INTEGRATED 12-MONTH CASH FLOW, FUNDS FLOW, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET

Guidance notes

Version 2.03

Cash Flow Forecasting

A comprehensive Excel based cash flow, profit and loss account and balance sheet for a 12-month period.

Version 2 builds additional features onto Version 1 – the changes between Version 1 and Version 2 are shown below in blue text.

General notes and information

We recommend you read these notes prior to using the model.

If you insert or delete rows or columns, be aware the integrity of the references and other macros may be lost. There is the ability on the report pages to tailor the display using the macro buttons at the top of the page. Blank lines for instance can be removed from display.

Some screens may look particularly complex –however, all you really need to focus on are the yellow data entry boxes on the relevant pages.

Opening balances can be input and there is an input box on each tab for the relevant figure. All opening balances are recorded on the Review Summary screen. The only "opening balance" that is not input on any page is the "opening capital" figure and this is the "balancing figure". You should ensure this is correct before running reports. If there are no opening balances, you can ignore those data entry fields.

Restrictions and limitations in this version (some of these may be addressed in future releases and upgrades)

VAT invoice accounting or Not VAT registered only – cash basis VAT and partial exemption rules are not handled.

VAT payments/repayments are calculated on a quarterly basis in this version.

Payroll – tax deductions based on England and Wales tax rates only.

Payroll –no deferment of auto-enrolment pensions by 3 months for new starters.

What's new in Version 2?

Summary payroll information data entry page

Employers allowance auto calculated where forecast spans two tax years

What if scenarios – based on volume or price increases

Graphs and charts

Support for adjustments for VAT Scale Charges, Class 1A National Insurance, VAT on car leasing restriction

Data entry and review

We recommend you review the "balance sheet-12 months" report regularly when entering data. The balance sheet should always be in balance! If it does not balance, a "difference" is automatically calculated and displays at the foot of the page.

It is easier to review regularly than try to track down a problem once all data has been entered!

Excel issues?

If you get circular references warning (and circular references are necessary in this model for certain calculations), go to File, Options, Formulas and ensure the enable iterative calculation box is ticked.
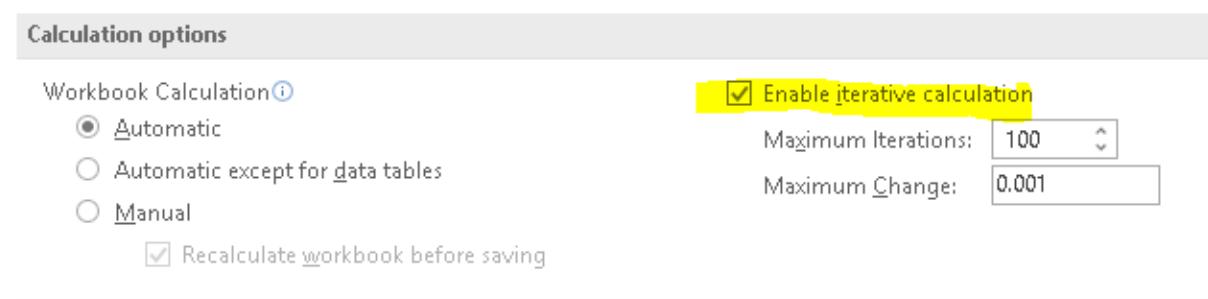
Excel Models

Note: if you have a trial version the model has a date restriction for usage. You will not be able to use it in any form after its expiry date (not even read-only). Ensure you have the data available elsewhere e.g. as screenshots or in printed format should you need it. However, it is also possible to export data.

You can also click on Add-Ins and select the DoneEx add-in. There is an option to export data and also an import option. NOTE: if you export data and try to import it into a newer release version, we cannot guarantee that it will import correctly, as the data structure may well change as upgrades are released.


Zip file – Trial version

The Excel model is supplied as a zip file which contains a .exe file.

Double click the zip file and extract the .exe file to your required location.

