STEP-BY-STEP GUIDE ON USING YOUR BOOKKEEPING SPREADSHEET

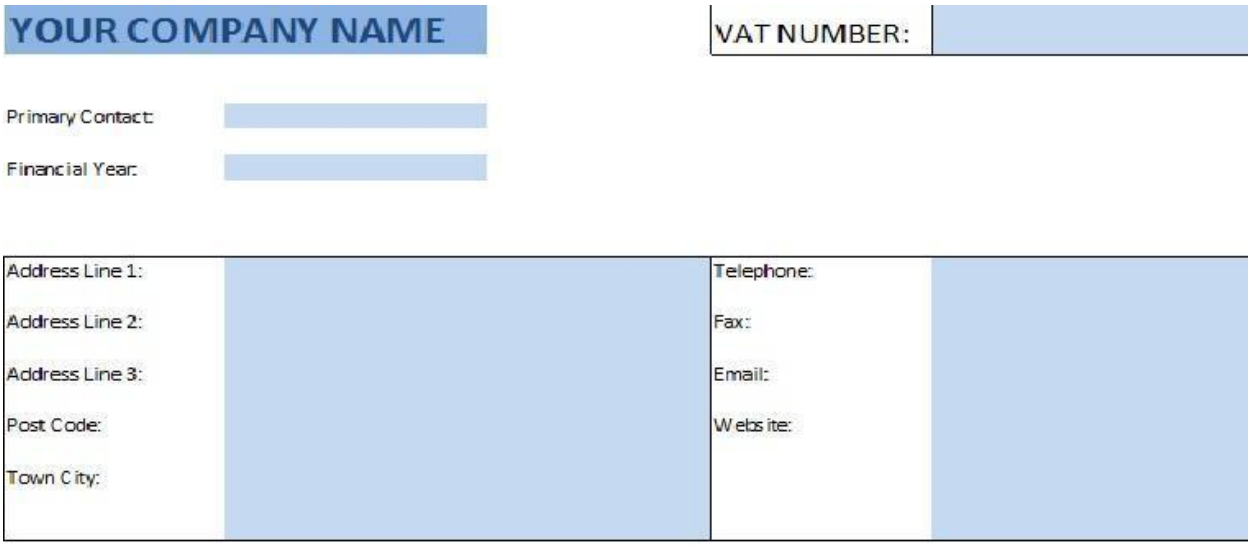
This manual contains instructions on how to use your bookkeeping spread sheet and some frequently asked questions at the bottom that should answer most of your questions. If you do experience any issues, please contact us and we will gladly assist you.

GOLDEN RULES

- **The 3 Key FIELDS that must be completed are the Type of income/expense, amount and paid from/to fields. Shown in more detail later in this guide.**
- **The cells highlighted in GREY have been protected as they already contain pre-set formulas that cannot be changed. They will automatically update for you.**
- **Always remember to Save your work whenever a new transaction is recorded.**
- **The TOTALS can be seen at the top row of the spread sheet.**

Once you receive your spread sheet, you **MUST** first of all SAVE a copy of your spread sheet on to your computer. **Click on File >> Save As >> then save to location of choice.**

1. Company Set Up



This is usually the first sheet you will be presented with after your introduction page, where you will simply need to fill in your business details as follows**;**

- **Your Company name –** Simply overtype your business name in this field.
- **VAT Number –** If you are VAT registered, you will need to key in your VAT number in that field. If not registered, Simply leave as blank.
- **Primary Contact –** The main business' contacts name
- **Financial Year –** This will usually be your trading year (12 month period from 1ST Jan to 31st Dec). if you started your business in say 15th March, then it will be the (15th March – 31st December) etc.
- **Address fields –** Your business address
- Telephone number, fax, email and website details should also be completed as relevant.

2. Cash in Page

If you receive any income for your business in the form of sales, or any sort of business income or money coming into the business, you will need to record this on the **''Cash In''** section of the spread sheet.

