

DAY	ACTIVITY	MATERIALS
<b>ONE</b>	<b>INTRODUCTION TO YOUR BUSINESS</b> A general introduction to your organisation, your people and the work you do, including: <ul style="list-style-type: none"> <li>• A tour of the office</li> <li>• Health and safety information</li> <li>• A plan for the week(s)</li> <li>• An induction questionnaire</li> </ul>	Student toolkit section 3
	<b>INTRODUCTION TO ACCOUNTING</b> An outline of basic accounting principles and answers to the following questions: <ul style="list-style-type: none"> <li>• What is the role of accounting in business?</li> <li>• What are accounting records?</li> <li>• Why does a business have to prepare accounts?</li> <li>• What goes in an accounts preparation file?</li> <li>• What is a profit and loss account?</li> <li>• What is a balance sheet?</li> <li>• What is VAT and when is it applied?</li> </ul>	Student toolkit section 4
	<b>SOFT SKILLS DEVELOPMENT</b> <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Consideration</li> <li>• Problem Solving</li> <li>• Technical Competence</li> <li>• Team-working</li> <li>• Decision-making</li> <li>• Adding Value</li> <li>• Communication</li> </ul>	Student toolkit section 6
<b>TWO</b>	<b>ACCOUNTING ACTIVITY ONE</b> <ul style="list-style-type: none"> <li>• Recording transactions</li> <li>• Begin supplementary questions</li> </ul>	Student toolkit section 6 Student toolkit section 7
	<b>BUSINESS ANALYST PROJECT</b> <ul style="list-style-type: none"> <li>• Pinpointing what you need to analyse</li> <li>• Identifying who you should talk to</li> <li>• Learning about the different business analysis techniques</li> </ul>	Student toolkit section 9
<b>THREE</b>	<b>ACCOUNTING ACTIVITY TWO</b> <ul style="list-style-type: none"> <li>• Balancing off and reconciling</li> <li>• Supplementary questions</li> </ul>	Student toolkit section 6 Student toolkit section 7
	<b>BUSINESS ANALYST PROJECT</b> <ul style="list-style-type: none"> <li>• Contacting the right people</li> <li>• Gathering information</li> </ul>	Student toolkit section 9
<b>FOUR</b>	<b>ACCOUNTING ACTIVITY THREE</b> <ul style="list-style-type: none"> <li>• Fixed assets and depreciation</li> </ul>	Student toolkit section 6
	<b>ACCOUNTING ACTIVITY FOUR</b> <ul style="list-style-type: none"> <li>• VAT</li> <li>• Supplementary questions</li> </ul>	Student toolkit section 6 Student toolkit section 7
	<b>BUSINESS ANALYST PROJECT</b> <ul style="list-style-type: none"> <li>• Producing business analyst reports</li> <li>• Drafting conclusions and recommendations</li> </ul>	Student toolkit section 9
<b>FIVE</b>	<b>ACCOUNTING ACTIVITY FIVE</b> <ul style="list-style-type: none"> <li>• Trial balance</li> <li>• Complete supplementary questions</li> </ul>	Student toolkit section 6 Student toolkit section 7
	<b>BUSINESS ANALYST PROJECT</b> <ul style="list-style-type: none"> <li>• Business analysis presentation</li> </ul>	Student toolkit section 9

## WEEK TWO

If the student is completing two weeks of work experience, consider letting them focus on the five accounting activities in the first week (perhaps following up with real-world examples based on actual clients or business situations). Then, in the second week, spend more time on the business analysis project, so they can consider the issue more carefully and develop their ideas more thoroughly.

# Appendix C

## SUGGESTED ANSWERS TO SUPPLEMENTARY QUESTION BANK SECTION 8 IN THE STUDENT TOOLKIT

When answering these questions please look back over the work and the activities you have already completed.

- 1 In the table below write a brief description for the three different ways a business can be owned.

BUSINESS	DESCRIPTION
Sole Trader	Person owning the business on their own.
Partnership	Persons sharing the ownership and management of a business.
Limited Company	Business is owned by shareholders and run by directors. These can both be the same people.

- 2 List four ways that could be used to make a payment to a business. (Examples of these can be found in your cash book.)

Cheque, standing order, direct debit, cash, credit card, BACS.

- 3 Give an example of an expense that could be paid by standing order.

Rent, hire purchase payment, loan payments. Any other similar items that are an expense with the same amount each month are acceptable.

- 4 Give an example of an expense that could be paid by direct debit.

Phone bill, internet/broadband charge, leasing payments, insurance.

- 5 Where are receipts and payments recorded?

In the cash book.

- 6 What are outstanding cheques?

Cheques that have been written before the period end and included in the cash book, but have not yet worked their way through the banking system and so do not appear on the bank statements as at the period end.

- 7 List three items that could be un-ticked on the bank statement, after entries have been checked and ticked against the cash book.