Double click on the .exe file to run. The screen shown below will appear – then Excel will open, and the model will also open. The model is an Excel Template – it will create a new version of the model as an Excel macro enabled file – and will append a 1 to the end of the name as default. You can however do File – Save As to rename it.
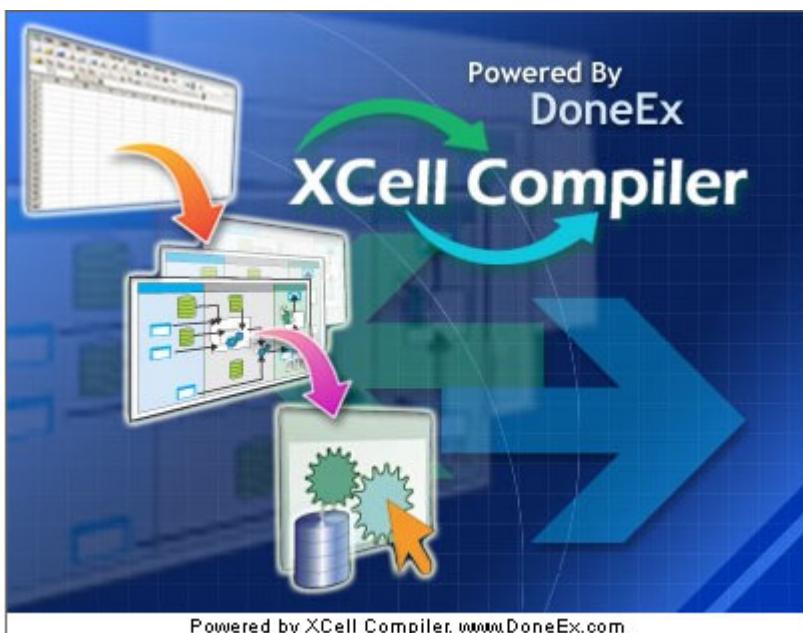
Note – when it is saved as a "compiled" .exe file – not as a normal .xltm or similar.

Some anti-virus software may send this to their servers to check for viruses so you may not be able to re-open the file for a period of time.

To reopen the file and make further changes, double click on the .exe file that has been created. When saved it will create a replacement exe file, overwriting the original.

Be careful you do not overwrite the original file e.g. by saving it with the same file name.

Full version

The full version is supplied as a normal Excel template. Once again, be careful not to do File Open or you will open the template – locate the file in its stored location and double click on it to open a new file. It will append a 1 to the file name. Ensure you save any files as a macro-enabled workbook.
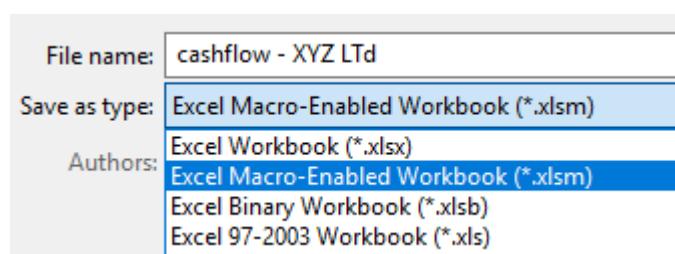
Getting started

From the Cover screen you enter the model though the Variables tab, although other tabs are visible at the foot of the screen. We recommend you navigate using the links on the side of the cashflow and profit and loss sheets or using the macro buttons at the top of the screen.

The tabs are colour coded

Green tabs	Data input
Red tabs	Information tabs
Yellow tabs	Output reports

The CashFlow tab (a report) has just one data entry field if required – to enter an "opening balance" figure.

Variables tab

Sales – there is an option to enter product-based sales (up to 5 "product lines" can be entered) or generic sales. A product line could equally be a department or separate class of sale – e.g. car sales, part sales, servicing sales for a garage. Choose the type you are using from the drop down. This is discussed in more detail later on.

VAT registered?   Yes or No. If No is selected, the VAT rate which has a default of 20% changes to 0%.

Credit card and bank overdraft charges are calculated automatically. Specify the % of sales that are by credit card and the rate charged. Also specify the overdraft rate and overdraft limit. If the bank overdraft exceeds the limits in any month, this will be flagged up on the cashflow report.

60%	% of sales paid by credit card
2.50%	Credit card charge rate %
4.25%	Bank overdraft interest rate
25,000	Bank overdraft Limit

a

Debtors – cash collection profile – enter percentages of sales to be collected in the month of sale and up to the following five months afterwards. If it is a cash sales business, enter 100% in the first box.