INCOME	£0.00			
Date	Type of Income	Description	Total Amount Received	Paid To
			£0.00	
			£0.00	
			£0.00	
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			£0.00	
			£0.00	
			£0.00	

- **Date Received–** Date money was received
- **Type of Income –** Select the type of income that best applies from drop down list
- **Description –** Any additional details you wish to key in to help you keep better track. Any reference numbers can also go in here.
- **Total Amount Received–** Simply type the total price you received
- **Paid To –** This is where the money received was paid into. Select as appropriate**.**
- Once again this will automatically update the relevant headings highlighted in GREY on the right hand side. DO NOT key in any information there.

3. Cash Out Page

EXPENSES	£0.00			
Date Paid	Type of Expense	Description	Total Amount Paid Out	Paid From
			£0.00	
			£0.00	
			£0.00	
			£0.00	
			£0.00	
			£0.00	
			£0.00	
			£0.00	
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			£0.00	
			£0.00	

If you pay any money out of the business in form of expenses, cash purchases, money paid to suppliers (creditors), or any sort of business expense, you will need to record this on the **''Cash Out''** section of the spread sheet.

- **Type of Expense** – Select the type of expense that best applies from drop down list
- **Description –** Details of purchase transaction**.** Again you can key in any reference numbers here.
- **Net Amount Paid Out –** Total amount you paid out
- **Date Paid –** Date money was paid out
- **Paid From –** This is where the money paid out came from.
- Select as appropriate**.**

Once again this will automatically update the relevant headings highlighted in GREY on the right hand side. DO NOT key in any information there.

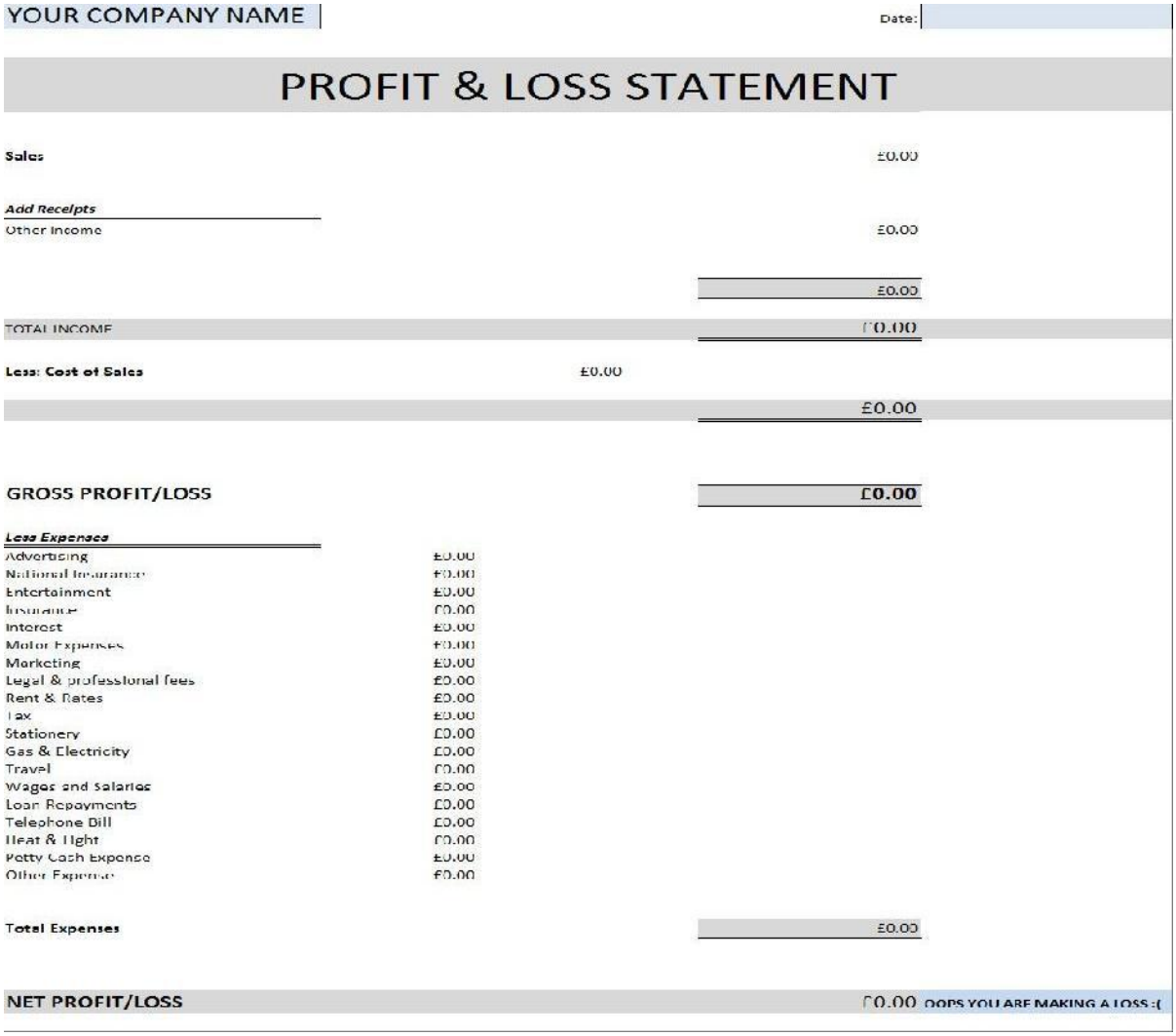
Your Financial Statements Automatically Created