Bank interest, direct debits, bank transfers, standing orders.

- 8 What are outstanding lodgements?

Items that have been paid into the bank account before the period end but which do not yet appear on the bank statement.

- 9 What does the term 'drawings' mean?

Personal expenses of the owner paid for with business funds.

- 10 Give three reasons why accounting records are kept by businesses.

Any three from the following.

- To provide a permanent record of transactions occurring in the business.
- To provide information so a set of financial accounts and management reports can be prepared.
- To control assets.
- To provide necessary information for decision making.
- To comply with statutory requirements.

- 11 Give three reasons why financial accounts should be prepared.

Any three from the following.

- To provide information for owners who do not work directly with the business.
- Provides a basis of calculating tax liabilities.
- To comply with statutory requirements.
- To give information to suppliers and loan companies to support applications for credit etc.

- 12 Name two main statements that would be included in a set of financial accounts.

Profit and loss account, balance sheet.

- 13 Give two examples of an asset.

Stock, debtors, property, vehicles, cash at the bank.

- 14 Give two examples of a liability.

Creditors, bank overdraft, loan.

- 15 Give an example of an expense from the profit and loss account.

Wages, rent, electricity, depreciation, postage, loan interest.

16 Below is a profit and loss account for Sweet Dreams Surprise. Calculate the net profit.

	£	£
Sales		285,000
Cost of sales		(100,000)
Gross profit		185,000
<b>Less: expenses</b>		
Wages	25,500	
Rent	11,400	
Heat and light	600	
Depreciation	1,200	(38,700)
<b>Net profit</b>		<b>£146,300</b>

17 Give an example of a fixed asset.

Property, motor vehicle, fixtures and fittings, office equipment.

18 Give an example of a current asset.

Stock, debtors, cash in hand.

19 What is input VAT?

VAT suffered on business purchases and expenses.

20 What is output VAT?

VAT charged by a business on its sales.

21 What will happen if your input VAT exceeds output VAT?

The business recovers the difference from HMRC.

22 You buy some material at a gross cost of £150, what is the VAT on the material?

$£150 \times 20/120 = £25$   
 $£150 \times 1/6 = £25$

23 Give an example of a standard rated item.

Sweets, chocolate, adult clothes, stationery etc.

24 Give an example of a zero rated item.

Books and newspapers, children's clothes, groceries etc.

25 Will VAT on a purchase be debited or credited to the VAT account?

Debited.

26 Why do we adjust for accruals in the accounts?

To adjust for an expense that has incurred in the accounting period but has not yet been billed (eg, accountancy fees).

27 What is depreciation?

An amount charged as an expense against income to write off the cost of a fixed asset over its useful life.

28 Give two methods of calculating depreciation.

Straight-line and reducing balance.

## BASIC BOOKKEEPING

Fill in the boxes to show whether the transactions listed would be debit or credit entries.

You might need some help with this exercise if you are not familiar with basic bookkeeping.

The first step is to **determine whether the account is an income, expense, asset or liability account**, then decide whether you are **increasing or decreasing the account** and then you can go on to **decide whether the transaction described would be a debit or a credit entry**.

Debits (DR) - increase expenses and assets or decrease income and liabilities.

Credits (CR) - increase income and liabilities or decrease expenses and assets.

This is how you should show your answers:

### Increase in telephone account

Income	Expense	Asset	Liability
+ or -	+ or -	+ or -	+ or -
DR or CR	DR or CR	DR or CR	DR or CR

Now have a go at the following transactions.

Increase in sales account			
Income	Expense	Asset	Liability
+ or -	+ or -	+ or -	+ or -
DR or <b>CR</b>	DR or CR	DR or CR	DR or CR

Increase in director's salary			
Income	Expense	Asset	Liability
+ or -	+ or -	+ or -	<b>+ or -</b>
DR or CR	DR or CR	DR or CR	<b>DR</b> or CR

Decrease in insurance account			
Income	Expense	Asset	Liability
+ or -	<b>+ or -</b>	+ or -	+ or -
DR or CR	DR or <b>CR</b>	DR or CR	DR or CR

Increase in interest received account			
Income	Expense	Asset	Liability
<b>+ or -</b>	+ or -	+ or -	+ or -
<b>DR</b> or CR	DR or CR	DR or CR	DR or CR

Increase in drawings account			
Income	Expense	Asset	Liability
+ or -	+ or -	+ or -	<b>+ or -</b>
DR or CR	DR or CR	DR or CR	<b>DR</b> or CR

Decrease in bank account			
Income	Expense	Asset	Liability
+ or -	+ or -	<b>+ or -</b>	+ or -
DR or CR	DR or CR	DR or <b>CR</b>	DR or CR

Increase in sales returns account			
Income	Expense	Asset	Liability
<b>+ or -</b>	+ or -	+ or -	+ or -
<b>DR</b> or CR	DR or CR	DR or CR	DR or CR

