received from HMRC in respect of CIS returns
Enter Letter DL = Amounts received from directors for credit to the directors loan account
Enter Letter X = Bank contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the bank account and then re-credited on representation.

Column F – Enter the amount deposited detailing individual receipts from customers

Bank Receipts Analysis

Transfers From Savings	Transfers From Cr Card	Transfers From Cash	Amount Received Debtors	Interest Received	Long Term Debtor	Long Term Creditor	HMRC VAT Refunded	HMRC CIS Refunded	Directors Loan Account	Bank Contra items
BS	BD	BC	DR	K	LDR	LCR	RV	RC	DL	X

Columns G – Q

No Entries required. Formula driven analysis by the code letter entered in **Column F**

Bank Payments Data Entry

Payment Date	Suppliers paid	Enter Purchase Invoice No.	Cheque number Direct Debit	Enter Code Letters	Amounts Paid by invoice number
--------------	----------------	----------------------------	----------------------------	--------------------	--------------------------------

Record bank payments in Columns S – AN

Column S – Enter the date of the bank payment

Column T – Enter the name of supplier or other creditor paid

Column U – Enter the purchase invoice number or other reference to which the payment is associated

Column V – Enter the cheque number or other reference such as Bacs or DD to indicate transaction type

Column W - Enter a code letter to analyse the creditor account associated with the payment.

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BS = Amounts transferred from Current Account to Savings Account

Enter Letter BD = Amounts transferred from Current Account to Credit Card Account

Enter Letter BC = Amounts transferred from Current Account to Cash Account

Enter Letter CR = Amounts paid to suppliers and other creditors

Enter Letter W = Net wages paid by cheque or Bacs payments

Enter Letter J = Bank interest charged during the month

Enter Letter B = Bank charges incurred during the month

Enter Letter LDR = Amounts paid to Long Term Debtors e.g. Loans granted to third parties

Enter Letter LCR = Amounts paid To Long Term Creditors e.g. Bank and other loan repayments

Enter Letter RP = Payments made to HMRC in respect of Paye liabilities

Enter Letter RV = Payments made to HMRC in respect of VAT liabilities

Enter Letter RC = Payments made to HMRC in respect of CIS liabilities

Enter Letter RT = Payments made to HMRC in respect of Corporation Tax liabilities

Enter Letter DV = Payments made to shareholders in respect of dividends

Enter Letter DL = Amounts paid to directors excluding wages and dividend payments

Enter Letter X = Bank contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the bank account and then re-credited on representation.

Column X – Enter the amount paid against the reference in **Column V** that may consist of several individual payments e.g. where several purchase invoices have been paid with a single cheque. Entering individual invoices on subsequent rows increases financial control over payments

Bank Payments Analysis

Transfers To Savings	Transfers To Credit Card	Transfers To Cash	Amount Paid Creditors	Net Wages Paid	Bank Charges Paid	Interest Paid	Long Term Debtor	Long Term Creditor
BS	BD	BC	CR	W	B	J	LDR	LCR

HMRC Paye Payments	HMRC VAT Payments	HMRC CIS Payments	HMRC Corp Tax Payment	Dividends Paid	Directors Loan Account	Bank Contra items
RP	RV	RC	RT	DV	DL	X

Columns Y–AN

No Entries required. Formula driven analysis by the code letter entered in Column X

Worksheet Checks

Cell S1 and Cell S2 are automated arithmetical checks that receipts and payments have been analysed using the code letters correctly. Both cells should be zero. Investigate any differences occurring to ensure the bank record is accurate.

Saving Account

Bank Reconciliation

	< Opening Bank Balance	01-Feb-09
0.00	< Closing Bank Balance	28-Feb-09
	< Statement Bank Balance	28-Feb-09
0.00	< Bank - Statement Balance	

Cell A1 - Enter the actual bank balance at the beginning of the first month. In subsequent months the closing bank balance calculated at **Cell A2** is automatically transferred to **Cell A1** in the next month.

Cell A2 - No entries required, this cell automatically adds receipts and deducts payments to calculate the bank balance at the end of the month.

Cell A3 - Enter the bank balance as shown on the bank statement at the end of the month

Cell A4 - No entries required, this cell automatically compares the entries made on the worksheet with the statement balance and reports the total value of any differences. This cell is the Bank Reconciliation. Investigate and correct any errors between the bank account spreadsheet and the bank statement. To keep the accounts simple the Accounting Software does not deal with accruals and prepayments on a month by month basis and therefore receipts may have been banked that are not yet shown on the bank statement or cheques issued that are also not yet shown on the bank statement.

Cut and paste reconciling items which are not yet shown to the subsequent months' spreadsheet where the items should be cleared against the subsequent months' bank statement.

Receipts Data Entry

Date	Source of Funds Received	Sales Invoice	Deposit Bank Reference	Enter Code Letters	Amounts received from each Source

Record bank receipts in Columns A – Q.

Column A – Enter the date of the bank receipt

Column B – Enter the source of the funds received, e.g. Name of Customer or other debtor

Column C – Enter the sales invoice number or other reference to which the receipt is associated

Column D – Enter the bank deposit reference, optional which can assist tracing errors.

Column E - Enter a code letter to analyse the debtor account associated with the receipt.

Column E contains a drop down menu that can also be used to select the analysis code

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BB = Amounts transferred into Savings Account from Current Account

Enter Letter BD = Amounts transferred into Savings Account from Credit Card Account

Enter Letter BC = Amounts transferred into Savings Account from Cash Account

Enter Letter DR = Amounts received from customers and other debtors

Enter Letter K = Bank Interest net of tax credited to savings account as shown on bank statement.

