

Note that the hyperlinks in this document may not work if the document is viewed through certain internet browsers. They will work if the document is downloaded to disk.



Templates for preparing simple analysis of accounting records, suitable for small businesses who are not VAT registered and where extensive sales ledgers and purchase ledgers are not operated, and where most of the business is in cash

Operating Manual

August 2010

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Peter Brown & Co is a trading name of Undershot Ltd, Registered in England Co no 4114468.
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Peter Brown & Co has been awarded the ACCA quality Assurance Mark ,



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Introduction and scope

This manual is for use with the ***'analysis tool 004, simple analysis of income and expenditure on a cash basis for a client who is not VAT registered'***.

It may be used either by a firm of accountants to process accounting data supplied to it by a client, or it may be used directly by a client. In the latter case, the client may pass the spreadsheet to the firm, by email or on a disk, either quarterly, to produce VAT returns and/or annually to prepare annual accounts. The manual is written for use by both clients and accountants.

What has been found to be one of the most effective way of using this spreadsheet is for the client to keep the day to day records of cash receipts and payments, including if relevant, the till reconciliation, while the accountant carries out the more detailed work. These ways of working are suggested in the instructions in the template itself.

This template should only be used by clients who are not VAT registered. There is a similar template for clients who are VAT registered.

This template is not appropriate for those clients who operate a large sales ledger for credit sales, or incur large expenses on credit, for which more suitable book keeping arrangements are available.

It is intended for simple cases where accounting records can easily be prepared by simple analysis. For larger and less simple cases then bookkeeping suites, such as VT Transaction or Sage should be used.

It is also not appropriate for charities.

By entering the data in a systematic way as indicated in this manual, a client may produce raw figures in Extended Trial Balance form, for annual accounts.

Method of using this template and structure of the template.

This template operates by entering, as prime data, cash and bank receipts and payments, and closing debtors and creditors.

Additionally, by entering an opening trial balance a full closing extended trial balance may be obtained.

The figures entered produce various automatic reconciliations and control accounts on a summary sheet.

The template consists of the following Excel worksheets:

Summaries – this contains all the posting summaries, and control accounts as a result of entering data elsewhere

ETB –an extended trial balance

Worksheets for cash and bank payments and receipts

Worksheets for current assets and liabilities where closing debtors creditors etc may be entered.

A worksheet for reconciling daily till figures



Logging into your account at the Sorpaid Shop

When you first purchased products from the Sorpaid Shop, you will have created an account with specific log in details. You should keep these log in details for future use, as you may need them.

To log into your account at the Sorpaid Shop, go to the login area on the Sorpaid Shop home page on www.shop.sorpaid.com and log into your account.

This will display all the products you have purchased from the Sorpaid Shop, and the expiry date or next renewal date of your product. It will enable you to download manuals for the products you have purchased, and you can also download updates, or reinstallations of your products.

When the expiry or renewal date of any product is approaching, you will be sent an email inviting you to renew.

Expiry and renewal details

- Free upgrades for the life of the 2011 version (to 31/12/11)

You can make sure you have the benefit of any upgrades by logging in to your account on the Sorpaid Shop website

- The update to the 2012 version (valid until 31/12/12), can be purchased from January 2012

These documents are licensed for 2011 and will need to be updated to the version for 2011/12 before 31st March 2012. Users of the 2011 version will be entitled to free upgrades until 31st December 2011. Such free upgrades will only relate to the 2011 version.

The 2012 version will have to be purchased separately. This is expected to be released by 1st January 2012.

We will issue reminders to users suggesting they upgrade to the 2012 version in January 2012.



Frequently asked Questions and news of updates

On the website www.sorpaid.com, you will find news bulletins posted, which deal with frequently asked questions, and also details of any corrections or updates that have been issued, and how these may be dealt with.

If you encounter a difficulty with the templates, please check the web site. Each bulletin has a brief description of the nature of the problem in the contents, which can be found by clicking on 'Resources' and then 'News Bulletins'.