Increase in office equipment account			
Income	Expense	Asset	Liability
+ or -	+ or -	<b>+ or -</b>	+ or -
DR or CR	DR or CR	<b>DR</b> or CR	DR or CR

Increase in wages account			
Income	Expense	Asset	Liability
+ or -	<b>+ or -</b>	+ or -	+ or -
DR or CR	<b>DR</b> or CR	DR or CR	DR or CR

Increase in motor expenses account			
Income	Expense	Asset	Liability
+ or -	<b>+ or -</b>	+ or -	+ or -
DR or CR	<b>DR</b> or CR	DR or CR	DR or CR

Increase in rent and rates account			
Income	Expense	Asset	Liability
+ or -	<b>+ or -</b>	+ or -	+ or -
DR or CR	<b>DR</b> or CR	DR or CR	DR or CR

Increase in sundry sales account			
Income	Expense	Asset	Liability
<b>+ or -</b>	+ or -	+ or -	+ or -
<b>DR</b> or CR	DR or CR	DR or CR	DR or CR

Increase in purchase returns account			
Income	Expense	Asset	Liability
+ or -	<b>+ or -</b>	+ or -	+ or -
DR or CR	DR or <b>CR</b>	DR or CR	DR or CR

Increase in motor vehicles			
Income	Expense	Asset	Liability
+ or -	+ or -	<b>+ or -</b>	+ or -
DR or CR	DR or CR	<b>DR</b> or CR	DR or CR

Decrease in bank loan			
Income	Expense	Asset	Liability
+ or -	+ or -	+ or -	<b>+ or -</b>
DR or CR	DR or CR	DR or CR	<b>DR</b> or CR

Increase in bank charges			
Income	Expense	Asset	Liability
+ or -	<b>+ or -</b>	+ or -	+ or -
DR or CR	<b>DR</b> or CR	DR or CR	DR or CR

Decrease in sales account			
Income	Expense	Asset	Liability
<b>+ or -</b>	+ or -	+ or -	+ or -
<b>DR</b> or CR	DR or CR	DR or CR	DR or CR

Increase in cash account			
Income	Expense	Asset	Liability
+ or -	+ or -	<b>+ or -</b>	+ or -
DR or CR	DR or CR	<b>DR</b> or CR	DR or CR

## ACCRUALS AND PREPAYMENTS QUESTIONS

Annual accounts are usually prepared on an accruals basis. This means that they should include all income earned and expenses incurred for the year regardless of whether money has actually changed hands as at the year-end date. Therefore there may be some expenses that are paid for in advance, such as insurance, or for which a bill has not yet been received at the year end, such as electricity.

An **accrual** is an adjustment for an expense incurred during the year but where the bill has not been received by the year end.

A **prepayment** is an adjustment for an expense which has been paid during the year for a benefit/service that extends for a period beyond the year-end date.

Use the above information, and help from your host employer if you need it, to calculate the necessary accrual or prepayment for the following situations.

The year end is 31 March 20XX.

- 1 The last electricity bill received was for the quarter ending 31 December 20XX-1 and amounted to £450. What accrual is required in the annual accounts to ensure all electricity is accounted for the year ending 31 March 20XX?

Electricity will have been incurred for the quarter to 31 January 20XX but not yet billed so we need to include an accrual based on the previous quarter's bill being £450. So,  $2/3 \times £450 = £300$ .

**Accrual = £300.**

- 2 Annual insurance of £860 was paid on 5 July 20XX-1 for the year ended 30 June 20XX. What prepayment is required to ensure the correct insurance figure is included in the accounts to 31 March 20XX?

The insurance paid is for a period in excess of 31 March 20XX and so we need to take out of the accounts the additional cost by way of a prepayment. This would amount to  $£860 \times 3/12$  as the amount paid exceeds 31 March 20XX by three months. **Prepayment = £215.**

- 3 The council tax bill amounting to £1,500 was received on 1 March 20XX-1 for the year ended 31 March 20XX and in error the administrator paid it on 25 March 20XX-1. What action should be taken to correct the accounts?

As the accounts stand they include too much for council tax rates as they include a payment for the year ended 31 March 20XX. Therefore to correct the accounts we will need to make a prepayment adjustment for the full amount paid of £1,500.

- 4 Staff wages for March 20XX were paid as usual on 28 March 20XX. On 30 March 20XX one employee submitted a late claim for overtime amounting to £250. What action should be taken to ensure this amount is included in the annual accounts?

The overtime incurred relates to the year ended 31 March 20XX even though it has not yet been paid. Therefore in order to include it in the wages expense for the year we would need to include an accrual for £250 in the accounts.

