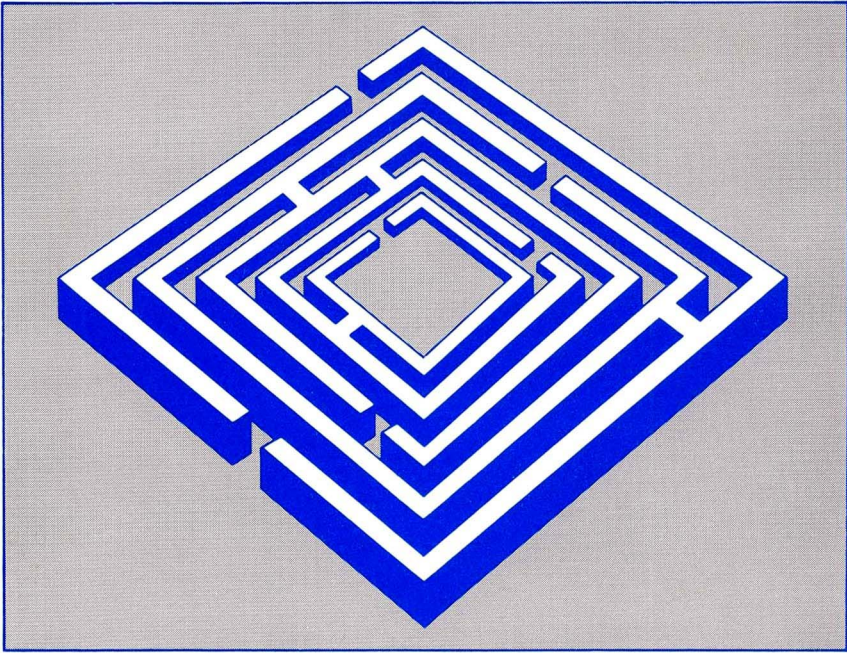


ACCOUNTING AND FINANCIAL MANAGEMENT PACKAGE



BUSINESS CONTROLLER

ACCOUNTANTS' GUIDE

 **DIGITA**
INTERNATIONAL

**FOR THE
AMSTRAD PCW**



Business Controller Accountant's Guide

for the
AMSTRAD PCW COMPUTER

written by
STUART TRANTER

DIGITA INTERNATIONAL LIMITED

With grateful acknowledgement to the following:



E. Dickinson, F.C.A.

This program has been prepared for use by the general public and every effort has been made to make a complex subject as clearly understandable as possible, to anyone with limited accounting knowledge. No responsibility, however, is accepted for possible misrepresentation or omissions arising from the need to simplify this complex subject matter or indeed to obviate the necessity to seek advice from an appropriate professional source.

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Purpose of this Booklet

This booklet gives an overview of the Business Controller accounts software. It's main purpose is for your accountant to have information on the system you will be using, in order that he may advise on using it to greatest benefit.

Main Features and Methods of Use

Business Controller is a computerised replacement for a cashbook, but includes a range of reports up to Balance Sheet and various accounting ratios. There are several ways in which the system can be used:

- 1 By an inexperienced user simply as a way of recording receipts and payments, and to ease the production of VAT returns. Monthly summaries are simply produced, and audit trails can be forwarded to the accountant for the production of accounts. Automatic double entry and built-in error checking should reduce mistakes, such as incorrect posting.
- 2 By an experienced user who could make necessary adjustments himself using the journal routines and the system will produce final accounts and accounting ratios.
- 3 Used purely by an accountant to produce accounts for his clients. This can quickly be done using the journal only, based on the client's manual cashbook.
- 4 As a "partnership" between accountant and client. The client would simply enter transactions (keeping hard copies for security). At regular intervals a copy of the working disc(s) could be sent to the accountant who would make the necessary adjustments to produce final accounts.