Profit&Loss Statement

Your profit and loss Statement should now automatically calculate for you. You DO NOT need to type in anything on this page. This will show you whether your business is making a profit or loss at any given time.

It is good to check your profit and loss statement every time you record a new transaction just to be sure on where your business stands at any given time. The NET profit is the main figure to look at.

At the end of every month, you can print out a copy for your records just so you can compare the different performances in the different months and for any future Audits.



YOUR COMPANY NAME | Date:

PROFIT & LOSS STATEMENT

Sales		£0.00
Add Receipts		
Other Income		£0.00
		£0.00
TOTAL INCOME		£0.00
Less: Cost of Sales	£0.00	
		£0.00
GROSS PROFIT/LOSS		**£0.00**
Less Expenses		
Advertising	£0.00	
National Insurance	£0.00	
Entertainment	£0.00	
Insurance	£0.00	
Interest	£0.00	
Motor Expenses	£0.00	
Marketing	£0.00	
Legal & professional fees	£0.00	
Rent & Rates	£0.00	
Tax	£0.00	
Stationery	£0.00	
Gas & Electricity	£0.00	
Travel	£0.00	
Wages and Salaries	£0.00	
Loan Repayments	£0.00	
Telephone Bill	£0.00	
Heat & Light	£0.00	
Petty Cash Expense	£0.00	
Other Expense	£0.00	
Total Expenses		£0.00
NET PROFIT/LOSS		£0.00 OOPS YOU ARE MAKING A LOSS :(

Financial Reports

To make it even easier for you so you get a better overview of business performance, the graphical report will give you a more straightforward interpretation of your major income, expenses, Sales, Gross Profit and Net Profit. This will also be a useful report for any potential investors in your business such as banks, shareholders, etc.



WHAT YOU SHOULD DO EVERY MONTH END



Printing Your Financial Statements

It is advisable to print your financial statements monthly. Monthly financial statements advisable to print for the starter package are;

Profit & Loss

Graphical Report

Other statements include;

Trial Balance

Balance Sheet

VAT Return ***(every 3 months once you submit)***

Monthly Banking

To print your financial statements, key in the ''Month and year first'', then *click on >>**File** at the top left hand side of your screen >> and then on **Print***. Please make sure you are connected to a printer.

Once you've printed all your statements, Click again *on >>**File** at the top left hand side of your screen >> and then on **Save As*** then save with the month name to your Documents.ick here to overtype the month and then Bookkeeping to save to location of your choice. It will be a good idea to have a folder for saving your bookkeeping records only.

Once saved, click on Close at the top right hand side of your Spreadsheet as shown below;

To start recording for new month, simply open your original Spreadsheet which you had at the start (**DO NOT OPEN THE MONTHLY SPREADSHEET YOU JUST SAVED)**, then keep recording for new month. Details from previous months will usually be seen there as normal.