# Appendix D

## SUGGESTED ANSWERS TO CASE STUDY - WORKSHEETS 1-12

### WORKSHEET 1 - PAYMENTS LISTING

DATE	AMOUNT £	SUPPLIER	DESCRIPTION	BANK OR PETTY CASH	VAT RATE
2-Jul	22.98	DC	Witches R Us	Purchases	Bank 20
4-Jul	5.80	Cash	Frangelwort Supermarket	Biscuits	PC 20
5-Jul	102.38	120456	Dress to Impress	Purchases	Bank 20
4-Jul	153.66	120457	Party Accessorize Ltd	Purchases	Bank 20
1-Jul	2.66	Cash	Post Office	Stamps	PC 0
2-Jul	15.98	Cash	Corner Shop	Wrapping paper	PC 20
3-Jul	19.38	Cash	DIY Shop	Shelf and hooks	PC 20
5-Jul	850.00	SO	Mungo	Dir's salary	Bank os
4-Jul	26.19	DC	Simply Stationery	Stationery	Bank 20
8-Jul	227.29	120458	Wizards Magic	Purchases	Bank 20
8-Jul	91.47	120459	Devils Surprise Ltd	Purchases	Bank 20
9-Jul	89.31	120460	Spooky Timers	Purchases	Bank 20
10-Jul	26.19	DC	PB Garages	Fuel	Bank 20
12-Jul	47.58	DC	PB Garages	Fuel	Bank 20
11-Jul	21.67	DC	Simply Stationery	Stationery	Bank 20
10-Jul	14.50	Cash	Post Office	Stamps	PC 0
11-Jul	20.37	DC	Frangelwort Supermarket	Biscuits	Bank 20
11-Jul	1,545.23	DD	HMRC	VAT June XX	Bank os
12-Jul	116.98	120461	Merlin's Madness	Purchases	Bank 20
15-Jul	262.45	120462	Devils Surprise Ltd	Purchases	Bank 20
16-Jul	2.56	Cash	Post Office	Stamps	PC 0
16-Jul	9.19	Cash	Frangelwort Supermarket	Biscuits	PC 20
16-Jul	1,200.00	DC	Sew 'n' Sew	Sewing	Bank 20
16-Jul	80.66	120463	Dress to Impress	Purchases	Bank 20
15-Jul	14.88	DC	Simply Stationery	Stationery	Bank 20
17-Jul	159.78	DC	Sparks and Spencers	Lunch	Bank 20
17-Jul	26.20	DC	PB Garages	Fuel	Bank 20
18-Jul	15.98	Cash	Frangelwort Supermarket	Biscuits	PC 20
18-Jul	80.23	DC	Cars R Us	Repairs to pool car	Bank 20
18-Jul	3.25	Cash	Post Office	Stamps	PC 0
19-Jul	46.63	120464	PB Garages	Fuel	Bank 20
19-Jul	65.97	DD	Electricity Company	Electricity	Bank 5
22-Jul	77.66	DD	Frangelwort Water Board	Water rates	Bank 0
23-Jul	235.56	120465	Mungo	Private	Bank private
23-Jul	19.63	DC	Simply Stationery	Stationery	Bank 20
22-Jul	57.66	DC	PB Garages	Fuel	Bank 20
24-Jul	2,553.19	120466	Computer Crazy	New PCs for office	Bank 20
24-Jul	90.13	DC	PB Garages	Fuel	Bank 20
24-Jul	356.56	120467	Inland Revenue	NIC	Bank os
25-Jul	24.07	Cash	DIY Shop	Hooks for pictures	PC 20
26-Jul	3,564.23	DD	Wages	Wages	Bank os
26-Jul	26.79	DC	PB Garages	Fuel	Bank 20
30-Jul	444.56	SO	Frangelwort Council	C Tax	Bank os
31-Jul	15.99	DC	Frangelwort Supermarket	Biscuits	Bank 20
31-Jul	36.42	DC	Simply Stationery	Stationery	Bank 20
30-Jul	48.68	DC	PB Garages	Fuel	Bank 20
<b>12,918.53</b>		NB Electricity has a special VAT rate of 5%			

**KEY:** DC debit card SO standing order DD direct debit 120456 cheque number

**VAT KEY:** OS outside the scope 0 zero rated/exempt PRIVATE private expenditure - VAT n/a 20 standard rated 20% 5 Special rate of 5%