	Cash Collection Profile - the boxed items should add up to 100%
40.00%	In month of sale - month 1
25.00%	In month after sale - month 2
15.00%	In month after sale - month 3
10.00%	In month after sale - month 4
5.00%	In month after sale - month 5
	In month after sale - month 6
5.00%	Bad debts %
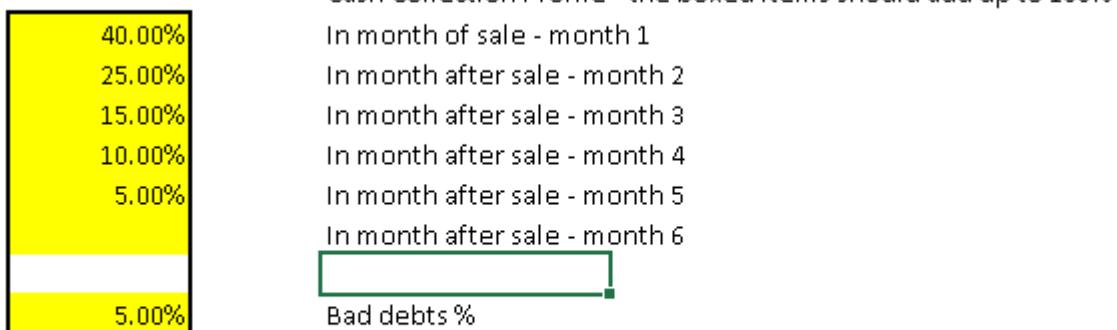
6	First month of bad debt write off

You can specify the percentage of sales that will be bad debts and indicate the first month that these are written off.

You can set the average days credit given to suppliers. This is set globally in the first instance, but you can change it for each expense category on the relevant tab. You can go to the Review Summary tab and this shows the rates in use for each tab.

Version 2 – What if…? scenarios

Leave this blank until you have completed the first scenario in full. You can then come back to the variables page and insert a figure in the yellow box e.g. 5 or -5. The default radio button setting is price – so the sales figures used in the first scenario will be adjusted by 5% - 105% of the original if 5 was entered or 95% of the original if -5 was entered. Cost of sales will not be affected.

You can change the radio button to select a volume change instead – both sales and cost of sales will be adjusted by a similar % in this scenario.

	What If? % change Enter e.g. 5 for 5% increase or -5 for 5% decrease (use only after completing the "standard" version)
⊙ price	Select price if the what if % is a price increase - no effect on cost of sales
○ volume	Select volume if the what if % is a volume increase - both sales and cost of sales increase

There is a comprehensive payroll calculation section, to calculate tax, NI and pension contributions. Select Yes/No as appropriate for the Employment Allowance claim. These rates can be overwritten for a new tax year. It is possible to us different tax rates for different tax years in the same 12-month period i.e. if you are doing September – August, only the current rates will be used even though they may change from April.

The employment allowance can be claimed, and, in this version, there is a NEW summary wages tab or the detailed wages tab. You can use both tabs for payroll, but you do need to select on which tab the allowance will be used. (Note it is not possible to apportion the allowances between the two tabs).

Yes	Yes	Claim Employment Allowance
	3000	Employment allowance rate
Detailed	Detailed	Claim on Detailed Wages Tab or Summary wages tab?

When settings are complete, the next step is to go the Cash Flow tab to tailor the expense descriptions and other headings.

CashFlow tab

All expense and other descriptions are editable on this page. Any changes here flow through to the profit and loss page and to the relevant Exp tabs. There should be no need to change descriptions on the profit and loss page if they are changed here -it should be automatic.

There are spare Exp rows for your own use. Unused rows i.e. those with no entries, can be "hidden" before running the report.

The first column contains hyperlinks to the relevant tabs where appropriate. Click on the link to go to the relevant tab. This column is not set to appear when the Print macro is run.

	Receipts
Sales1	Sales
Misc1	Interest received
Misc1	Miscellaneous Income
HP1	Loans received
Capex1	Disposal of assets
Cap1	Capital Introduced/Directors loan
VAT	VAT Refund
	Payments
Cos1	Purchases of goods for resale
Exp1	Advertising
Exp2	Utilities (gas, electric, water)
Exp3	Rent
Exp4	Rates and water
Exp5	Telephone and internet
Exp6	Advertising and marketing
Exp7	Motor running costs
Exp8	Insurance
Exp9	Printing, stationery and postage
Exp10	Leasing
Exp11	Legal and professional fees
Exp12	Repairs and renewals
Exp13	IT Costs
Exp14	Sundry expenses
Exp15	Bank charges
Exp16	Bank interest
Exp17	
Exp18	xxx

Some of the items on the Cashflow tab are balance sheet related or are broken down for the purposes of the cashflow but appear as one or two lines in the profit and loss tab. For instance,

wages are split between PAYE and NI and Pension deductions and net pay for the purposes of cashflow, but gross wages appear in the profit and loss account.