Any updates arising during your licence period as a result of a bulletin can be downloaded using the link and password with which you have been supplied.



Online operating manual

An up to date copy of the manual can be downloaded to your computer over the Internet, using the password you were supplied with when you purchased the spreadsheet. This password will be valid for one year after your purchase.

An up to date copy of the manual can be downloaded to your computer over the Internet.

The manual can be downloaded as a PDF file by following the steps below: -

1. Ensure your computer is switched on
2. Load your web browser and go to the Sorpaid shop www.shop.sorpaid.com
3. In the keyword box at the top of the home page, enter the Sorpaid Shop Product code **ANA/004/11** , and click on the search button.
4. When the product is located, click on the 'Manuals/Resources' tab and download the manual.
5. When the file is opened, click on the 'File' menu, and save the file using the 'Save as' Command.
6. You will be invited to unzip the file. No password is needed.
7. Unzip the file and save it into the folder

c:\sorpaid\anal11

8. When prompted, click 'OK' to overwrite the existing file for the manual. .

You will need to have Adobe Acrobat installed on your computer to read the PDF file.

This manual will be up to date at all times.



Installation of simple analysis spreadsheet from SORPaid

Before installation, you must first have installed Word 2000 or above. The templates will not operate if this programme has not been installed.

Most users will be able to download these files from the Internet with no problem

However, the zip files on the Internet are quite large, and if you do not have broadband it is possible in some cases that your Internet service provider may have not supplied you with a big enough buffer to download

If you are unable to download from the Internet then please contact us by telephone.

During downloading, you may receive a security alert. Please be assured that these files have been virus tested and are known to be safe for installation.

An installation file called '**anal411.exe**' will be downloaded, which you can save to be run at some time in the future, or which you can run immediately.

When you run **anal411.exe** your files will be installed automatically into the folder:-

C:\sorpaid\anal11\archive

Previous year's versions of the templates will not be overwritten and can be reused on future occasions, but the current year templates will be updated as required.

To install:- (Do not change the default folders in the unzipping process)

1. Download the file from the Sorpaid shop. This will be automatic on clicking the download button associated with your product.
2. Click '**Run**' when invited to do so. **Do not press 'Save'**
3. If a message appears 'Could not verify publisher', click 'Run' again
4. A 'Winzip' screen will appear. Left click on the box '**Unzip**'
5. When prompted (if you are prompted), click 'OK' to overwrite all existing files.
6. After the files have unzipped, left click on the box '**close**'
7. Navigate to the folder ***C:\sorpaid\anal11\archive*** .You do this by:-
 - a. *double clicking on 'my computer',*
 - b. *then selecting and double left clicking the 'C:' drive,*
 - c. *then selecting and double left clicking the 'sorpaid' folder,*
 - d. *then selecting and double left clicking the 'anal11' folder*
 - e. *then selecting and double left clicking the 'archive' folder. C*



8. When you have downloaded and unzipped '**anal411.exe**', two exe files will now be on your C Drive in a folder **C:\sorpaid\anal11\archive**. These will be '**anal4111.exe**' and '**anal4112.exe**'.
9. double left click on '**anal4111.exe**'
10. When you have clicked on '**anal4111.exe**' a 'Winzip' screen will appear. Left click on the box '**unzip**'
11. When prompted (if you are prompted), click 'OK' to overwrite all existing files.
12. After the files have unzipped, left click on the box '**close**'
13. Repeat steps 9 to 12 for the file **anal4112.exe**
14. If you require any assistance installing the templates, please consult the user manual, (which will also be installed as a Word document in the '**C:\sorpaid\anal11**' folder on your computer). Alternatively, you can email info@sorpaid.com. **Please ensure you put 'sorpaid' in the subject line to overcome our spam filter**
15. The manual and the quick installation guide can now be used. These are located in the folder **C:\sorpaid\anal11** on your computer. We would suggest you read these documents before proceeding further.