The main features are as follows:

- 1 Double entry routines for transactions through the cash/bank accounts and the sales/purchase ledger control accounts.
- 2 Journal facility for the initial set-up of accounts or for adjustments to any of the accounts.
- 3 The facility to produce the following screened or printed reports:
 - a. listing of all the nominal account titles;
 - b. monthly transaction summaries;

- c. screen VAT memo account balances (sales/net purchases, and VAT accounts);
 - d. a facility to print out all or part of the audit trail either by account, reference, transaction type or by dates.
- 4 The facility to extract regular management information such as cash/bank balances, debtors and creditors, sales, overheads, etc.
 - 5 Screen prompts throughout the program to facilitate ease of use.
 - 6 Storage of VAT information to assist in the preparation of periodic VAT returns.
 - 7 Error trapping routines to minimise input errors.
 - 8 The facility to handle the financial transactions of sole traders, partnerships, limited companies, clubs, etc.
 - 9 A facility to define the function keys in order to reduce typing when entering the same information frequently.
 - 10 A range of accounting ratios to aid analysis and measure performance.

Users registered for VAT are reminded that it is a statutory requirement to inform their local VAT office when they change their accounting records on to a new computerised system.

System Design and Features

Business Controller is divided into two parts:

- 1 The Accounts Section
- 2 The Report Section

Accounts:

There is a total of 199 nominal accounts, a large number of which may be defined by the user. You may have up to four cash control accounts, six bank control accounts, one sales ledger, and one purchase ledger control account. The program will automatically store a data file consisting of:

- 1 The account titles.
- 2 The current cumulative balance on each account (debit or credit).
- 3 The net movement on each account for every month of the year.
- 4 The VAT net sales and net payments which are automatically created and maintained by the program.
- 5 A full audit trail showing every transaction made. The audit trail can be spread over any number of discs and the program will prompt at the correct time to change discs should this be necessary.

Reports:

The Report part of the package enables a trading, Profit and Loss Account and a Balance Sheet to be produced whenever required. Comparative or budget figures can be shown alongside the actual figures.

It is possible to either enter data using the transactions option, which gives automatic double entry, or alternatively just enter all the information using the journal to purely produce the final reports.

Appendix 2 indicates the location of the nominal accounts and either the profit and loss account or balance sheet. This is for the guidance of anyone who wishes to set up or re-define any of the accounts to meet the requirements of their own business.

Accounting Ratios

The following ratios can be screened or printed at any time:

SOLVENCY RATIOS

Current, or working capital ratio.

Acid Test, or liquid ratio.

EQUITY RATIOS (Limited companies only)

Equity: Total Capital Employed.

Equity: Fixed Assets.

SALES

Capital Turnover.

Equity Turnover (Limited companies only).

Current Assets Turnover.

Working Capital Turnover.

Stock Turnover.

Debtors Turnover.

RETURN

Net Profit: Total Capital Employed.

Net Profit: Equity (Limited companies only).

Net Profit: Sales.

Net Profit: Working Capital.

An example of accounting ratios is shown below, with comparatives:

J. Jones Computers

27/03/87

Accounting Ratios at 31st March 1988

SOLVENCY RATIOS

	87/88	86/87
Current, or Working Capital Ratio	17820 :6750 (2.6)	14839 :3858 (3.8)
Acid Test, or Liquid Ratio.	17820 :6750 (2.6)	14839 :3858 (3.8)

SALES

Capital Turnover.	15350 :13870 (1.1)	14731 :12781 (1.1)
Current Assets Turnover.	15350 :17820 (0.8)	14731 :14839 (0.9)
Working Capital Turnover	15350 :17820 (0.8)	14731 :14839 (0.9)
Stock Turnover.		
Debtors Turnover.	15350 :4960 (3)	14731 :4960 (2.9)

RETURN

Net Profit : Tot Capital Employed	13920 :13870 (1)	12881 :12781 (1)
Net Profit : Sales.	13920 :15350 (0.9)	12881 :14731 (0.8)
Net Profit : Working Capital.	13920 :4960 (2.8)	12881 :4960 (2.5)

The first two numbers either side of the colon are the actual amounts calculated from the accounts, followed by the ratio to one. For example,

Acid Test, or Liquid Ratio 17820 : 8900 (2)

means the business has a total of £17,820 liquid assets, and £8,900 current liabilities giving a ratio of 2:1.