The only figure to be entered on this tab is the opening bank position.

Once this is entered, we recommend entering Sales as the starting point. Click on the Sales link in the left-hand column and this will take you to the Sales tab.

Sales	**Sales**
Sales	Work in progress adjustment
Cos1	Cost of Sales
	Gross Profit
	Gross Profit %

Sales Tab

As mentioned above, there are two sections – product-based sales and generic sales. You can use either, or both. As long as you have selected the correct sales type on the variables page, you can hide unwanted sections.

HideProductSales	HideOtherSales	ShowAllSales

Common sections – Opening balance debtors

This is common to both sales types. Enter the opening balance and manually enter how you expect these sales to be paid, and any bad debts.

Work in Progress

There is an option to adjust for work in progress. Enter the work done and the recovery % and the amount invoiced is automatically calculated and driven into the Std rate sales gross field in the First sales section.

In the example, there is £90,000 movement £100k+£10k- £20k = £90k and VAT at 20% has been added.

Work in Progress					
Work Done			100,000.00	120,000.00	110,000.00
Recovery %		100.00%	100.00%	100.00%	100.00%
Recovery			100,000.00	120,000.00	110,000.00
Opening Work in progress			10,000.00	20,000.00	30,000.00
Closing Work in Progress			20,000.00	30,000.00	25,000.00
Invoiced - carried to section below	A		90,000.00	110,000.00	115,000.00
Profit and Loss - adjustment			-10,000.00	-10,000.00	5,000.00

Complete either first or second section below					
First Sales Section - General Sales			1	2	3
Std rate invoices gross	A		108,000.00	132,000.00	138,000.00
Zero rate invoices					
Total			108,000.00	132,000.00	138,000.00

If you choose not to use the work in progress section, you can type figures into the sales invoices section, but the **formulas therein will be overwritten.** You could enter the figures in the work in progress section and just ignore the opening and closing work in progress fields.

To easily reinstate the formulas if you have overtyped in error, click the FormulaFix button alongside the row.

| FormulaFix | 108,000.00 | 132,000.00 | 138,000.00 | 30,000.00 |

When manually entering sales, if you have selected "not VAT registered" option, it does not matter whether you use the VAT standard rated or VAT zero rated rows. It is however relevant, and it does matter if the business is VAT registered.

The cash received will be automatically calculated based on the payment profile you defined on the variables page.

Cash Collection Profile - the boxed items should add up to 100%

40.00%	In month of sale - month 1
25.00%	In month after sale - month 2
15.00%	In month after sale - month 3
10.00%	In month after sale - month 4
5.00%	In month after sale - month 5
	In month after sale - month 6
5.00%	Bad debts %
6	First month of bad debt write off
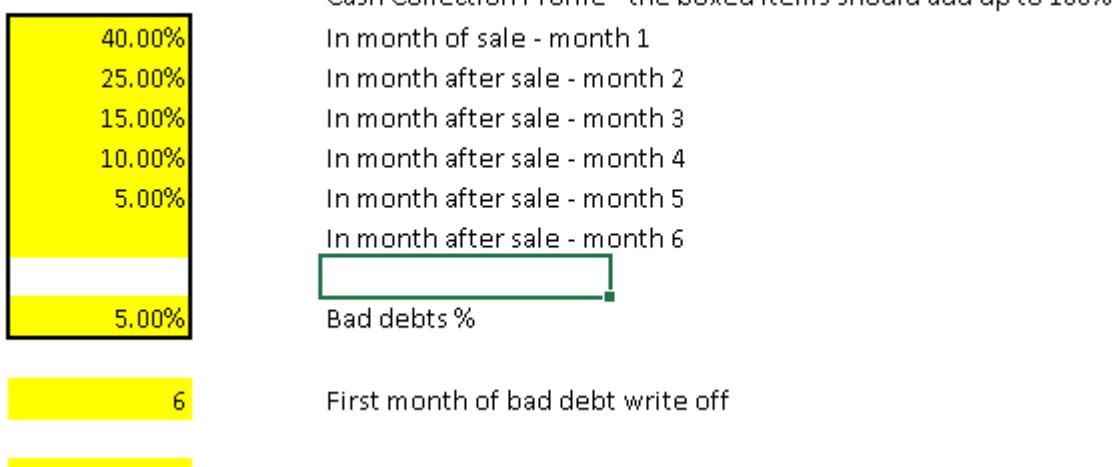
Tip – if you want to provide for bad debts as figures other than % of sales, e.g. a level £200 per month, use one of the spare expense tabs, and enter as a "payment". This has the same overall effect on profit and cash flow as actually not receiving the cash in the first instance.