Refer also to the section in the manual [How the files are installed and located on your computer](#)



A technical note on how the templates have been installed on your computer

'anal4111.exe' will download the following files into a folder

C:\sorpaid\anal11\archive

(Do not change the default folders in the unzipping process)

The folder will contain the following files:-

Two installation files '**anal4111.exe**' and '**anal4112.exe**'

Backup copies of 004 cash analysis not vat registered.xlt-This is an archive copy and will not be used day to day.

sorpaidterms11.pdf - the terms and conditions, disclaimer, copyright and other technical matters in PDF form.

'anal4112.exe' will unload the following files into a working folder'

'C:\sorpaid\anal11'

004 analysis tool manual11.doc - this manual in Word form

004 cash analysis not vat registered.xlt - the working copy of the template

004 QuickInstall11.pdf - quick installation guide

You will use the templates in ***C:\sorpaid\anal11'*** as the working masters on a day to day basis, but if they are inadvertently changed or corrupted, you still have the originals stored in

C:\sorpaid\anal11\archive

It might be useful to create a shortcut to both the manual and the template in the working folders and place them on your desktop.



If by accident you overwrite the template, or it becomes corrupt you can always copy and paste the backup copy of the template '**C:\sorpaid\anal11\archive** and save it **C:\sorpaid\anal11** to reinstate the original file.

You can also re-run the installation files which are in the archive folder.



Limitations and parameters

The documents should be used as guides to many common situations.

They do not, however, replace the need for careful professional critical assessment of their usage.



Support from SORPaid and annual renewal charges

Technical support with the templates

Because it is assumed that many users of these templates not only have a good working knowledge of Excel, but also are qualified accountants with detailed bookkeeping knowledge, then the help and support on the technical aspects of these templates is limited.

We are very willing to offer limited telephone support on initial installation, and advice on technical difficulties with the operation of the software itself. In practice, as the templates are Excel based, we have found that very rarely has there been the necessity for any detailed support.

However, in the past, we have found that some small firms feel they need the benefit of technical accounts management assistance. Peter Brown & Co are able to offer an annual retainer for telephone support on technical taxation matters for £100 per annum plus VAT. This will entitle a user to up to four hours technical discussion per annum. On more complex matters specific instructions would be taken.

If any user who did not take advantage of the annual retainer required assistance on technical taxation, Peter Brown & Co reserve the right to charge a professional fee for the time engaged. Any purchaser of the templates would be advised when it was felt that a fee basis would be appropriate and the fee basis would be discussed and agreed before proceeding.

Annual maintenance charge

The documents are only licensed until 31st March 2012. We will be issuing the 2012 version, and this will be purchased on similar terms to this year's release, subject to inflationary increases if felt necessary.

Any user purchasing the 2011 version after 31st December 2011 will receive a free upgrade to the 2012 version.



Creating a file for use.

The template is stored as an **xlt** Excel template. The template should be opened in Excel and saved as a standard Excel file in the **xls** format, using a meaningful name – eg 'Fred Bloggs analysis ye 310310'

Entering data

The input is intuitive, and is described on the summary worksheet in 21 logical steps. The Trial Balance entered at the start of the year is used by various control accounts, summaries and the Extended Trial Balance and the opening Trial Balance **MUST** agree to the prior year accounts. None of the headings in Bright yellow should be edited or moved.

Throughout the spreadsheet, any cell that is shaded **blue** may have data entered into the cell. Sometimes automatic data is calculated in such cells (eg the cash payments are allocated to direct costs unless overwritten) but the default setting in such a cell can be manually overridden.

Any cell that is shaded **yellow** contains a formula and should not have data entered to it.

A cell with any other shading is simply a none data background

Warnings and instructions are given in **bold red text**

When a file has been created in xls format as described above, then specific data **MUST** be entered into the file, in rows 8 and 9 of the summary worksheet, as follows:-

The full legal client name

The client reference used by the accountancy firm

The accounting period from and to for the client



Entering cash receipts and payments

This is the core of the analysis tool, and all transactions are entered in a similar way, regardless of whether they are payments or receipts.