Appendix 1 — Nominal Account Codes and Titles

1	Sales (1)	50	Rent	100	Freehold Property	149	
2	Sales (2)	51	Rates	101	Leasehold Property	150	
3	Sales (3)	52		102	Vehicles	151	
4	Sales (4)	53	Insurance	103	Plant & Equipment	152	Director's Current Account
5		54		104	Fixtures & Fittings	153	
6		55	Light & Heat	105		154	
7		56		106		155	
8	Fee Income	57	Repairs	107		156	Income Tax
9	Own Consumption	58		108	F/H Prop - Acc Dep'n	157	Dividends payable
10	Opening Stock & W.I.P.	59	Motor Expenses	109	L/H Prop - Acc Dep'n	158	Bank Loan
11		60		110	Vehicles - Acc Dep'n	159	Loan
12		61	Carriage	111	Plant & Equip - Acc Dep'n	160	Capital Account (1)
13	Purchases	62	Sundry Expenses	112	Fixt & Fitt - Acc Dep'n	161	Capital Account (2)
14		63	Telephone	113		162	Capital Account (3)
15		64	Postage & Stationery	114		163	Capital Account (4)
16		65	Advertising	115		164	Capital Account (5)
17		66	Audit Fee	116	Goodwill	165	Capital Intro (1)
18		67	Accountancy	117	Investments	166	Capital Intro (2)
19		68	Legal & Professional	118		167	Capital Intro (3)
20	Direct Labour	69		119		168	Capital Intro (4)
21		70		120	Bank (1)	169	Capital Intro (5)
22		71		121	Bank (2)	170	Drawings (1)
23		72	Bank Interest & Charges	122	Bank Deposit	171	Drawings (2)
24		73	Bank Loan Interest	123		172	Drawings (3)
25		74	Loan Interest	124		173	Drawings (4)
26		75	Hire Purchase Interest	125		174	Drawings (5)
27	Closing Stock & W.I.P.	76		126	Cash (1)	175	
28		77		127	Petty Cash	176	
29		78	Leasing	128		177	
30	Sundry Income	79		129		178	
31		80	F/H Prop - Dep'n	130	Stock & W.I.P.	179	
32		81	L/H Prop - Dep'n	131		180	
33		82	Vehicles - Dep'n	132		181	
34	Deposit Interest	83	Plant & Equip - Dep'n	133		182	
35		84	Fixt & Fitt - Dep'n	134		183	Long Term Loan
36	Rent Received	85		135	Debtors & prepayments	184	Share Capital
37		86		136	Sales Ledger Control	185	
38	Investment Income	87		137	VAT O/P Tax	186	Capital Reserve
39		88	Disposal of F/Assets	138	VAT I/P Tax	187	Share Premium Account
40	Director's Remuneration	89		139	VAT Payments/Refunds	188	Revenue Reserve
41	Salaries & Wages	90	Corporation Tax	140	Creditors & Accruals	189	
42	Wages	91		141		190	
43	Wife's Wages	92		142	Purchase Ledger Control	191	
44	Use of Home as Office	93		143		192	Deferred Taxation
45	Bad Debts	94		144		193	
46	Doubtful Debt Provision	95		145		194	Director's Loan Account
47	Discounts Taken/Rec'd	96	Dividend	146		195	
48		97		147		196	
49		98		148	Hire Purchase	197	
		99				198	
						199	

Appendix 2 — Account Layout Summary

Profit & Loss Account

A/C Code	Section	Valid Transaction (R=Receipt P=Payment)	Memo A/C Updated
001 — 008	Direct Sales	R & P	Sales
009	Own Consumption	R	Sales
010 — 012	Opening Stock & W.I.P.	R & P	None
013 — 019	Purchases for Resale	P	Net Purchases
020 — 026	Direct Costs	P	None
027 — 029	Closing Stock & W.I.P.	R & P	None
030 — 039	Other income (not sales)	R	None
	Expenses		
040 — 049	General Expenses	P	None
050 — 056	Establishment Expenses	P	Net Purchases
057 — 071	General Expenses	P	Net Purchases
072 — 079	Finance Charges	P	Net Purchases
080 — 087	Deprc'n of Fixed Assets	R & P	None
088 — 089	Deprc'n of Fixed Assets	R & P	Sales
090 — 092	Taxation (Co. only)	R & P	None
093 — 095	Extraordinary Items (Co. only)	R & P	None
096 — 099	Dividends (Co. only)	R & P	None