Tip

Even better, you can save you monthly records in a disk for backup in case anything happens that can lead to losing your data like a mechanical breakdown for example. So you can simply get a disk and save data for each month in its own disk. e.g a disk for January, another for February, etc

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WHAT YOU SHOULD DO EVERY YEAR END



Financial Statements

At the end of the year, your monthly financial statements would have been saved on your computer or on the disks.

At year end you can then print out your annual accounts from the main Spreadsheet which contains all data for the year.

Self- Assessment Tax Return

At the end of the year, you will also need to submit your tax return to the HMRC so they can deduct your income tax for the year (PAYE). Any NI contributions should normally be recorded to account for these deductions so you don't end up paying too much tax.

VERY IMPORTANT TO NOTE: Your Net Profit/Loss figure (*provided there are no further deductions or no additional income)* in your Profit & Loss Statements is the amount you will be taxed based on by HMRC. HMRC will normally work out how much income tax you owe based on your profits.

This is referred to as your ''**Total Taxable Profits''**

More information on how to complete your form online can be found below.

https://www.gov.uk/how-to-send-self-assessment-online/sign-up-for-an-online-account

If you need further help, just get in touch and we will do our best to help.

Do I still need an Accountant?

We target very small businesses, so chances are, you don't have to hire an accountant if you don't want to. Particularly if your financial situation is straightforward or you are a fairly small business. E.g. self employed

If you are a small business, all your financial statements have already been created for you and tax returns covered.

If you deal with more complex transactions, have employees that work for you, etc then you might need to contact an accountant to make any adjustments to your accounts before you submit your tax forms to HMRC.

If you are unsure, then you can always contact Us and we will advise appropriately.

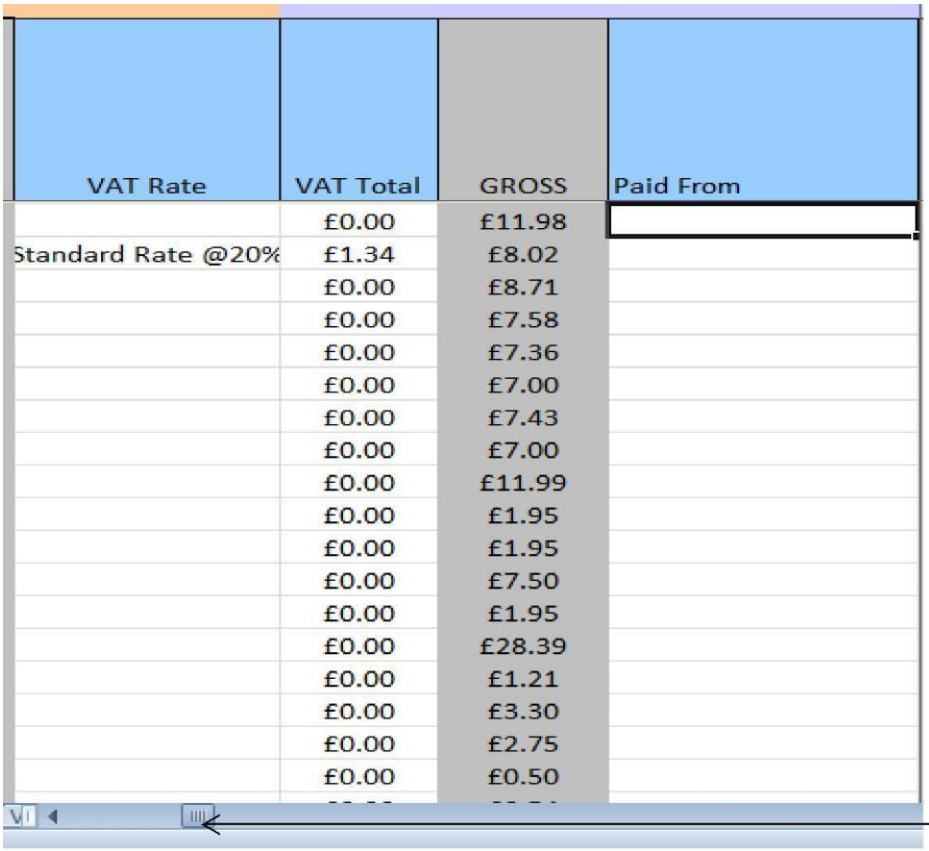
Is Your Business Expanding?