The analysis headings

The first four columns are to which each individual transaction is entered are:-

Date	ref	Details	Total
------	-----	---------	-------

Ref would be a cross reference to a numerical reference in a file of invoices etc, or to a till roll. The total is the monetary amount.

Some of the remaining headings are headed up in yellow cells, and therefore the heading cannot be changed. This is usually because the particular entries in that column have a specific use elsewhere in the analysis tool, or because these are standard headings that will apply to most businesses.

The columns that are headed up with blue cells may be changed to any appropriate heading, and this heading will then appear elsewhere in the analysis tool.

How receipts and payments are analysed

Payments and receipts are entered in a similar way on the 'cash payments' tab and the 'cash receipts' tab respectively.

The date of the payment or receipt is entered in column A .

It is very important that a cross reference to an underlying document file is entered in column B. A bookkeeping system is of little value unless the entries can be traced back to a file of related paperwork explaining the transaction.

Brief details or description of the transaction should be entered in Column C.

The total of the transaction should be entered in column D

By default, the amount is forced into 'Sales Type 1' in the case of receipts and into 'Purchases' in the case of payments.

These default headings may be incorrect, and the payment may require to be analysed to another heading.

If this is so, then the appropriate heading or headings are selected and the amount required is analysed to that heading, on the same row as the total column you have just entered.

So long as a part of the net amount has not been analysed elsewhere, then the residue will remain analysed to 'Sales Type 1' in the case of receipts and into 'Purchases' in the case of payments, so the cross casting of the analysis will always be automatically correct.

This analysis is done for every item of cash and bank payments and receipts until all have been analysed.



Take care not to analyse an amount **more** than the total column. If you do a spurious minus entry will appear in the purchases or sales default column to balance the analysis.

If the accountant has provided the template to a client for the client to enter the receipts and payments, then it might be necessary for the accountant to give the client some basic tuition.

This template is designed for where most transactions are in cash, and where there are very few bank transactions. However, if it wished to incorporate a bank account within the figures, the opening bank balance will be picked up from the opening trial balance, and the closing balance may be entered on the summary sheet in the 'bank summary' section.

That will post a movement in the bank balance to the ETB, and treat the movement as a corresponding movement on the cash account. Any expenses or income that have gone through the bank may then be treated as if they were cash payments or receipts and can be included in the cash summaries, and will effectively be funded by the movements on the bank account.

When items have been entered in these analyses, they will automatically be totalled up, cross cast, and posted to other schedules such as the control accounts and summaries and to the ETB.

Entering Wages and salaries data

It is anticipated that these figures will be entered as cash payments throughout the year, with closing creditors being entered to the creditors worksheet.

It should be explained to the client that drawings should **NOT** be analysed as wages.

In the more detailed analysis workbooks in this range of workbooks, there is the facility for a full wages reconciliation, but in this simple template, the only wages entries are as described above.

When items have been entered in the creditor analyses, they will automatically be totalled up, cross cast, and posted to other schedules such as the control accounts and summaries and to the ETB.

Entering debtors, creditors, prepayments and accruals

These schedules are self explanatory and are entered at the end of the accounting period either by the client or by the accountant based on information supplied by the client.

Any data required as indicated by the blue cells is entered in the schedules.

When items have been entered in these analyses, they will automatically be totalled up, cross cast, and posted to other schedules such as the control accounts and summaries and to the ETB.



Summaries and controls

When the cash payments and receipts, the debtors, creditors etc have all been entered, then the cash control account can be looked at on the summary sheet.

A cash summary is prepared that should be agreed to the actual cash on hand. If there is any difference then a decision should be taken, in the usual way, as to whether this should be written off to drawings (if a surplus) or credited to sales (if a deficit), and a journal; adjustment should be entered

.

5. Posting summary

There is then a detailed posting summary showing the source of all entries made to the analysis tool. These items are carried forward to the ETB for further work.

6. Reconciling the till

This facility will only be used by those businesses that operate a till, or have some other automated takings record.

By entering the relevant data to this worksheet, the proprietor can monitor any shortages in the till and identify any anomalies.