Enter Letter LDR = Amounts received from Long Term Debtors e.g. Repayments of loans granted

Enter Letter LCR = Amounts received from Long Term Creditors e.g. Bank and other loans received

Enter Letter RV = Refunds received from HMRC in respect of VAT returns

Enter Letter RC = Refunds received from HMRC in respect of CIS returns

Enter Letter DL = Amounts received from directors for credit to the directors loan account

Enter Letter X = Bank contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the bank account and then re-credited on representation.

Column F – Enter the amount deposited detailing individual receipts from customers

Analysis

Columns G – Q

No Entries required. Formula driven analysis by the code letter entered in Column F

Payments Data Entry

		Enter Purchase Invoice No.	Cheque number Direct Debit	Enter Code Letters	Amounts Paid by invoice number
Payment Date	Suppliers paid				

Record bank payments in Columns S – AN

Column S – Enter the date of the bank payment

Column T – Enter the name of supplier or other creditor paid

Column U – Enter the purchase invoice number or other reference to which the payment is associated

Column V – Enter the cheque number or other reference such as Bacs or DD to indicate transaction type

Column W – Enter a code letter to analyse the creditor account associated with the payment.

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BB = Amounts transferred from Savings Account to Current Account

Enter Letter BD = Amounts transferred from Savings Account to Credit Card Account

Enter Letter BC = Amounts transferred from Savings Account to Cash Account

Enter Letter CR = Amounts paid to suppliers and other creditors

Enter Letter W = Net wages paid by cheque or Bacs payments

Enter Letter J = Bank interest charged during the month

Enter Letter B = Bank charges incurred during the month

Enter Letter LDR = Amounts paid to Long Term Debtors e.g. Loans granted to third parties

Enter Letter LCR = Amounts paid To Long Term Creditors e.g. Bank and other loan repayments

Enter Letter RP = Payments made to HMRC in respect of Paye liabilities

Enter Letter RV = Payments made to HMRC in respect of VAT liabilities

Enter Letter RC = Payments made to HMRC in respect of CIS liabilities

Enter Letter RT = Payments made to HMRC in respect of Corporation Tax liabilities

Enter Letter DV = Payments made to shareholders in respect of dividends

Enter Letter DL = Amounts paid to directors excluding wages and dividend payments

Enter Letter X = Bank contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the bank account and then re-credited on representation.

Column X – Enter the amount paid against the reference in Column V that may consist of several individual payments e.g. where several purchase invoices have been paid with a single cheque. Entering individual invoices on subsequent rows increases financial control over payments

Analysis

Columns Y – AN

No Entries required. Formula driven analysis by the code letter entered in Column X

Worksheet Checks

Cell S1 and **Cell S2** are automated arithmetical checks that receipts and payments have been analysed using the code letters correctly. Both cells should be zero. Investigate any differences occurring to ensure the bank record is accurate.

Credit Card Account

Credit Card Reconciliation

	< Opening Bank Balance	01-Feb-09
0.00	< Closing Bank Balance	28-Feb-09
	< Statement Bank Balance	28-Feb-09
0.00	< Bank - Statement Balance	

Cell A1 - Enter the actual Credit Card balance at the beginning of the first month. In subsequent months the closing Credit Card balance calculated at **Cell A2** is automatically transferred to **Cell A1** in the next month.

Cell A2 - No entries required, this cell automatically adds receipts and deducts payments to calculate the Credit card balance at the end of the month.

Cell A3 - Enter the credit card balance as shown on the credit card statement at the end of the month

Cell A4 - No entries required, this cell automatically compares the entries made on the worksheet with the statement balance and reports the total value of any differences. This cell is the Card Reconciliation. Investigate and correct any errors between the credit card account spreadsheet and the credit card statement. To keep the accounts simple the Accounting Software does not deal with accruals and prepayments on a month by month basis and therefore receipts not yet shown on the credit card statement and payments issued after the card statement date are entered in the following month.

Cut and paste reconciling items which are not yet shown to the subsequent months' spreadsheet where the items should be cleared against the subsequent months' credit card statement.

Receipts Data Entry

Date	Source of Funds Received	Sales Invoice	Deposit Bank Reference	Enter Code Letters	Amounts received from each Source

Record bank receipts in Columns A – Q.

Column A – Enter the date of the credit card receipt

Column B – Enter the source of the funds received, e.g. Name of Customer or other debtor

Column C – Enter the sales invoice number or other reference to which the receipt is associated

Column D – Enter the credit card deposit reference, optional which can assist tracing errors.

Column E - Enter a code letter to analyse the debtor account associated with the receipt.

Column E contains a drop down menu that can also be used to select the analysis code

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BB = Amounts transferred into Credit Card Account from Current Account

Enter Letter BS = Amounts transferred into Credit Card Account from Savings Account

Enter Letter BC = Amounts transferred into Credit Card Account from Cash Account

Enter Letter DR = Amounts received from customers and other debtors

Enter Letter K = Bank Interest net of tax received not paid as shown on card statement.

Enter Letter LDR = Amounts received from Long Term Debtors e.g. Repayments of loans granted

Enter Letter LCR = Amounts received from Long Term Creditors e.g. Bank and other loans received

Enter Letter RV = Refunds received from HMRC in respect of VAT returns

Enter Letter RC = Refunds received from HMRC in respect of CIS returns

Enter Letter DL = Amounts received from directors for credit to the directors loan account

Enter Letter X = Credit Card contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the Credit Card account and then re-credited on representation.

Column F – Enter the amount deposited detailing individual receipts from customers

Analysis

Columns G – Q

No Entries required. Formula driven analysis by the code letter entered in **Column F**

Payments Data Entry

		Enter Purchase Invoice No.	Cheque number Direct Debit	Enter Code Letters	Amounts Paid by invoice number
Payment Date	Suppliers paid				

Record bank payments in Columns S – AN

Column S – Enter the date of the credit payment

Column T – Enter the name of supplier or other creditor paid

Column U – Enter the purchase invoice number or other reference to which the payment is associated

Column V – Enter the cheque number or other reference such as Bacs or DD to indicate transaction type

Column W – Enter a code letter to analyse the creditor account associated with the payment.