We target mainly small businesses, new start-ups, freelancers, etc. But we do understand that businesses grow and expand, and people tend to need a more advanced system in place. If you feel that your business is expanding and you want to start using a more advanced software, then you can very easily carry over all your balances from the spread sheets into your relevant software.

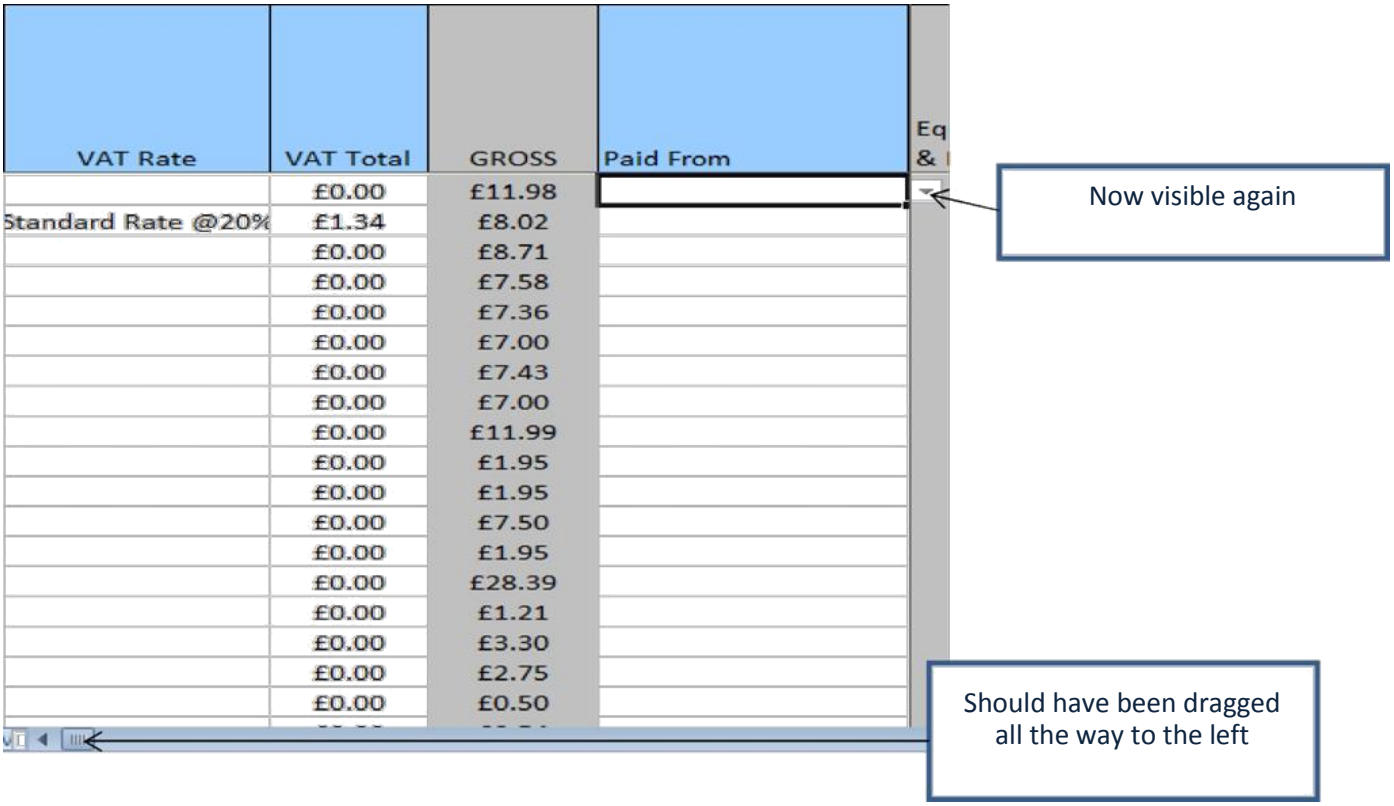
Frequently Asked Questions & Help

1. **Question:** ***I cannot find the drop down list on the Paid From or Paid To column?***