What If Scenarios

A % increase or decrease in sales can be applied – but we recommend you only do "what if…?" scenarios once the basic figures have been entered.

There are many working areas in the tabs – all you need to concentrate on is the yellow input boxes.

Product sales

If you are going to do sales by product or Department Scroll down the page until you reach the data entry area. Here you can change the description of the product and you enter the invoices. as above, if you have selected not VAT registered it does not matter which way would you use but it does matter if VAT registered is yes. Enter the group's sales including VAT and the VAT element will automatically be extracted.

Also enter the expected gross profit % on the products. This will be used to calculate the costs.

Second Sales Section - Product type				
Sales by Product Line - data entry		GP %		
Product 1				
Std rate invoices gross		40.00%		
Zero rate invoices		40.00%		
Product 2				
Std rate invoices gross		25.00%		
Zero rate invoices		25.00%		
Product 3				
Std rate invoices gross		20.00%		
Zero rate invoices		20.00%		

As can be seen below, the VAT element has been extracted and is posted to the VAT account and the sales net of VAT goes to the profit and loss account.

Cost of Sales

Manually enter in the orange boxes the cost of sales if you are not using the product sales type. The fields are linked to the totals for product cost of sales; these fields can be overwritten for simple cost of sales entry, but the formulas will be lost.

They can be relinked to the product sales type by clicking the FormulaFix button alongside.

The yellow data entry boxes allow stock movements to be adjusted. Enter opening stocks at the start of the period and closing stock at the end of the period and this will be taken into account in arriving at purchases for the period.

Payment terms are based only number displayed at the Top of the screen which comes from the variables page, but it can be overwritten here or on the variables page if you prefer.

Sales Summary tab

You can review the entries to date by loading the sales summary tab. This shows the sales and cost of sales, gross profit and gross profit percentage on a product basis and overall. The totals from this tab feed through to the profit and loss account. This tab can be printed using the print summary button if you wish to include it as part of the output.

There is no data entry on this tab.

Expenses tabs

All expenses tabs work in the same way. enter the purchase invoices and enter prepayments and accruals if required.

General notes

Note – please do not enter items on the Paid line as this will break the integrity of the model based on the days credit. However, there are some circumstances where you **might** choose to overwrite this – e.g. the payment of a Rates bill by 10 monthly instalments or insurance by 12 monthly instalments. (These payment options *may* be catered for automatically in a future release). Another method is to enter the invoice on a monthly basis instead of one invoice for 12 months, when you will need to take into account prepayments too.

Even if you are dealing with expenses where you do not normally get an "invoice", please enter the amount on the invoice line. Bank charges is one such example. The payment will then automatically be calculated, based on the days credit. If paying in the same month, change the days credit to 0.

Example data entry

The screenshot below shows an invoice for £1440, (£1200 excluding VAT) and a prepayment has entered to spread the cost over 12 months at £100 per month.

Utilities (gas, electric, water)			
Days credit suppliers		30	

	1	2	3
Opening Creditors		1440.00	
Std rate invoices gross	1,440.00		
Zero rate invoices			
Total	**1,440.00**		
Paid		1440.00	
Closing Creditors	1440.00		
VAT Exclusive	1200.00		
Prepayment B/Fwd		1100.00	1000.00
Prepayment C/Fwd	1,100.00	1,000.00	900.00
Accrual B/Fwd			
Accrual C/Fwd			
Profit and Loss	100.00	100.00	100.00
Vat Element to VAT Account	240.00		

As you would expect, the Prepayments row on the balance sheet looks like this.

Prepayments		1,100	1,000	900	800

We have also introduced an accrual in the screenshot below. Be aware that the standard rate invoice needs to be gross inc. VAT but the accrual of £200 per month excludes VAT. You will note that the profit and loss charge is now £300 per month.

	1	2	3
Opening Creditors		1440.00	
Std rate invoices gross	1,440.00		720.00
Zero rate invoices			
Total	1,440.00		720.00
Paid		1440.00	
Closing Creditors	1440.00		720.00
VAT Exclusive	1200.00		600.00
Prepayment B/Fwd		1100.00	1000.00
Prepayment C/Fwd	1,100.00	1,000.00	900.00
Accrual B/Fwd		200.00	400.00
Accrual C/Fwd	200.00	400.00	
Profit and Loss	300.00	300.00	300.00
Vat Element to VAT Account	240.00		120.00

VAT

The only visible tab is the VAT account itself.