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BB = Amounts transferred from Credit Card Account to Current Account

Enter Letter BS = Amounts transferred from Credit Card Account to Savings Account

Enter Letter BC = Amounts transferred from Credit Card Account to Cash Account

Enter Letter CR = Amounts paid to suppliers and other creditors

Enter Letter W = Net wages paid by credit card or cheque payments

Enter Letter J = Credit Card interest charged during the month

Enter Letter B = Credit Card charges incurred during the month

Enter Letter LDR = Amounts paid to Long Term Debtors e.g. Loans granted to third parties

Enter Letter LCR = Amounts paid To Long Term Creditors e.g. Bank and other loan repayments

Enter Letter RP = Payments made to HMRC in respect of Paye liabilities

Enter Letter RV = Payments made to HMRC in respect of VAT liabilities

Enter Letter RC = Payments made to HMRC in respect of CIS liabilities

Enter Letter RT = Payments made to HMRC in respect of Corporation Tax liabilities

Enter Letter DV = Payments made to shareholders in respect of dividends

Enter Letter DL = Amounts paid to directors excluding wages and dividend payments

Enter Letter X = Credit Card contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the Credit Card account and then re-credited on representation.

Column X – Enter the amount paid against the reference in **Column V** that may consist of several individual payments e.g. where several purchase invoices have been paid with a single cheque. Entering individual invoices on subsequent rows increases financial control over payments

Analysis

Columns Y–AN

No Entries required. Formula driven analysis by the code letter entered in **Column X**

Worksheet Checks

Cell S1 and **Cell S2** are automated arithmetical checks that receipts and payments have been analysed using the code letters correctly. Both cells should be zero. Investigate any differences occurring to ensure the Credit Card record is accurate.

Cash Account

Cash Reconciliation

	< Opening Cash Balance	01-Feb-09
0.00	< Closing Cash Balance	28-Feb-09
	< Physical Cash Count	28-Feb-09
0.00	< Cash Balanced	

Cell A1 - Enter the actual cash balance at the beginning of the first month. In subsequent months the closing cash balance calculated at **Cell A2** is automatically transferred to **Cell A1** in the next month.

Cell A2 - No entries required, this cell automatically adds receipts and deducts payments to calculate the cash balance at the end of the month.

Cell A3 - Enter the cash balance as shown by a physical count at the end of the month

Cell A4 - No entries required, this cell automatically compares the entries made on the worksheet with the physical cash balance and reports the total value of any differences. This cell is the Cash Reconciliation. Investigate and correct any errors between the cash account spreadsheet and the physical cash count.

Cash Receipts Data Entry

			Deposit Cash Reference	Enter Code Letters	Amounts received from each Source
Date	Source of Funds Received	Sales Invoice			

Record bank receipts in Columns A – M.

Column A – Enter the date of the cash receipt

Column B – Enter the source of the funds received, e.g. Name of Customer or other debtor

Column C – Enter the sales invoice number or other reference to which the receipt is associated

Column D – Enter the cash deposit reference if available.

Column E - Enter a code letter to analyse the debtor account associated with the receipt.

Column E contains a drop down menu that can also be used to select the analysis code

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BB = Amounts transferred into Cash Account from Current Account

Enter Letter BS = Amounts transferred into Cash Account from Savings Account

Enter Letter BD = Amounts transferred into Cash Account from Credit Card Account

Enter Letter DR = Amounts received from customers and other debtors

Enter Letter K = Interest received in Cash net of tax as package grosses up the tax deducted

Enter Letter LDR = Amounts received from Long Term Debtors e.g. Repayments of loans granted

Enter Letter LCR = Amounts received from Long Term Creditors e.g. Bank and other loans received

Enter Letter DL = Amounts received from directors for credit to the directors loan account

Column F – Enter the amount deposited detailing individual receipts from customers

Analysis

Columns G – N

No Entries required. Formula driven analysis by the code letter entered in **Column F**

Cash Payments Data Entry

		Enter Purchase Invoice No.	Optional cash payment reference	Enter Code Letters	Amount Cash Payment
Payment Date	Suppliers paid				

Record bank payments in Columns P – AJ

Column P – Enter the date of the cash payment

Column Q – Enter the name of supplier or other creditor paid

Column R – Enter the purchase invoice number or other reference to which the payment is associated

Column S – Enter optional cash reference to which the payment is associated

Column T – Enter a code letter to analyse the creditor account associated with the payment.

Row 5 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BB = Amounts transferred from Cash Account to Current Account

Enter Letter BS = Amounts transferred from Cash Account to Savings Account

Enter Letter BD = Amounts transferred from Cash Account to Credit Card Account

Enter Letter CR = Amounts paid to suppliers and other creditors

Enter Letter W = Net wages paid by cash

Enter Letter J = Other interest charges paid during the month

Enter Letter B = Lease charges incurred during the month

Enter Letter DL = Loan capital repaid with any interest element entered manually in **Column AA**

Enter Letter LD = Amounts paid to directors excluding wages and dividend payments

Enter Letter RP = Payments made to HMRC in respect of Paye liabilities

Enter Letter RV = Payments made to HMRC in respect of VAT liabilities

Enter Letter RC = Payments made to HMRC in respect of CIS liabilities

Enter Letter RT = Payments made to HMRC in respect of Corporation Tax liabilities

Enter Letter DV = Payments made to shareholders in respect of dividends

Column U – Enter the amount paid against the reference in **Column R** that may consist of several individual payments e.g. where several purchase invoices have been paid with a single cheque. Entering individual invoices on subsequent rows increases financial control over payments

Analysis

Columns V–AJ

No Entries required. Formula driven analysis by the code letter entered in **Column U**

Worksheet Checks

Cell S1 and **Cell S2** are automated arithmetical checks that receipts and payments have been analysed using the code letters correctly. Both cells should be zero. Investigate any differences occurring to ensure the cash record is accurate.