Answer – **Please note that due to the way Excel is designed, sometimes the drop down list will seem like it has disappeared whereas it is still there. To find it simply hold the button at the left bottom of the sheet and drag to the left of the page and it should become visible again. Below is a demonstration that should show you how to fix this.**

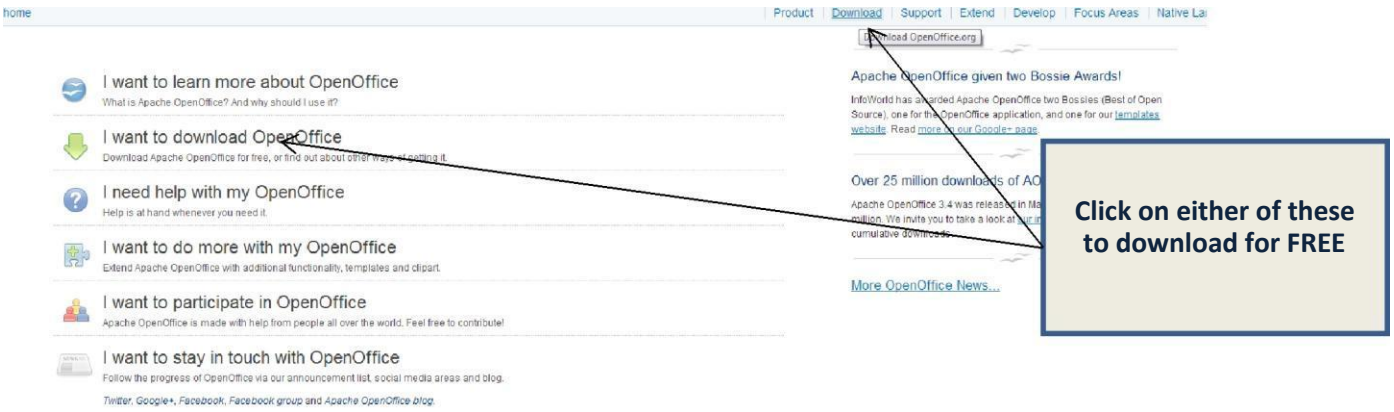


VAT Rate	VAT Total	GROSS	Paid From
	£0.00	£11.98	
Standard Rate @20%	£1.34	£8.02	
	£0.00	£8.71	
	£0.00	£7.58	
	£0.00	£7.36	
	£0.00	£7.00	
	£0.00	£7.43	
	£0.00	£7.00	
	£0.00	£11.99	
	£0.00	£1.95	
	£0.00	£1.95	
	£0.00	£7.50	
	£0.00	£1.95	
	£0.00	£28.39	
	£0.00	£1.21	
	£0.00	£3.30	
	£0.00	£2.75	
	£0.00	£0.50	