WORKSHEET 2 - PAYMENTS CASHBOOK

DATE	SUPPLIER	TOTAL £	VAT £	NET £	PURCH'S £	POST, STAT'Y £	CAPITAL £	REPAIRS £	MOTOR £	WAGES NIC, VAT £	ENTER- TAINING £	HEAT, LIGHT £	RATES, WATER £	SUNDRY £	DIR'S SALARY £	
2-Jul	Witches R Us	✓	22.98	3.83	19.15	19.15										
4-Jul	Party Accessorize	✓	153.66	25.61	128.05	128.05										
4-Jul	Simply Stationery	✓	26.19	4.36	21.83	21.83										
5-Jul	Dress to Impress	✓	102.38	17.06	85.32	85.32										
5-Jul	Mungo	✓	850.00		850.00										850.00	
8-Jul	Wizards Magic	✓	227.29	37.88	189.41	189.41										
8-Jul	Devils Surprise Ltd	✓	91.47	15.24	76.23	76.23										
9-Jul	Spooky Timers	✓	89.31	14.88	74.43	74.43										
10-Jul	PB Garages	✓	26.19	4.36	21.83				21.83							
11-Jul	Simply Stationery	✓	21.67	3.61	18.06	18.06										
11-Jul	Frangelwort Supermarket	✓	20.37	3.39	16.98									16.98		
11-Jul	HMRC	✓	1,545.23		1,545.23					1,545.23						
12-Jul	PB Garages	✓	47.58	7.93	39.65				39.65							
12-Jul	Merlin's Madness	✓	116.98	19.49	97.49	97.49										
15-Jul	Devils Surprise Ltd	✓	262.45	43.74	218.71	218.71										
15-Jul	Simply Stationery	✓	14.88	2.48	12.40	12.40										
16-Jul	Sew 'n' Sew	✓	1,200.00	200.00	1,000.00		1,000.00									
16-Jul	Dress to Impress	✓	80.66	13.44	67.22	67.22										
17-Jul	Sparks and Spencers	✓	159.78	26.63	133.15					133.15						
17-Jul	PB Garages	✓	26.20	4.36	21.84				21.84							
18-Jul	Cars R Us	✓	80.23	13.37	66.86				66.86							
19-Jul	PB Garages		46.63	7.77	38.86				38.86							
19-Jul	Electricity Company	✓	65.97	3.14	62.83						62.83					
22-Jul	Frangelwort Water Board	✓	77.66		77.66							77.66				
22-Jul	PB Garages	✓	57.66	9.61	48.05				48.05							
23-Jul	Mungo		235.56		235.56										235.56	
23-Jul	Simply Stationery	✓	19.63	3.27	16.36	16.36										
24-Jul	Computer Crazy		2,553.19	425.53	2,127.66		2,127.66									
24-Jul	PB Garages	✓	90.13	15.02	75.11				75.11							
24-Jul	Inland Revenue		356.56		356.56					356.56						
26-Jul	Wages	✓	3,564.23		3,564.23					3,564.23						
26-Jul	PB Garages	✓	26.79	4.46	22.33				22.33							
30-Jul	Frangelwort Council	✓	444.56		444.56							444.56				
30-Jul	PB Garages	✓	48.68	8.11	40.57				40.57							
31-Jul	Frangelwort Supermarket	✓	15.99	2.66	13.33									13.33		
31-Jul	Simply Stationery	✓	36.42	6.07	30.35	30.35										
			12,805.16	947.30	11,857.86	956.01	99.00	3,127.66	0.00	375.10	5,466.02	133.15	62.83	522.22	30.31	1,085.56
											*					
											*					
											3,564.23					
											356.56					
											1,545.23					
											<b>5,466.02</b>					

KEY: ✓ agreed to bank statement

### WORKSHEET 3 - PETTY CASH BOOK

DATE	TOTAL £	VAT £	POST, STATIONERY £	REPAIRS, RENEWALS £	SUNDRY £
01-Jul	2.66		2.66		
02-Jul	15.98	2.66			13.32
03-Jul	19.38	3.23		16.15	
04-Jul	5.80	0.96			4.84
10-Jul	14.50		14.50		
16-Jul	2.56		2.56		
16-Jul	9.19	1.53	7.66		
18-Jul	15.98	2.66			13.32
18-Jul	3.25		3.25		
25-Jul	24.07	4.01		20.06	
	<b>113.37</b>	<b>15.05</b>	<b>30.63</b>	<b>36.21</b>	<b>31.48</b>

PETTY CASH RECONCILIATION			£
Balance as at 30 June 20XX			78.50
Receipts	1/7/XX Bank		100.00
Payments			<b>-113.37</b>
Balance as at 31 July 20XX			<b>65.13</b>



## WORKSHEET 4 - RECEIPTS LISTING

DATE	AMOUNT £	CUSTOMER
2-Jul	1,180.82	Abracadabra Ltd
3-Jul	576.21	Sizzlewitch Dramatics
4-Jul	153.46	Sizzlewitch Dramatics
4-Jul	217.70	Witty Wigs
5-Jul	90.54	Party Accesorize Ltd
4-Jul	148.66	Witty Wigs
5-Jul	67.64	Knotwise Events
4-Jul	237.51	Fairys R Us
5-Jul	46.18	Bloosom Roosevelt
10-Jul	611.38	Meliot Proudfoot
10-Jul	466.03	Abracadabra Ltd
15-Jul	114.62	Knotwise Events
15-Jul	1,133.85	Sizzlewitch Dramatics
16-Jul	24.07	Bloosom Roosevelt
16-Jul	66.62	Merlin's Madness
22-Jul	33.34	Lily Gangee
17-Jul	466.36	Muncho Danderfluff
18-Jul	67.98	Witty Wigs
19-Jul	91.56	Clowns Topsy Turvey Town
25-Jul	46.63	Ruby Knotwise
25-Jul	1,139.38	Party Accessorize Ltd
26-Jul	91.56	Fairys R Us
26-Jul	113.83	Orange Blossom
28-Jul	1,251.39	Sizzlewitch Dramatics
29-Jul	56.84	Meliot Proudfoot
31-Jul	76.11	Merlin's Madness
31-Jul	1,597.51	Crazy Costumes
31-Jul	57.66	Clowns Topsy Turvey Town
<b>10,225.44</b>		