FIXED ASSETS

Fixed items are physical items not bought for resale but used by the business for a period of more than one year. Company policy determines the value at which capital expenditure treated as an asset rather than consumable materials subject to being a reasonable decision.

Depreciation spreads the financial effect on profits over the life of the asset but does not have an effect on the business tax as depreciation is disallowed as an expense as depreciation rates are internally set by the business management. Businesses receive relief for capital expenditure on fixed assets through capital allowances calculated in accordance with government policy and set against its taxable profit before tax.

Depreciation Rates

Depreciation rates have been preset in **Column H** with typical depreciation percentages to write off the value of the asset over its useful life. Depreciation rates for a category can be changed to the individual company policy the **Fixed Asset > Schedule** by entering a new depreciation percentage in the un-shaded boxes in **Column H** or by changing the percentage in the shaded area of **Column H** for individual assets (not recommended as creates an inconsistent depreciation policy).

The following depreciation rates have been preset for the various categories of Fixed assets

Land & Buildings	0%
Plant & Machinery	10%
Fixtures & Fittings	20%
Computer Equipment	33%
Motor Vehicles	25%

Fixed Asset Additions

Expenditure on Fixed assets is recorded in the **Purchases** worksheet.

All items entered on the **Purchases** spreadsheet also have to be manually entered on the **Fixed assets > Schedule** in the New Assets section which starts at Row 56 to enable both depreciation and capital allowances to be calculated.

Enter each asset in one of the 5 categories provided:

Land & Buildings **Plant & machinery** **Fixtures & Fittings** **Computers** **Motor Vehicles**

Column B – **Enter** date asset was purchased

Column C – **Enter** description of asset

Column D – **Enter** the purchase invoice number

Column E – **Enter** the purchase cost net of VAT as analysed in **Purchases > Column AJ**

Sale of Fixed Assets

Sales of Fixed assets are recorded in the **Sales** worksheet

All items entered on the **Sales** spreadsheet also have to be **manually entered** on the **Fixed assets > Schedule** to enable both depreciation and capital allowances to be adjusted.

Column U – **Enter** date asset was sold

Column V – **Enter** sales value net of VAT as analysed in **Sales > Column V**

Column W and **Column X** – **No entry required** Formula driven to calculate the Profit or Loss on sale which is automated to be carried forward to the profit and Loss account.

Capital Allowances

No entries required First year allowances, writing down allowances and balancing charges, as appropriate, are automatically calculated using the current tax rates which have been preset.

First year allowances on fixed assets purchased 1 April 2006 – 31 March 2008 is 50%

Annual Investment allowance from 1 April 2008 replaces first year allowance and is 100% of the first £50,000 of investment in the financial year and on a pro rata basis where the financial year straggles 1 April 2008.

The Annual Investment allowance reduced to £25,000 on April 2012 then increased to £250,000 from 1st January 2013 for 2 years before reverting to £25,000 on 1st January 2015.

For periods that span multiple rates the allowance is worked out using a pro-rata amount. Example: a company that pays Corporation Tax calculates its AIA for an accounting period 1 January 2010 to 31 December 2010 as follows:

- the portion of a year from 1 January 2010 to 31 March 2010, that is, $\frac{3}{12} \times £50,000 = £12,500$
- the portion of a year from 1 April 2010 to 31 December 2010, that is, $\frac{9}{12} \times £100,000 = £75,000$

The total AIA is £87,500, but the maximum AIA available for expenditure in the first three months of the year is £50,000

Writing down allowances are 25% of the Net written down value for tax purposes up to 31 March 2008 and from 1 April 2008 writing down allowance is reduced to 20%.

Balancing Charges are adjustments to capital allowances to increase or reduce the value of capital allowances claimed on an asset sold to the difference between the sales value and net written down tax value or zero if the asset was sold at a net profit with previous capital allowances being clawed back.

First year allowances are not available on Motor Vehicles, writing down allowance restarted to £3,000 p.a.

Fixed assets > FAreconciliation

No entries required

Fixed Asset **Purchases** and **Sales** are compared to the values entered in the **Fixed Assets > Schedule** to indicate that all Fixed Assets on the **Sales** and **Purchase** spreadsheets have also been included on the **Fixed Asset > Schedule**

Check FAreconciliation after new fixed assets have been entered to ensure all records from the **Purchases Spreadsheet** have been entered accurately.

If Row 15 is zero all sales and purchases of fixed assets have been entered on the **Fixed Asset > Schedule**.

If Row 15 is not zero all asset sales and purchases have not been entered on the **Fixed Asset > Schedule**.

Fixed assets > HPfinance

Loans given and received are dealt with as normal financial transactions through the **Cash and Bank** spreadsheets with Long Term arrangements coded directly to Long Term Debtors and Creditors.

HP and other finance agreements require special treatment as the transaction often changes from a short term purchase to a fixed longer term arrangement.