This facility is not linked in to the rest of the analysis tool, as detailed analysis of the sales records might be required in the cash receipts record. However, there are various proof totals which highlight any differences between the till record and the cash records.

However, the total entries in these procedure for takings and for expenses paid out of the till should be reconciled every day to the actual entries entered in the cash receipts records.

The entries on the 'till' worksheet are self explanatory, and will indicate unders and overs both on a daily basis and on a cumulative basis.

These figures should be used for the purposes of management control



The Extended Trial Balance

IT is anticipated that this section will always be completed by the accountant.

In order to prepare a full set of accounts, this ETB may well require further work. For example, the Opening Trial Balance will require to be entered.

Some of the figures may require further analysis or journalling.- however, in essence, the job will have been taken to an advanced draft stage before formal accountancy work is done on the ETB.



Notifying SORPaid of errors, improvements, enhancements and suggestions,

These templates have been carefully researched and structured. However, there may be certain situations we have not envisaged that may give rise to unexpected errors, and feedback would be helpful to enable us to update the templates.

It is also possible that there are errors in the logic of the spreadsheets - we hope not – but with such a complex project it is possible.

There is also the possibility of ambiguity or lack of clarity as to how a particular situation should be treated.

In any of these cases it would be helpful to have in writing or by email the following: -

- a) A description of the problem, giving details of the formulae and cells involved
- b) The circumstances that gave rise to the problem.
- c) Confirmation of which of the templates gave rise to the problem.
- d) If it is a matter of technical application of taxation legislation, your views on the issues concerned with precise technical references.

If possible, please email us a copy of the entire file that has the problem within it. Alternatively a printout of the relevant page would help. We recognise there is a confidentiality issue here, and would quite understand if the file were 'anonymised' by the removal of distinguishing items such as client name etc.

However, we are an ACCA firm and would regard ourselves as having the status of consultants in this regard, and would therefore be bound by the relevant ACCA rules.

We would also welcome suggestions for improvements and enhancements to the templates.

We would also be delighted to receive testimonials and recommendations for the templates.

Finally, we would welcome news of additional links to websites that we can add to the links page.



About SORPaid and Peter Brown & Co

Peter Brown & Co is the trading name of Undershot Ltd, a practising firm of Chartered Certified Accountants and Registered Auditors. SORPaid is the brand name under which these templates are marketed.

Peter Brown & Co has been awarded the ACCA Quality Assured Mark.

The contact details are: - Peter Brown & Co, Acomb Grange, Grange Lane, York YO23 3QZ
Telephone **0871 288 2391** Fax **0871 288 2391**
Email info@sorpaid.com

The firm has a number of clients who are practising firms and has developed these templates for use by them in managing their practices.

These templates and documents are available for general use, subject to the licensing and other legal terms described elsewhere in these notes.

Because it is assumed that any users of these templates and documents not only have a good working knowledge of Excel and Word, but also are qualified accountants, then the help and support on the technical aspects of these templates is limited. We are able to offer limited telephone support on initial installation, but after that Peter Brown & Co reserve the right to charge a professional fee for the time engaged. Any purchaser of the templates and documents would be advised when it was felt that a fee basis would be appropriate and the fee basis would be discussed and agreed before proceeding.

Fuller details of Peter Brown & Co can be found on www.sorpaid.com



Appendix 1 – 30/11/10

Other products from SORPAID available from the SORPaid shop

www.shop.sorpaid.com

See our website for full particulars www.sorpaid.com

or contact us for details on 0871 288 2391 or email us at info@sorpaid.com

General Practice Products - all of these are very low cost products

(see below for charity based products)

A technical procedures handbook and guide for technical and junior staff when preparing accounts of sole traders and small companies.

Bundles of documents to manage and control a tax practice preparing and submitting tax returns

A dividend and remuneration planning tool for directors and shareholders in companies.