WORKSHEET 5 - RECEIPTS CASH BOOK

DATE	CUSTOMER	TOTAL £	VAT £	NET SALES £	
02-Jul	Abracadabra Ltd	1,180.82	196.80	984.02	✓
03-Jul	Sizzlewitch Dramatics	576.21	96.03	480.18	✓
04-Jul	Sizzlewitch Dramatics	153.46	25.57	127.89	✓
04-Jul	Witty Wigs	217.70	36.28	181.42	✓
04-Jul	Fairys R Us	237.51	39.58	197.93	✓
04-Jul	Witty Wigs	148.66	24.77	123.89	✓
05-Jul	Party Accessorize	90.54	15.09	75.45	✓
05-Jul	Knotwise Events	67.64	11.27	56.37	✓
05-Jul	Blossom Roosevelt	46.18	7.69	38.49	✓
10-Jul	Meliot Proudfoot	611.38	101.89	509.49	✓
10-Jul	Abracadabra Ltd	466.03	77.67	388.36	✓
15-Jul	Knotwise Events	114.62	19.10	95.52	✓
15-Jul	Sizzlewitch Dramatics	1,133.85	188.97	944.88	✓
16-Jul	Blossom Roosevelt	24.07	4.01	20.06	✓
16-Jul	Merlin's Madness	66.62	11.10	55.52	✓
17-Jul	Muncho Danderfluff	466.36	77.72	388.64	✓
18-Jul	Witty Wigs	67.98	11.33	56.65	✓
19-Jul	Clowns Topsy Turvey Town	91.56	15.26	76.30	✓
22-Jul	Lily Gangee	33.34	5.55	27.79	✓
25-Jul	Ruby Knotwise	46.63	7.77	38.86	✓
25-Jul	Party Accessorize	1,139.38	189.89	949.49	✓
26-Jul	Fairys R Us	91.56	15.26	76.30	✓
26-Jul	Orange Blossom	113.83	18.97	94.86	✓
28-Jul	Sizzlewitch Dramatics	1,251.39	208.56	1,042.83	
29-Jul	Meliot Proudfoot	56.84	9.47	47.37	
31-Jul	Merlin's Madness	76.11	12.68	63.43	
31-Jul	Crazy Costumes	1,597.51	266.25	1,331.26	
31-Jul	Clowns Topsy Turvey Town	57.66	9.61	48.05	
		<b>10,225.44</b>	<b>1,704.14</b>	<b>8,521.30</b>	

KEY: ✓ agreed to bank statement

**WORKSHEET 6 - BANK ACCOUNTS AND RECONCILIATION**

	£	£
Balance as at 1 July 20XX		12,456.23
Total payments for July		-12,805.16
Total receipts for July		10,225.44
Cash withdrawal		-100.00
Balance per cash book as at 31 July 20XX		9,776.51

<b>BANK RECONCILIATION</b>	£	£
Balance per bank statement 31 July 20XX		9,928.94
Add: unrepresented lodgements		
Sizzlewitch Dramatics		1,251.39
Meliot Proudfoot		56.84
Merlin's Madness		76.11
Crazy Costumes		1,597.51
Clowns Topsy Turvey Town		57.66
Less: outstanding cheques		
PB garages		-46.63
Mungo		-235.56
Computer Crazy		-2,553.19
Inland Revenue		-356.56
Balance per cash book as at 31 July 20XX		9,776.51

<b>OPENING BALANCE RECONCILIATION</b>	£	£
Balance per bank statement as at 1 July 20XX		12,701.83
Less: outstanding cheques as at 1 July 20XX	120455	-245.60
Balance per cash book as at 1 July 20XX		12,456.23