Fixed Assets > HPfinance is provided to enable details of such transactions to be automatically transferred via a year end adjustment from **Creditors to Long Term Creditors** in the **Published Balance Sheet**

ENTER the original Purchase invoice including VAT in the Purchases Spreadsheet

Enter Admin charges shown on the Finance agreement in the **Purchases Spreadsheet**

Do Not Enter the finance interest on the **Purchases Spreadsheet**

Enter the monthly payment on the **Bank Account Spreadsheet** and split the amount paid between capital repayment and interest charged as shown on the **Fixed assets > HPfinance** schedule

Fixed Assets > HPfinance - Enter the Finance Agreement details as follows:

Column B - Enter the Finance Agreement Date

Column C - Enter the name of the Finance Company

Column D - Enter the Finance Agreement number

Column E - Enter the Amount being financed consisting of original purchase cost as shown on the agreement including VAT **Excluding** any Administration charges and Interest charged.

Column F - Enter any administration charges quoted on the agreement.

Column G - Enter the total amount of interest to be charged over the full term of the agreement.

Column H - Enter the number of months the agreement is to be paid over.

Column I - No Entry required monthly payment calculated

Column J - No Entry required proportion of capital element in monthly repayment calculated

Column K - No Entry required proportion of interest element in monthly repayment calculated

Column L - Enter Suppliers name as entered on **Purchases** spreadsheet

The Long Term Creditor total shown in **Cell E2** automatically changes the status of this indebtedness from normal **Creditor** to **Long term Creditor** in compliance with published accounts.

Bank account Enter the regular monthly payment to the finance company as follows:

Bank Account Column X - Enter Code Letter LCR for this item then,

Bank Account Column AG Manually change the total amount to the capital element shown in **Column J** of the **Fixed Assets > HPfinance** schedule

Bank Account Column AE Manually Enter the amount of monthly interest cost shown in **Column K** of the **Fixed Assets > HPfinance** schedule

This entry reduces the Long Term Creditor and charges the profit and loss account with interest paid.

VAT RETURNS

No entries required

Sales and Purchase totals, VAT input and output tax are collected by the Vatinterface both for up to 2 months before the financial year and 2 months after the financial year. For periods before and after the financial year go to Preparing To Get Started.

Five VAT Returns are provided for each of the potential VAT quarters during the financial year.

To Generate a VAT Return

Go to the VAT Quarter to be produced, for example

Click **Vatreturns > VATQtr1**

Click **Cell G5** which contains the date to which the VAT return is to be produced

Click the **Drop Down Arrow** that will appear to the right of **Cell G5**

Scroll Down and Click the **month end date required**

The formula then automatically looks up the values and inserts these amounts in the VAT return

Non VAT registered business and Change of VAT status

The standard VAT rate of 17.5% entered in **column H Row 2** of both **Sales** and **Purchase** spreadsheets are the key entries from which the VAT is calculated in **Column H** each month.

*To change the VAT status of the business from the **Standard VAT registered** to **Non VAT registered**:*

Cell G2 Sales & Purchases Spreadsheet - Enter **0** to disable the VAT calculation in **column H**

*If **VAT registration** takes place during the financial year:*

Cell G2 Sales & Purchases Spreadsheet – Enter **20** in the specific month that VAT liability becomes applicable on both Sales and Purchases spreadsheets, VAT will to be calculated from that month onwards. Whenever the VAT rate is changed in a particular month that VAT rate entered is automatically copied to each succeeding month.

VAT Audit Trail

Once a VAT return is complete and the quarterly VAT return sent to HM Customs & Excise the purchase and sales figures for those months should not be changed to provide an audit trail for the return.

To fix this audit trail also protect the **Purchases** and **Sales** worksheets for each of the 3 months making up the return.

Following this procedure adds confidence to potential VAT inspections which occur once every 3 or 4 years that the **Sales** and **Purchases** support the **VAT Return** and the VAT Return is as submitted to HMRC.

If subsequent to completing the VAT return additional sales or purchases are discovered that have not been entered do NOT unprotect the worksheets as this will destroy the VAT audit trail. Instead enter these additional sales or purchases in the next available month where the sheet has not yet been protected.

PAYROLL INTEGRATION

The **Financialaccounts** file contains a **WagesInterface** which can be entered manually if users of the Accounting software are not also using the DIY Accounting Payroll Software.

The **Payrollyear050412** and **Payrollyear050413** files are provided as samples only of the DIY Accounting Payroll files to maintain the automatic integration of the DIY Accounting Payroll with the Accounting Software as the **WagesInterface** is linked directly from these files.

Users who have the DIY Accounting Payroll Software installed should **replace these sample payroll files** with the actual Payroll software files in the Accounts folder to achieve full integration of the Payroll system.

When purchasing the Payroll Software save the files to the Accounts folder overwriting the existing sample Payroll files.

FINANCIAL ACCOUNTS

Stock

The Stock Control worksheet is only applicable to those businesses that carry physical stock of goods for resale and provided to assist the overall financial control.

Cell D6 and Cell AB6 - Opening Stock Entered automatically from **Financialaccounts > OpenAccounts Cells H4 N4 T4** - Enter the actual percentage of stock value included in net sales value

Column D – No entry required Formulae then collect direct material purchases from the **Purchases** spreadsheet and net sales of Products A, B and C from the **Sales** spreadsheet which are automatically converted to the stock value sold using the percentage of stock percentage.

The calculation produces an arithmetical calculation of the Stock value at the end of each month.

Column AB – Optional entry of physical stock value to overwrite the calculated value in **Column AB**

Provided the percentage of material sold is accurate the value of physical stock in **Column AB** should equal the calculated stock values in **Column D**. The difference between Calculated Stock Value and Physical Stock Value is automatically shown in **Column Z** – Stock Loss Adjustment and the financial accounts adjusted accordingly.

Significant Stock Losses represent an indication of unexplained losses and should be investigated to determine the reason and reduce the financial loss being suffered by the business.

Cells H4 N4 T4 - have been preset to 0% which disables the Stock Control feature for those businesses which do not wish to use the facility. When disabled the physical stock value defaults to the calculated stock value and no stock adjustment is calculated.