Balance Sheet

A/C Code	Section	Valid Transaction (R=Receipt P=Payment)	Memo A/C Updated
100 — 107	Fixed Assets	R & P	Net Purchases
108 — 119	Fixed Assets	R & P	None
120 — 125	Bank Control Accounts	R & P	None
126 — 129	Cash Control Accounts	R & P	None
130 — 136	Current Assets (note 4)	R & P	None
137	VAT Account (note 4)	R & P	VAT
			Output Tax
138	VAT Account (note 4)	R & P	VAT
			Input Tax
139	VAT Account (note 4)	R & P	None
140 — 159	Current Liabilities (note 4)	R & P	None
	Represented by:		
160 — 182	Sole Trader/Partners only	R & P	None
183	Long Term Loan	R & P	None
184 — 199	Companies only	R & P	None

Appendix 2 Notes

- 1 Nominal account transactions with the exception of those through the journal, will also be posted to the above memorandum accounts.
- 2 The following accounts are restricted in their use:
 - 160 — 182 allocated for the use of sole traders and partnerships only, and must not be used by limited companies.
 - 90 — 99 and 184 — 199 are for use of limited companies only.
- 3 The following control accounts can be re-titled and they will always appear as a sub-menu when using the TRANS-ACTIONS option. The method of operation for the control accounts is that only one side of the transaction has to be posted, i.e. the analysis side, and the posting to the control account is automatic, e.g. a cheque payment of £100 in respect of motor expenses is analysed to account number 59, but the movement on the bank account — code 120 — is automatic.
 - 120 — 125 are bank control accounts
 - 126 — 129 are cash control accounts
- 4 The following accounts are pre-defined in their use and cannot be adjusted:
 - 136 137 138 139 142

Appendix 3

Monthly summary

J. Jones Computers

27/03/87

Monthly Summary for 12 Months

A/C TITLE	AMOUNT
1 Sales (1)	4,750.00 Credit
2 Sales (2)	9,600.00 Credit
3 Sales (3)	1,000.00 Credit
13 Purchases	930.00 Debit
47 Discounts Taken/Rec'd	50.00 Debit
59 Motor expenses	100.00 Debit
72 Bank Interest & Charges	150.00 Debit
82 Vehicles - Dep'n	200.00 Debit
102 Vehicles	3,000.00 Debit
110 Vehicles - Acc Dep'n	200.00 Credit
120 Bank (1)	9.860 Debit
122 Bank Deposit	3,000.00 Credit
126 Cash (1)	3,000.00 Debit
136 Sales Ledger Control	4,960.00 Debit
137 VAT O/P Tax	2,895.00 Credit
138 VAT I/P Tax	155.00 Debit
139 VAT Payments/Refunds	1,000.00 Credit
142 Purchase Ledger Cntrl	310.00 Credit
148 Hire Purchase	300.00 Debit
170 Drawings (1)	50.00 Debit

Memo Accounts

200 Sales	0.00
201 Net Payments	0.00
202 VAT O/P (Memo)	0.00
203 VAT I/P (Memo)	0.00

Account summary

J. Jones Computers

27/03/87

Account Summary (All Accounts)

Title	Jan Jul	Feb Aug	Mar Sep	Apr Oct	May Nov	Jun Dec
1 Sales (1)	0.00	0.00	4750.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
2 Sales (2)	0.00	0.00	9600.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
3 Sales (3)	0.00	0.00	1000.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
13 Purchases	0.00	0.00	-930.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
47 Discounts Taken/Rec'd	0.00	0.00	-50.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
59 Motor expenses	0.00	0.00	-100.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
72 Bank Interest & Charges	0.00	0.00	-150.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
82 Vehicles - Dep'n	0.00	0.00	-200.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
102 Vehicles	0.00	-3000.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
110 Vehicles - Acc Dep'n	0.00	0.00	200.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
120 Bank (1)	0.00	0.00	-9860.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
122 Bank Deposit	0.00	3000.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
126 Cash (1)	0.00	0.00	-3000.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
136 Sales Ledger Control	0.00	0.00	-4960.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
137 VAT O/P Tax	0.00	0.00	2895.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
138 VAT I/P Tax	0.00	0.00	-155.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
139 VAT Payments/Refunds	0.00	0.00	1000.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00