WORKSHEET 7 - EXTRACT FROM BANK STATEMENT

DATE	CUSTOMER	TYPE	DEBIT £	CREDIT £
<b>Balance as at 1 July 20XX</b>				<b>12,701.83</b>
1-Jul	Cash Withdrawal		100.00	
2-Jul	Cheque Payment	120455	245.60	X
2-Jul	Witches R Us	DC	22.98	✓
2-Jul	Credit			1,180.82
3-Jul	Credit			576.21
4-Jul	Simply Stationery	DC	26.19	✓
4-Jul	Credit			153.46
4-Jul	Credit			217.70
4-Jul	Credit			148.66
4-Jul	Credit			237.51
5-Jul	Mungo	SO	850.00	✓
5-Jul	Credit			90.54
5-Jul	Credit			67.64
5-Jul	Credit			46.18
7-Jul	Cheque Payment	120457	153.66	✓
8-Jul	Cheque Payment	120456	102.38	✓
10-Jul	Cheque Payment	120458	227.29	✓
10-Jul	PB Garages	DC	26.19	✓
10-Jul	Credit			611.38
10-Jul	Credit			466.03
11-Jul	Cheque Payment	120459	91.47	✓
11-Jul	Simply Stationery	DC	21.67	✓
11-Jul	HMRC	DD	1,545.23	✓
11-Jul	Frangelwort Supermarket	DC	20.37	✓
12-Jul	Cheque Payment	120460	89.31	✓
12-Jul	PB Garages	DC	47.58	✓
15-Jul	Cheque Payment	120461	116.98	✓
15-Jul	Simply Stationery	DC	14.88	✓
15-Jul	Credit			114.62
15-Jul	Credit			1,133.85
16-Jul	Credit			24.07
16-Jul	Credit			66.62
16-Jul	Sew 'n' Sew		1,200.00	✓
17-Jul	Sparks and Spencers	DC	159.78	✓
17-Jul	PB Garages	DC	26.20	✓
17-Jul	Credit			466.36
18-Jul	Cars R Us	DC	80.23	✓
18-Jul	Credit			67.98
19-Jul	Electricity Company	DD	65.97	✓
19-Jul	Credit			91.56
22-Jul	Cheque Payment	120462	262.45	✓
22-Jul	Frangelwort Water Board	DD	77.66	✓
22-Jul	PB Garages	DC	57.66	✓
22-Jul	Credit			33.34
23-Jul	Simply Stationery	DC	19.63	✓
24-Jul	PB Garages	DC	90.13	✓
24-Jul	Cheque Payment	120463	80.66	✓
25-Jul	Credit			46.63
25-Jul	Credit			1,139.38
26-Jul	A/C 256645 (wages)	DD	3,564.23	✓
26-Jul	PB Garages	DC	26.79	✓
26-Jul	Credit			91.56
26-Jul	Credit			113.83
30-Jul	FCC	SO	444.56	✓
30-Jul	PB Garages	DC	48.68	✓
31-Jul	Frangelwort Supermarket	DC	15.99	✓
31-Jul	Simply Stationery	DC	36.42	✓
<b>Balance as at 31 July 20XX</b>				<b>9,928.94</b>

KEY: DC debit card SO standing order DD direct debit ✓ agreed to cashbook X agreed to opening bank reconciliation

**WORKSHEET 8 - FIXED ASSET REGISTER**

ASSET	DATE OF PURCHASE	DEPRECIATION RATE	ORIG COST £	20XX-6 £	20XX-5 £	20XX-4 £	20XX-3 £	20XX-2 £	20XX-1 £	NBV AT 31 JUL 20XX-1 £	20XX £	NBV AT 31 JUL 20XX £
Office furniture	11/04/20XX-6	25% rb	11,423.00	2,855.75	2,141.81	1,606.36	1,204.77	903.58	677.68	2,033.05	508.26	1,524.79
Sewing machines	12/08/20XX-5	25% rb	25,450.00			6,362.50	4,771.87	3,578.91	2,684.18	8,052.54	2,013.13	6,039.41
Fabric cutter	25/10/20XX-5	15% rb	18,666.00			2,799.90	2,379.92	2,022.92	1,719.49	9,743.77	1,461.57	8,282.20
Template machine	04/04/20XX-4	15% rb	12,356.00			1,853.40	1,575.39	1,339.08	1,138.22	6,449.91	967.49	5,482.42
Computers	05/11/20XX-4	3 yrs sl	8,522.00				2,840.67	2,840.67	2,840.66	0.00		0.00
Laptops	26/08/20XX-3	3 yrs sl	5,123.00					1,707.67	1,707.67	1,707.66	1,707.66	0.00
Server	02/02/20XX-2	3 yrs sl	2,456.00					818.67	818.67	818.66	818.66	0.00
Software	18/04/20XX-1	3 yrs sl	1,555.00						518.33	1,036.67	518.33	518.34
Fabric dye	01/06/20XX-1	15% rb	15,456.00						2,318.40	13,137.60	1,970.64	11,166.96
Sewing machines	02/07/20XX	25% rb	1,000.00								250.00	750.00
Laptop	05/07/20XX	3 yrs sl	2,127.66								709.22	1,418.44
<b>Total</b>			<b>104,134.66</b>							<b>42,979.86</b>		