This tab should only require an opening balance figure if there is one. Any payments or repayments will be automatically calculated based on the running balance and the month in which payment is to be made which is set from the variables page. The VAT account is there really for information only and again there should be no data entry on this page.

Tip - It **is** possible to build in VAT registration part way through a forecast period by using the zero rate lines for sales and purchase invoices up to the month prior to registration and the VAT line for invoices from the month of VAT registration onwards.

TAX

A provision for taxation can be made together with payments if required.

The tax tab picks up the profit/loss from the profit and loss account, adds back depreciation and adjusts for a gain or loss on disposal. Asset additions are assumed to be eligible for 100% AIA. This can be overwritten or adjusted as required.

There is also the ability to input other tax adjustments, before the tax is calculated at the rate defined on the variables page.

	Tax rate	19.00%	
From P&L Pre tax			
Pre Tax Profit	157,090.45	177,924.51	91,976.88
Depn	493	492	721
	1	2	3
Profit from P & L	157,090.45	177,924.51	91,976.88
Depr'n addback	493	492	721
Cap Expenditure 100%	-18,333.33		-8,333.33
Gain /Loss on Disposal			
Taxable	139,250.17	178,416.84	84,364.33
Current period only			
Taxable profits to date	139250.17	178416.84	84364.33
Tax Provision	26458.00	33899.00	16029.00
Provided to date		26458.00	33899.00
Provision	26458.00	7441.00	-17870.00

Wages

There is a comprehensive wages calculation page. You can enter in the yellow boxes either departments or employee names as you so wish, and this will be replicated down the page. The default setting is one person at a particular pay rate. However, if you want to do it by Department or pay grade you can change the number in the group.

Gross pay Group		Number in Group	Gross pay/ee	Pa
Dept 1		1.00	25,000.00	
	2	1.00	30,000.00	
	3	1.00	10,000.00	
	4	1.00	6,000.00	
	5	1.00	18,000.00	
	6	1.00	15,000.00	
	7	1.00	18,990.00	
	8	1.00	30,000.00	
	9	1.00	22,500.00	
	10	1.00	16,000.00	

If you do not want employees in a group or do not need them all leave them blank. There are various sections that follow underneath, and these calculate gross pay, tax, the employer's and employees' NI and the employers' and employees' pensions.

The gross pay is spread over 12 months. However, if you do not have employees in a month you can simply delete the figures from the relevant boxes. This will mean that the other deductions are not calculated either. If there is a bonus in any particular month, you can overwrite the calculated figures with the revised gross.

Be aware though that deleting or overwriting figures will mean that the underlying formulae currently in the boxes will be lost so care is needed.

			Employed in Month number Gross PAY		
			1	2	3
Dept 1		⚠	2,083.33	2,083.33	2,083.33
	2		2,500.00	2,500.00	2,500.00
	3		833.33	833.33	833.33
	4		500.00	500.00	500.00
	5		1,500.00	1,500.00	1,500.00
	6		1,250.00	1,250.00	1,250.00
	7		1,582.50	1,582.50	1,582.50
	8		2,500.00	2,500.00	2,500.00
	9		1,875.00	1,875.00	1,875.00
	10		1,333.33	1,333.33	1,333.33

At the right of the screen there is a summary showing the totals in the underlying tables.

Check

Gross	191,490.00	Net	160176.52
Ers NI	11,876.68	paye	36676.86
Ers Pension	3,907.98	pension	10421.28
	207274.66		**207274.66**

There is in Version 2, a simplified wages entry tab, enabling you to enter just totals for Gross pay, employers NI and Pension, and the PAYE due. You can use either or both wages tabs as you see fit.

			Opening balance	1	2
A	Gross wages P &L			12,028.00	
B	Ers NI P & L			1,000.00	
C	Ers Pension P & L			500.00	
D	Pensions B/S (Ers and Eees)			1,200.00	
E	Tax and NI B/S (inc. ers NI)			3,000.00	
	Net Pay Control	A+B-C+D-E		9,328.00	
	Cashflow net wages			9328.00	
	Cashflow pension				1200.00
	Cashflow PAYE				3,000.00

Miscellaneous data entry

There are some miscellaneous data entry tabs. These cover: -

Drawings from a business/director's loan repayments/ dividends
Capital introduced/director's loans to the business,
Capital expenditure
HP and loans

Any items on the drawings or capital introduced pages will affect the Balance sheet and cash flow statement but will not affect the profit and loss account statement.