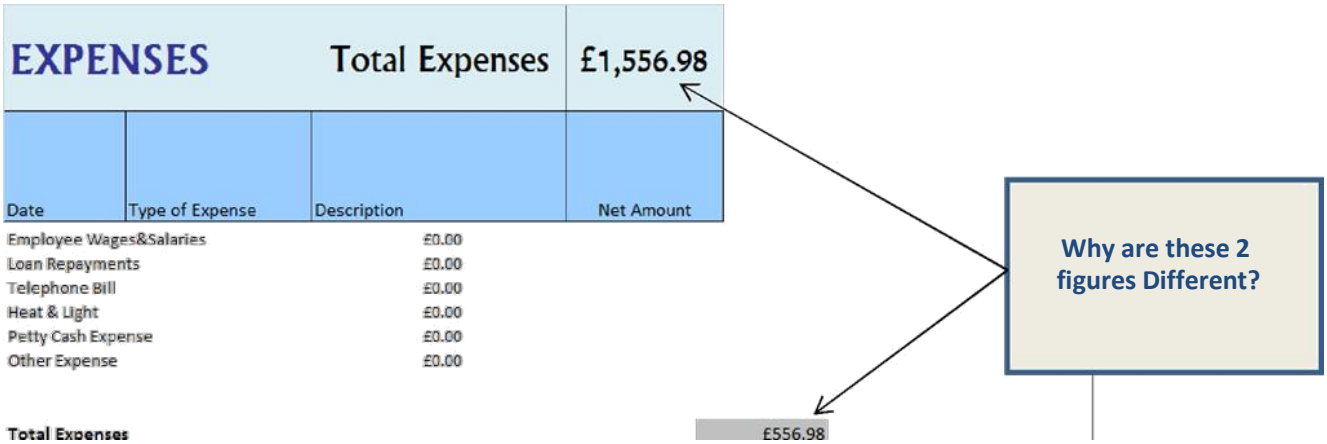


2. **Question.** ***I cant open or view my Spreadsheet?***

Answer - Most computers already have excel installed on them. However if for any reason you cant access it, simply visit www.openoffice.org to download this for FREE



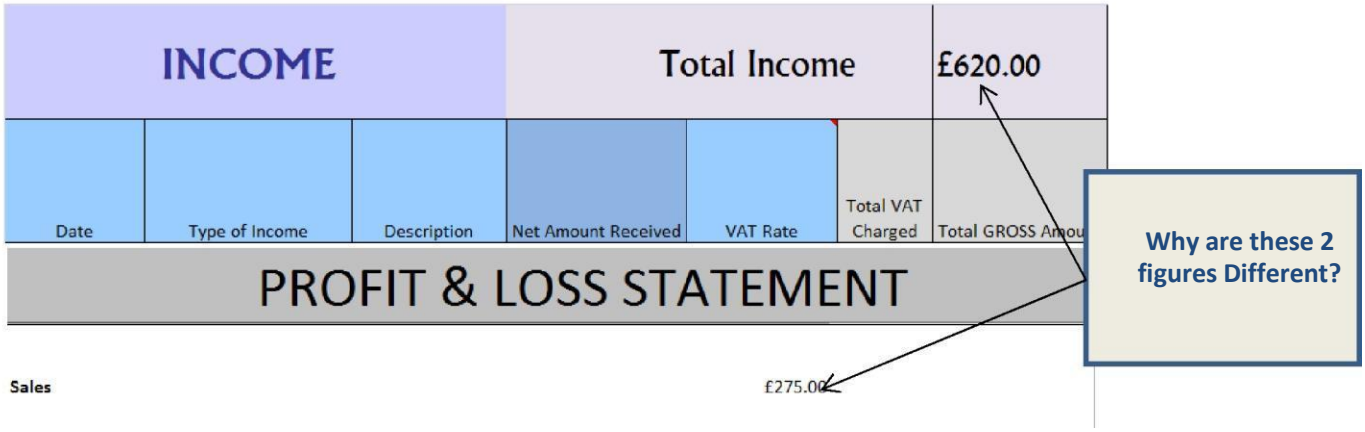
3. **Question:** ***Why is my total expense figure on the cash Out page different from my total expenses in the profit and loss statement?***



Answer: **This is because you have recorded an expense which is likely to be a Fixed Asset such as a new car, new premises, new van, new business equipment or any other assets that are fixed. These are not normal day to day expenses incurred by your business so will not show as expenses in your profit and loss account. If any repairs, changes, maintenance are made towards them that cost you money, e.g car repair, repainting the building, etc, record this under the "Repairs" or "Maintenance" or other Expense categories and it should then show as an expense in your profit and loss statement.**

Fixed Assets cannot be classed as expenses and are accounted separately. They will therefore show in your Balance Sheet.

4. Question: ***Why is the my total income on the cash In page different from my income in the profit and loss statement?***



Answer: **This is because you have recorded an income of capital, loan received, or other cash introduced. The profit and loss statement only takes into account the actual profits that have been made by the business through Sales or other income. Capital, loans, interest received, etc is money introduced into the business but not money actually generated as a result of business transactions. So they cannot be classes as profits, but will instead go to your Balance Sheet.**

5. **Question*: how do I reconcile me bank account?***

Answer - You can reconcile your accounts monthly as previously shown on this guide.