Cell AB30 – Enter Year End Physical Stock Value The disabled stock control worksheet will calculate a stock adjustment if **Column AB** is overwritten with an actual physical stock value at any month end.

A physical stock value is required at each financial year end to verify the actual stock value for tax purposes.

WagesInterface

Enter wages information manually at the **Financialaccounts > WagesInterface** for all months.

The **WagesInterface** is automatically updated from **DIY Accounting Payroll** systems available from April 2006. **DIY Accounting Payroll** system for the financial year 2006-07 did not separate Directors wages from employees which requires the total wages entered on the **WagesInterface** to be split manually between directors and employees. From April 2007 **DIY Accounting Payroll** produced separate wages totals for directors and employees and from April 2007 onwards both employee and director sections of the **WagesInterface** is completed automatically.

Entries required for months **DIY Accounting Payroll** users was not used

Column C – Enter Gross Wages separately for Employees and Directors

Column D – Enter Income Tax deducted from gross wages separately for Employees and Directors

Column E – Enter National Insurance deducted from gross wages separately for Employees and Directors

Column F – Enter Other Deductions from wages separately for Employees and Directors

Column G – No Entry required Net Wages calculated for Employees and Directors

Column H – Enter Employers National Insurance contributions separately for Employees and Directors

Column I – Enter Statutory Deductions recoverable from HMRC separately for Employees and Directors

TrialBalance

No Entries Required

Financial information entered throughout the Accounting package is collected by the **Financialaccounts > TrialBalance** using conventional double entry bookkeeping principles.

All adjustments to the Trial Balance are required to be made from the prime entry worksheets.

Check TrialBalance Row 91 and if a value does appear then trace the location of the error by determining the column in which Row 91 shows a value. The column heading is the Month and Spreadsheet where this error has occurred. The double entry bookkeeping ensures that the trial balance automatically returns a ZERO value at Row 91 Audit Accuracy Check. It is possible to produce an error value in Row 91 if an error occurs on a spreadsheet that feeds the trial balance.

To correct an error Go to the Spreadsheet and locate the error, the most common error is an invalid Code Letter being used in the analysis or omitted. No adjustments may be made direct on the **Trial Balance**.

The **Trial Balance** and formulae has been password protected to prevent inadvertent corruption of the formulae which is vitally important to ensure any errors within the system can be discovered.

Intra Cash & Bank Transfers

Check Row 26 of the TrialBalance is Zero. Row 26 represents the amounts transferred between cash and bank accounts and must equal zero if the same amounts transferred between accounts appear in the opposite account. A balance on this row is an indication that the amounts transferred have not been recorded at the same value in the opposite account and should be investigated and corrected.

MnthP&L

No Entries Required

All the financial information is generated automatically from the **Trial Balance** each month to produce a **Monthly Profit and Loss** account and the annual result to date.

Producing a satisfactory financial result is critical to business success and to that end the **Monthly Profit and Loss** account is updated in real time with every entry made throughout the rest of the package updating the current financial position which should be reviewed in detail at least once monthly.

PubP&L

No Entries Required

Fully automated the PubP&L is the Published Profit & Loss account for submission to Companies House and HMRC and satisfies the legal requirement for all Limited Companies to submit annual financial accounts.

PubBalSht

No Entries Required except Director Signature

Fully automated the PubBalSht is the **Published Balance Sheet** for submission to Companies House and HMRC and satisfies the legal requirement for all Limited Companies to submit annual financial accounts. Director Name, Company Registered Office, Company Registration Number and Date are automatically updated on the Balance Sheet from the **OpenAccounts** worksheet.

The Published Balance Sheet prepared in accordance with the requirements of the 1985 Companies Act must be signed by the named director prior to submission.

PubNotes

No Entries Required

Fully automated to accompany the published accounts the additional information being notes to the financial accounts detailing fixed asset movements, directors emoluments, dividends declared and the corporation tax payable on net taxable profit for the year.

CorporationTax

No Entries Required

Fully automated and available in real time to determine the Corporation tax payable after adding back disallowed expenses and deducting capital allowances.

Corporation Tax for small companies is

From 1st April 2008 21%

From 1st April 2009 21%

From 1st April 2010 21%

From 1st April 2011 20%

(the Small Profits Rate)

All companies have a responsibility to calculate the corporation tax due which is the purpose the corporation tax sheet.

The net bank interest received and entered in the bank spreadsheets is automatically grossed up in the trial balance to calculate the income tax already paid which is subsequently deducted from the corporation amount payable.

CT600 Short Tax Return – for paper submission to HMRC

No Entries Required

This sheet is an excel copy of the official HM revenue & customs tax return using the same layout and box numbers as the official document..

No entries are required as this sheet is automatically filled in from the corporation tax sheet.

The excel copy in the financial accounts file is not sent to the revenue as it is an unofficial copy.

Instead print out the excel copy at the end of the financial year when all entries have been completed and copy the figures to the official HM revenue & customs CT600 tax return or the submission of accounts to the revenue would be rejected on the basis that the correct procedure had not been followed.

COMPANIES HOUSE and HMRC CT600 SUBMISSION - ONLINE

In the past many of our customers (and ourselves) have completed the paper CT600 using data from DIY Accounting's look-a-like CT600 and submitted the statutory documents (Balance Sheet etc..) generated by DIY Accounting. These days, with things are moving online for both HMRC and Companies House most small companies are asked to file online. If you use HMRC's online filing software all the documents will be generated for both HMRC and Companies House and submitted electronically. This process includes some additional validation and all the templates are fixed so there is less risk of your accounts being rejected. DIY Accounting's CT600OnlineLookALike extracts all the information required to file online from DIY Accounting then presents it in the same format as HMRC's on-line filing software to make the form's much easier to complete.