The capital expenditure page I lose for 2 different asset types and allows for depreciation on either a straight line or reducing balance method for each type.

Sale proceeds and profit / loss on assets can also be entered.

There are currently 2 different loan or HP agreements that can be entered. The interest his calculated based on the capital S standing at the end of the month and the interest rate that has been entered, but these can be overwritten if you so choose.

Journal tab

In Version 2, the Journal tab allows miscellaneous data entry. At present there are three data entry fields on this tab: -

VAT Scale Charges

Class1A National Insurance

Vehicle leasing 50% VAT Restriction

Even though you may account quarterly for the VAT Scale Charges, they are usually for a 3-month period, so it is recommended you enter them monthly.

Class 1A NI is due for payment in July. The model will automatically insert the payment due in July based on the amount shown to be due at the end of March. Again, monthly entry is recommended, especially where it is a significant sum, rather than just entering it in the month in which it is paid.

The vehicle leasing restriction of 50% can be used where VAT has been reclaimed in full. It can be allocated to either motor expenses or leasing charges in the profit and loss account.

VAT Scale Charge - **will be added to Motor expenses in P & L and added to VAT Account**
Enter in the yellow box only - an equal and opposite entry is created for the VAT Account row

	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Total
	1	2	3	4	5	6	7	8	9	10	11	12	
VAT Scale Charge P & L	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	480.00
VAT Scale Charge VAT Acc't	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-480.00

Class 1A National Insurance added to NI in P & L and creditors on balance sheet - payment calculated based on balance in March

	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Total
Added to Ers NI (P & L)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Creditor b/fwd		100.00	200.00	300.00	400.00	500.00	600.00	700.00	800.00	900.00	1,000.00	400.00	
Paid											700.00		700.00
Creditor c/fwd	100.00	200.00	300.00	400.00	500.00	600.00	700.00	800.00	900.00	1,000.00	400.00	500.00	

Car Leasing VAT Adjustment (only 50% of VAT will be reclaimable - this section allows you to adjust for the VAT already claimed at 20%)
The default posting to the profit and loss account is Motor - but you can choose to post it against the leasing code instead by selecting here

Group Box8
○ Set against Motor
◉ Set against leasing

	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Total
VAT on Car Leasing claimed	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
50% adjustment to leasing	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
VAT Account	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-50.00	-600.00

Reports

The 3 main reports are the Balance sheet – all months, profit and loss and cash flow. There is also a balance sheet tab which shows just the balances at a particular month end, chosen on the Variables page. The sales summary might also be output as a report.

The tabs are "protected" to prevent unnecessary or accidental changes to the layout.

There will generally be assumptions that form part of the final product. This does not fit well into Excel as it is very textual, so a separate Word document is provided for use. This will require amendment on a case by case basis.

The reports can be tailored to remove certain items:
Zero lines e.g. for unused expense rows can all be hidden using the macro button at the top of the screen.
On the Profit and Loss page, the Gross Profit line can be hidden – useful if there is no Cost of Sales line.
Similarly, the gross profit % line can also be suppressed from display.

Version 2 introduces a funds flow report.

Graphs

Version 2 introduces graphs – the Graphs tab contains a monthly turnover graph and a monthly profit/loss as well as a bank position graph.

Graphs (2) tab contains 2 "waterfall charts" – one showing the monthly bank balance increase / decrease and the other showing the funds flow based on increases/decreases in the balance sheet items.

Appendix 1

This appendix is included to explain the "logic" applied to the figures when applying the What ifs.

Firstly, when looking at the screen display, do not "panic" when figures do not appear to "add up".

When the What if % is turned on (default is 0), the words "What if % adj" and "As Adjusted" will be shown on the sales page and the totals **will not agree** to the figures shown directly above!

To explain: - We have some base sales £120,000 standard rated and £120,000 Zero rated sales. The figures are entered including VAT – so the VAT element of the standard rated sales is £20,000. Total sales are £240,000 inc. VAT.

We apply a 20% increase, so standard sales become 120,000*1.20 = £144,000 standard rate sales – and the VAT element is now £24,000 and zero rate sales are also £120000*1.20 = £144,000 – total sales £288,000 including VAT of £24,000 and £264,000 excluding VAT.