With all the recent major taxation changes, computing what is the best combination of salary, bonus and dividends, to achieve the most tax effective result can be quite complicated. This spreadsheet assists in the task, and can be downloaded for £13 plus VAT

A range of bookkeeping and analysis tools for those clients who are too small for a computerised accounting system, or for use by staff when working from incomplete records

Rented property analysis and CGT record for use when preparing rental statements

This is a file that can be downloaded to help calculate profits on property rentals and retain permanent data for CGT purposes.

Model file for preparing a solicitor's client money report

Money laundering checks and procedures documents and model files.

New client procedures – bundle of documents

Bundle of model engagement letters

Bundle of documents and letters for managing the accounts production process

Bundle of documents and letters for managing the audit process

Electronic working paper files linking into VT accounts production files



Courses

We have a programme of courses on practice management and technical issues

We can organise bespoke courses for an individual firm or a group of firms tailored to their specific training requirements, on a very cost effective basis

Costs start from £300 per day plus travelling costs.

Charity based products

The following range of services is available to accountants who work with charities and their clients, and to charity trustees and administrators.

Templates for producing SORP compliant charity accounts

For many years we have produced Excel based templates to work seamlessly with VT Accounts production software, to produce SORP compliant charity accounts. We have over 300 users of these templates.

These include templates, which cover the law in England & Wales and also in Scotland.

There are also optional templates for charities with trading subsidiaries who need to prepare consolidated accounts, and also for those with endowment funds.

The templates include Receipts and Payments versions where these are permitted.

Courses

We have a programme of courses on charity issues

We can organise bespoke courses for an individual firm or a group of firms tailored to their specific training requirements, on a very cost effective basis

Costs start from £300 per day plus travelling costs.

A Bundle of documents to use when a charity appoints an independent examiner

The statutory basis of the new independent examination regime for charities requires a number of formal documents and processes in order to fully comply with the law.

This bundle of documents can be downloaded for as little as £8 plus VAT from www.sorpaid.com and will ensure that your charity work is fully compliant. The download can be used for an unlimited number of charities.

A pro forma Trustees' Annual Report.

The annual report by the trustees is required by all charities no matter how small, and to comply with the legal requirements must contain specified information disclosed in specific ways. This proforma can be downloaded for as little as £12 plus VAT from www.sorpaid.com and will ensure that your charity work is fully compliant. The download can be used for an unlimited number of charities, and can be emailed back and forth between the charity and the accountant.



Money Laundering Compliance

A simple set of procedures for complying with Money Laundering requirements when acting for a charity. £30 plus VAT for an unlimited number of charities, renewable annually.

Working Paper files

Independent Examination is a very specialist area, and there is little professional guidance Available. We publish a model working paper file in electronic form that meets all the requirements of CC31 and CC32 - Directions and Guidance and meets all the current professional and good practice standards. The 2011 version is available to download at a cost of £30 plus VAT. Users of the IE file who have also purchased a licence for the VT Charity Templates will be supplied with a free software link between the two applications. There is no limit to how many charities the file may be used for, but it is time limited and must be renewed annually.

Trading by Charities - A Guide

A guide to the practical issues and taxation considerations for charities engaged in trading activities

DVDs and CDs

The following are currently available

How Trustees should select an independent examiner
How an examiner should carry out an independent examination

Consultancy

We offer a consultancy service

Telephone help line to charities, other accountants, and trustees on a fee basis that is agreed at the

For a fee of £100 per year, another firm of accountants can have telephone support on technical charity issues - terms and conditions apply.

Audit

If a charity is subject to audit and you are not a registered auditor, we can take instructions to act as auditors, where you still do the underlying accountancy work, and we carry out a pure audit on terms to be agreed directly with the client. There is no geographical limit to this service.



Appendix 3 - Known problems and conflicts

There are no known issues.



Terms and conditions upon which the analysis tool templates are supplied.

These terms are detailed in the document

sorpaidterms11.pdf - the terms and conditions, disclaimer, copyright and other technical matters in PDF form. By using the spreadsheet you will be acknowledging you have read and agreed with every item in that document. We would therefore suggest you do this before proceeding

This document was displayed on our website prior to your purchasing this product and was downloaded to your computer in the archive subfolder of this product, where it can be examined