The things to check when preparing your accounts (before filing) are:

- All the bank sheets reconcile with the statements
- The fixed assets reconcile with entries in sales and purchases (Fixed Assets FAreconciliation)
- All the debtors and creditors are listed in Closing Creditors (purchases) and Closing Debtors (sales)
- The Trail Balance has no errors (Financial Accounts row 91)
- The Balance Sheet balances i.e. "Net Assets" and "Shareholders" funds match.

To use the online filing aid:

1. Open Financialaccounts.xls
2. Open CT600OnlineLookALike.xls
3. Check the health check indicators D4 & D5 – for "rounding errors" see the next paragraph.
4. Save CT600OnlineLookALike.xls
5. Open HMRC's online filing PDF
6. As you complete the return copy values from CT600OnlineLookALike.xls

#REF ?

If any of the cells in CT600OnlineLookALike.xls are showing #REF, first try closing all Excel sheets (don't save CT600OnlineLookALike.xls) then opening FinancialAccounts.xlsx before opening CT600OnlineLookALike.xls.

Rounding compensation:

As HMRC's online filing PDF re-calculates some values figures that get rounded, this can result in totals that are rounded a differently from the Financial Accounts file. The behaviour if HMRC's file is mimicked by the CT600OnlineLookALike.xls catch any problems before you start to file.

Here's an example showing Excel rounding the displayed value and using the actual value:

	A	B	C	D	E	F	G	H
2 decimal places:	1.33	+	1.33	+	1.33	=	3.99	
1 decimal place:	1.3	+	1.3	+	1.3	=	4.0	
0 decimal places:	1	+	1	+	1	=	4	

(4.0 and 4 are 3.99 rounded to 1 and 0 decimal places)

If necessary, compensate for rounding errors by placing a value in cell D3. Rows 1190 through 1223 compare the unadjusted net asset (box AC68) and shareholders' funds (box AC80). If these are different the rounding figure from cell D3 is added to the cash balance to adjust the cash at bank figure. Usually +/- £1-£2 is needed.

Journal Entries for negative assets and liabilities

Some values are expected to be assets (amounts owed to or held by the company) or liabilities (amounts owed by the company). HMRC will reject some negatives such as a negative "Tax and Social Security" liability which would be HMRC owe the company money. This is because this value must be transferred to an asset instead of a liability.

An example of VAT owed transferred using a Journal Entry in the Cash Account.

		Enter Code Letters	CASH PAYMENTS		
Payment	Suppliers paid		Amount Cash Payment	Long Term Debtor	HMRC Vat Payments

Date				LDR	RV
31-Mar-12	Transfer VAT refund to LDR	RV	-1,000.00		-1,000.00
31-Mar-12	Transfer VAT refund to LDR	LDR	1,000.00	1,000.00	

The Journal Entry should be reversed in the new set of accounts.

COMPANIES HOUSE SUBMISSION – for paper submission to HMRC

There are 4 documents from the package that must be submitted to companies house after the accounts have been completed and signed by a director are:

- 1. Title page (Report)** This contains the company name, registered office and registration number. The second page is a statement from the company that the accounts have been corrected prepared and should also be signed by a director
- 2. P&L Account (PubP&L)**
- 3. Balance sheet (PubBalSht)** The submission includes the statutory statements stating exemptions from audit and should be signed by a director
- 4. Notes to the Accounts (PubNotes)** Abbreviated explanations of the accounts

HM REVENUE & CUSTOMS SUBMISSION – for paper submission to HMRC

The documents to submit to HM revenue & customs after the accounts have been completed and signed by a director are the same 4 documents as submitted to companies house and listed above plus the Corporation Tax calculation and the official HM revenue & customs CT600 Short Tax Return.

The documents to send to the local Inland Revenue office where the company files its accounts are:

- 1. Title page (Report)** this contains the company name, registered office and registration number. The second page is a statement from the company that the accounts have been corrected prepared and should also be signed by a director. HMRC also receive the **directors report** which is listed on the title sheet.
 - 2. P&L Account (PubP&L)**
 - 3. Balance sheet (PubBalSht)** The submission includes the statutory statements stating exemptions from audit and should be signed by a director
 - 4. Notes to the Accounts (PubNotes)** Abbreviated explanations of the accounts
- Plus
- 5. Corporation Tax Calculation (Corporation Tax)**
 - 6. CT600 Short Tax Return (CT600)** Copy the figures from the package Ct600 sheet to the official HM

Accruals and Prepayments

It is normal accounting practice to adjust final balances at the year end with a series of accounting entries relating to accruals and prepayments.

Accruals and prepayments are receipts or expenses relevant to the current financial year which have not been included in day to day financial transactions at the month or year end.

The Accounting system does not deal with accruals and prepayments to maintain the simplicity of the accounts and therefore an audit review may require further adjustment to the accounts.

Avoiding Accruals and Prepayments

To avoid the necessity for adjustments and the need for accruals and prepayments ensure all relevant transactions have been included and where necessary include additional items in the final **Sales** and **Purchase** spreadsheets for the year. This may include entering estimated receipts and expenses in the final month which should be clearly identified as such with any estimated amounts included in that final month being reversed in the first month of the following financial year to remove the estimated figures.

For example, a large contract may have been undertaken, perhaps amounting to say 10% of the annual turnover for the year and the work might be 90% complete at the year end but the client has not yet been invoiced under the terms of the contract.

It might be appropriate under these circumstances to include in the current financial year an additional estimated sales item being work in progress not yet invoiced amounting to 90% of the contract even though it has not been invoiced and then subsequently enter this "accrued sale" as a negative item in the next financial year to reduce the sales value in that following year to the amount actually earned that year.