Complete either first or second section below		
Section One - General Sales		1
Reserved for What if?	What if % adj	1.20
Std rate invoices gross	FormulaFix	120,000.00
Zero rate invoices		120,000.00
Total	As adjusted	288,000.00
Debtors b/fwd		
Bad debts		
Paid sales		115,200.00
		1
Total Debtors - Balance Sheet		172,800.00
Vat on invoices		24,000.00
Vat Element to VAT Account		24,000.00
Profit and Loss		264,000.00

We can now look at product sales which works in a similar fashion.

The sales are entered in the yellow boxes – when an adjustment is applied, the figures are shown "As adjusted" – in this case the total does actually agree.

Section Two - Product/Department type			1
Reserved for What if?		What if % adj	1.20
Opening debtors Product line sales			
Sales by Product Line - Enter in table below - do not enter here			
Std rate invoices gross		As adjusted	36,000.00
Zero rate invoices		As adjusted	24,000.00
Total			60,000.00
Paid Product Line sales			
Bad Debts -product line sales			
Closing Debtors - product line sales			60,000.00
			1
Total Debtors - Balance Sheet			60,000.00
Vat on invoices			6,000.00
Vat Element to VAT Account			6,000.00
Profit and Loss			54,000.00
Second Sales Section - Product type			
Sales by Product Line - data entry		GP %	Enter base sales
Product 1			
Std rate invoices gross		40.00%	30,000.00
Zero rate invoices		40.00%	20,000.00

The total to the profit and loss account for Sales from the combined sections is £54,000 + £264,000 = £318,000.

Sales	**Sales**		318,000

Sales   Work in progress adjustment

Cost of Sales adjustment

If there is "0% what if" value or if the price only "what if" is selected – the cost of sales as calculated from the product/department section is pulled through.

Reserved for What if?		
Std rate invoices - actual cost of goods sold **inc** VAT	Formula Fix	18,000.00
Zero rate invoices		12,000.00
Total		**30,000.00**
Reserved for What if?		
Opening Stock **exc** VAT Std rated		
Opening Stock - zero rated		
Closing Stock **exc** VAT Std rated		**10,000.00**
Closing Stock - zero rated		
Purchases required -cost of sales and stock - Std rated		**42,000.00**
VAT on Purchases Memo		**5,000.00**
Memo information		
Net Stock Movement - Std rated ex VAT		**10,000.00**
Net Stock Movement - Xero rated		

This shows £18,000 standard rated purchases (£3,000 VAT content - £15,000 exc VAT) and £12,000 zero rated purchases to cover cost of goods actually sold. There is also £10,000 exc VAT of stock purchased for the balance sheet – this is £12,000 including VAT.

Total VAT is therefore £3000 plus £2,000 = £5,000

Purchases required inc VAT is therefore £30,000 + £10,000 stock + £2,000 VAT = £42,000.

When BOTH the "what if %" is changed AND the Volume radio button is selected: -

20%
○ price
◉ volume
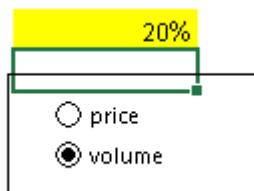
the figures change as follows: - (Note the figures appear not to "add up" again!)

Reserved for What if?	What if % Adj	1.20
Std rate invoices - actual cost of goods sold **inc** VAT	Formula Fix	18,000.00
Zero rate invoices		12,000.00
Total		**30,000.00**
Reserved for What if?	As adjusted	1.20
Opening Stock **exc** VAT Std rated		
Opening Stock - zero rated		
Closing Stock **exc** VAT Std rated		**10,000.00**
Closing Stock - zero rated		
Purchases required -cost of sales and stock - Std rated	As adjusted	50,400.00
VAT on Purchases Memo	As adjusted	6,000.00
Memo information		
Net Stock Movement - Std rated ex VAT	As adjusted	12,000.00
Net Stock Movement - Xero rated		
Paid		
Paid- opening creditors - see below		
Total Payments		
Closing Creditors		50,400.00
Closing Creditors re opening balance		
Total Closing Creditors		**50,400.00**
Vat Element to VAT Account	As adjusted	6,000.00
Profit and Loss	As adjusted	32,400.00
		1
Balance Sheet - Stock	As adjusted	**12,000.00**

Purchases was previously £42,000 inc VAT. A 20% increase = £8,400 additional – total £50,400.

Standard rate purchases are now £18,000+20% = £3,600 VAT
Stock requirement is now £10,000 exc VAT plus 20% = £12,000 plus vat £2,400

So total VAT is now £,6000

Cost of sales in the profit and loss account is £15000+£12000 = £27,000 original plus 20% £5,400 = £32,400.