Check:  $42,979.86 + 2,127.66 + 1,000.00 - 10,924.96 = 35,182.56$

Sewing machines are depreciated at 25% rb

Computer equipment is depreciated straight line over three years

## WORKSHEET 9 - VAT ACCOUNT

		£
<b>Balance brought forward 1 July 20XX</b>		<b>1,545.23</b>
Output VAT (ie on sales) July 20XX		1,704.14
Less:		
Input VAT from payments cash book July 20XX		-947.30
Input VAT from payments petty cash book July 20XX		-15.05
Less:		
Amount paid to HMRC in month		-1,545.23
<b>Balance due to/from (delete as applicable) HMRC as at 31 July 20XX</b>		<b>741.79</b>
* Remember to add together VAT from payments cash book and petty cash book		

**WORKSHEET 10 - TRIAL BALANCE**

	INSTRUCT (SEE PAGE 11)	STEP 1 BALANCE 30 JUNE (£)	MOVEMENT JULY (£)	TB FIGURE (£)	STEP 2 DEBIT (£)	CREDIT (£)	STATEMENT
Fixed assets	i	42,979.86	-7,797.30	35,182.56	35,182.56		Bsheet
Stock - closing	ii			25,000.00	25,000.00		Bsheet
Stock - closing	ii			25,000.00		25,000.00	P&L acc
Debtors	ii			12,967.00	12,967.00		Bsheet
Bank and Cash	iii	12,534.73	-2,693.09	9,841.64	9,841.64		Bsheet
Creditors	ii			12,500.00		12,500.00	Bsheet (c)
VAT	iv	1,545.23	-803.44	741.79		741.79	Bsheet (c)
Director's loan account	ii			5,500.00		5,500.00	Bsheet (f)
Share capital				1,000.00		1,000.00	Bsheet
Profit and loss account				52,864.00		52,864.00	Bsheet
Sales	v	169,323.19	8,521.30	177,844.49		177,844.49	P&L acc
Purchases	v	97,569.56	956.01	98,525.57	98,525.57		P&L acc
Opening stock	ii	11,256.00		11,256.00	11,256.00		P&L acc
Director's salary	v	9,350.00	1,085.56	10,435.56	10,435.56		P&L acc
Wages	v	34,962.27	3,564.23	38,526.50	38,526.50		P&L acc
Tax, NIC	v	3,846.00	356.56	4,202.56	4,202.56		P&L acc
Postage, stationery	v	564.00	129.63	693.63	693.63		P&L acc
Heat, light	v	1,125.00	62.83	1,187.83	1,187.83		P&L acc
Rates, water	v	2,145.00	522.22	2,667.22	2,667.22		P&L acc
Motor expenses	v	5,646.00	375.10	6,021.10	6,021.10		P&L acc
Repairs, renewals	v	2,314.00	36.21	2,350.21	2,350.21		P&L acc
Depreciation	vi			10,924.96	10,924.96		P&L acc
Entertaining	v	1,546.00	133.15	1,679.15	1,679.15		P&L acc
Sundry	v	3,927.00	61.79	3,988.79	3,988.79		P&L acc
					<b>275,450.28</b>	<b>275,450.28</b>	

## WORKSHEET 11 - PROFIT AND LOSS ACCOUNT

TRANSFER ALL THE FIGURES FROM THE TRIAL BALANCE MARKED P&L ACCOUNT		£	£
<b>Sales</b>			<b>177,844.49</b>
Less:			
Cost of sales			
Opening stock		11,256.00	
Purchases		98,525.57	
Less closing stock		-25,000.00	<b>84,781.57</b>
<b>Gross profit</b>			<b>93,062.92</b>
Less expenses:			
Director's salary			10,435.56
Wages			38,526.50
Tax, NIC			4,202.56
Postage and stationery			693.63
Heat, light			1,187.83
Rates, water			2,667.22
Motor expenses			6,021.10
Repairs, renewals			2,350.21
Depreciation			10,924.96
Entertaining			1,679.15
Sundry			3,988.79
<b>Net profit (balancing figure)</b>			<b>10,385.41</b>



**WORKSHEET 12 - BALANCE SHEET**

TRANSFER ALL THE FIGURES FROM THE TRIAL BALANCE MARKED BALANCE SHEET		£	£	
Fixed assets	a		35,182.56	
Stocks	b	25,000.00		
Debtors	b	12,967.00		
Bank and cash	b	9,841.64		
		47,808.64		
Less:				
Creditors (amounts falling due within one year)	c	13,241.79		
Net current assets	d		34,566.85	b - c
Total assets less current liabilities	e		69,749.41	a + d
Less:				
Creditors (amounts falling due after more than one year)	f		5,500.00	
Net assets			64,249.41	e - f
Financed by:				
Share capital	g		1,000.00	
Profit and loss account				
Balance as at 1 August 20XX	h	52,864.00		
Profit for the period	i	10,385.41		
Balance as at 31 July 20XX	j		63,249.41	h + i
			<b>64,249.41</b>	g + j