In this example the current financial year would have sales increased by the 90% value of the completed contract and in the next financial year 100% is included via the actual sales invoice less the 90% reversed as already having been accounted for leaving 10% in that year.

Only the net sales value before VAT would be treated this way as the VAT is not a liability until the tax point which is the date of the actual sales invoice.

It is usually helpful to avoid year end adjustments to continue to enter financial transactions relevant to the financial year which are received after the year has closed until the accounts represent a true and fair value of the years' transactions making the requirement for accrual adjustments minimal and financial immaterial to the integrity of the financial accounts.

SALES INVOICE

The Sales Invoice workbook is independent of the accounting package and not being linked to the Sales spreadsheet does not update the sales records. Use of the Sales invoice workbook is optional and included in the accounting package to quickly and efficiently produce sales invoices as required.

Sales Invoice Template

No Entries Required

The Invoice Template is fully automated from the database of information provided in the **Business Details**, **Customer Details**, **Product Details** and **Invoice Database** worksheets. The Template is protected to avoid inadvertent corruption of the formulae contained within it. To change colour schemes and design

Go to Tools > Click Protection > Unprotect

It is recommended that formulae contained within the Invoice Template are not changed and the Template is protected again after any design changes.

Business Details

Enter the main business details that are required to appear on the Invoice template.

Cell B2. **Create and Enter** the short business name to appear prominently in extra bold at Cell C5 on the Invoice Template. For example, the full business name may be DIY Accounting Financial Systems Limited which could be abbreviated in Cell C5 to simply DIY Accounting

Cell B3 – B10 **Enter** the name and address of the business and contact details as required.

Cell B11. **Enter** the VAT registration number if the business is VAT registered.

Enter a blank space if not VAT registered.

Important Note - **Cell B11** has been preset with a blank space which the formulae use to negate VAT calculations otherwise incorporated into the Template.

Cell B12 – B13 **Enter** up to 2 customer friendly company slogans which appear at the top of the Template

Cell B14 – B16 **Enter** Terms of Trade which appear next to the Amount Payable

Cell B17 – B18 **Enter** up to 2 footnotes which may include a disclaimer of property rights until paid.

Product Details

Column A **Create and Enter** a numerical Product Code for each product that will appear on the sales invoice when the Invoice database is activated

Column B **Enter** the Product Description that is to appear against each product code on the sales invoice.

Column C **Enter** the Product Selling Price. If the sales price of a product changes then create a new product code in **Column A** or previous sales invoices would be updated with the new sales price.

Column D **Enter** the standard VAT rate applicable of 20% for standard rated goods, 0 for zero rated items.

Columns F – H are optional being provided for information purposes only and do not appear on the invoice.

Column F **Enter** the cost price which automatically calculates **Column G** profit margin and **Column H** gross margin percentage.

Customer Details

Column A **Create and Enter** a numerical Customer code for each customer.

Column B **Enter** the credit terms applicable, e.g. Cash, Proforma, Payment on Delivery, Credit

Columns C – G **Enter** the customer name, address and post code

Columns J – M **Enter** the delivery name and address only if different to the customer name and address.

The delivery name and address is preset to be the same as the customer details unless overwritten

Invoice Database

Entries to the Invoice Database drive the entries that appear on the Sales Invoice

Column B **Create and Enter** a numerical sales invoice number.

Column C **Enter** the customer number created in customer details which drives the customer name and address and delivery details to appear on the invoice.

Column D **Enter** manually the amount of any carriage or postage to be charged

Column F **Enter** the product code created in product details which drives the product code, description and unit price to appear on the sales invoice.

Column G **Enter** the quantity of items sold.

Columns HI, JK, LM etc., are for up to 19 further products to be entered on each sales invoice

Producing a Sales Invoice

With all the business, customer, product details entered and the invoice database completed an invoice can be created on the **Invoice Template** by

Invoice database > Column A **Enter 1** and the Invoice details shown on that row appear on the invoice where the net amounts to be invoiced, VAT and Invoice totals are calculated.

To produce a **CREDIT NOTE** enter the quantity as **NEGATIVE**

To change the invoice selection Change the row number at which 1 appears in column A of the Invoice database.

To print a sales invoice *Go to > Invoice Template > File > Print*

DIY Accounting Contact Information

Our website is the first place to look for any information:

UK product website: <http://www.diyaccounting.co.uk/>

When new packages are available the “Buy” page will be updated on our website.

For accounting and technical problems please try our forum in the first instance:

Technical Forum: <https://forum.diyaccounting.co.uk/>

If no similar query has been posted, you can register and post your own question. We provide technical support through the forum so all members can share the answer.

For technical queries not covered by our forum we have a dedicated email address monitored by our staff and a local rate (when called from land line) number. When calling please use a non-withheld number and leave a message so we can get back to you:

Technical Support email: support@diyaccounting.co.uk

Technical Support phone: 0845 0756015

We have an email address for customer services where you can exchange products, request a VAT invoice and ask about other services we offer.

Customer services email: support@diyaccounting.co.uk

Please send messages from the email account used for the original purchase through PayPal or quote your PayPal transaction ID so we can trace your original purchase.

We also publish to news feeds and social networking sites where you can follow us:

Facebook: <http://facebook.com/DIY.Accounting.Software>

Twitter: <http://twitter.com/DIYAccounting>

Our company registered office address is:

DIY Accounting Limited,
37 Sutherland Avenue,
Leeds,
LS8 1BY.

Directors

Antony Cartwright, Samantha Cartwright, Jane Grundy.

Registered in England and Wales with Company Number: 06846849

We can receive payment for renewals by cheque although we prefer BACS. Please email us before sending a cheque and we'll send an invoice with an up-to-date price calculation and the details for electronic payment.

DIY Accounting