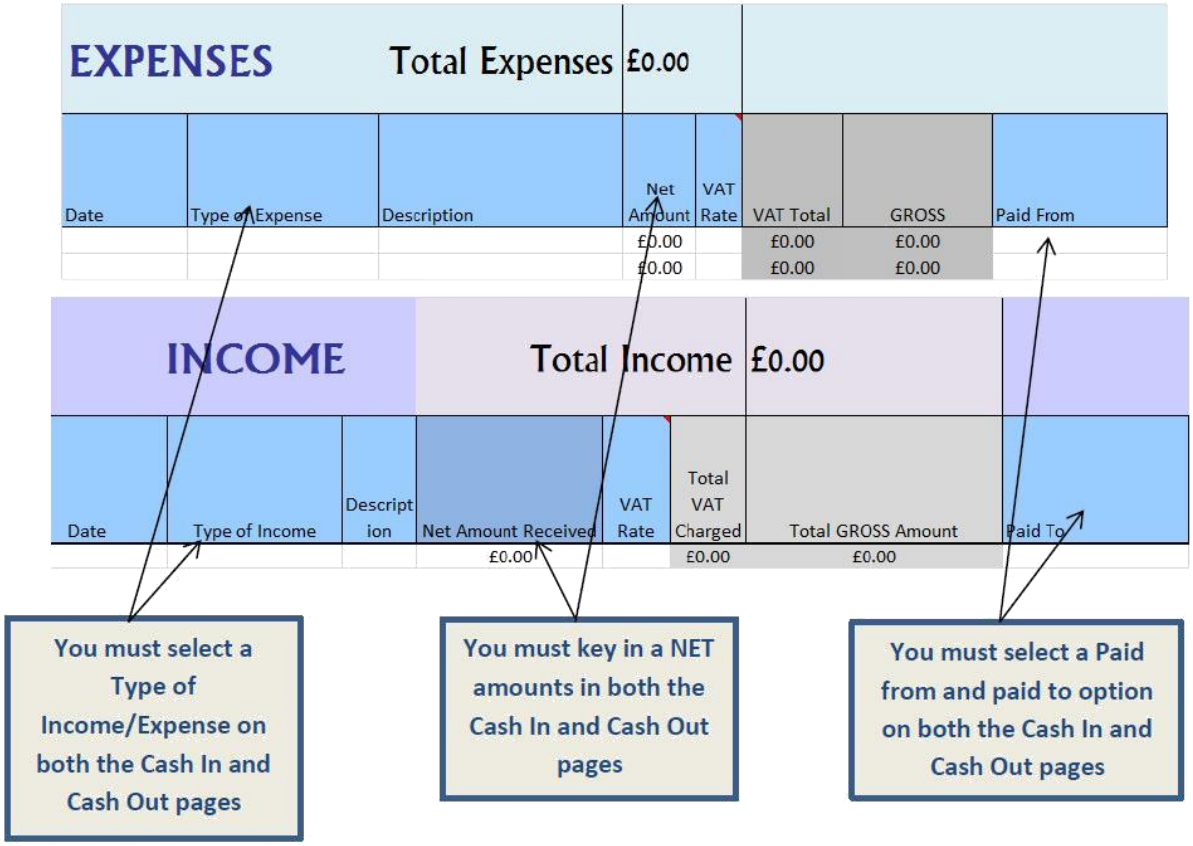
6. **Questions*: What financial statements do I have to print and how often?***

Monthly financial statements are: Profit & Loss, Trial Balance, Balance Sheet, VAT Returns

You can print these on a monthly basis making sure you save as normal as previously shown on this guide.

7. **Question*: My Trial Balance doesn't balance, what do I do?***

Answer - If your trial balance does not balance, then chances are, your Balance sheet might not balance too. This is because you have missed out a field that MUST be completed. So you need to go back and check to ensure all fields are properly selected. There are 3 KEY FIELDS that MUST be completed for your accounts to balance are shown below.



If your accounts still don't balance after checking this, simply email **support@bizcommencekit.com** and we will investigate further.