Audit trail example (Cash Payments and Journal Activity)

J. Jones Computers

27/03/87

Bank Payments

Batch 5: Bank (1) (Code 120) Entered 07/03/87 Total = 1,225.00

Transaction Number 1

138: VAT I/P Tax	75.00	Ref: Stock purchases (Smiths)
13 : Purchases	500.00	Ref:

	575.00	

Transaction Number 2

126: Cash (1)	200.00	Ref: For petty cash tin

	200.00	

Transaction Number 3

72 : Bank Interest & Charges	100.00	Ref: Bank interest
72 : Bank Interest & Charges	50.00	Ref: Bank charges
148: Hire Purchase	300.00	Ref: Standing order

	450.00	

Batch 9: Bank (1) (Code 120) Entered 07/03/87 Total = 100.00

Transaction Number 1

142: Purchase Ledger Cntrl	100.00	Ref: See manual records

	100.00	

Batch 26: Bank Deposit (Code 122) Entered 07/03/87 Total = 3,000.00

Transaction Number 1

102: Vehicles	3,000.00	Ref: Purchase Morris Minor

	3,000.00	

Trial Balance Example

J. Jones Computers

27/03/87

Trial Balance at 31st March 1988

Account	Debit	Credit
1. Sales (1)		4,750
2. Sales (2)		9,600
3. Sales (3)		1,000
13. Purchases	930	
47. Discounts Taken/Rec'd	50	
59. Motor expenses	100	
72. Bank Interest & Charges	150	
82. Vehicles - Dep'n	200	
102. Vehicles	3,000	
110. Vehicles - Acc Dep'n		200
120. Bank (1)	9,860	
122. Bank Deposit		3,000
126. Cash (1)	3,000	
136. Sales Ledger Control	4,960	
137. VAT O/P Tax		2,895
138. VAT I/P Tax	155	
139. VAT Payments/Refunds		1,000
142. Purchase Ledger Cntrl		310
148. Hire Purchase	300	
170. Drawings (1)	50	
	-----	-----
	£ 22,755	£ 22,755
	=====	=====

Profit and Loss Account example

J. Jones Computers

27/03/87

Trading and Profit/(Loss) Account for the 12 Months ended 31st March 1988

	Note	87/88	86/87
		£	£
Sales	1	15350	14731
		-----	-----
Purchases		930	1500
		-----	-----
Gross Profit (GP%)		14420 (94%)	13231 (90%)
		-----	-----
Less expenses			
Discounts Taken/Rec'd		50	39
Motor expenses		100	12
Bank Interest & Charges		150	99
Vehicles - Dep'n		200	200
		-----	-----
		500	350
		-----	-----
Net Profit/(Loss)		£ 13920	£ 12881
		=====	=====

Notes to the Trading and Profit/(Loss) account

	87/88	86/87
1. Sales	£	£
Sales (1)	4750	4500
Sales (2)	9600	9000
Sales (3)	1000	231
Sales (4)	-	1000

		15350

		14731
		=====

Balance Sheet example

J. Jones Computers

27/03/87

Balance sheet at 31st March 1988

	Note	87/88 £	86/87 £
Fixed Assets	1	2800	1800
		-----	-----
		2800	1800
		-----	-----
Current assets			
Sales Ledger Control		4960	4960
Bank (1)		9860	8680
Cash (1)		3000	1199
		-----	-----
		17820	14839
		-----	-----
Current liabilities			
Purchase Ledger Cntrl		310	900
VAT payable		3740	3258
Hire Purchase		(300)	(300)
Bank Deposit		3000	-
		-----	-----
		6750	3858
		-----	-----
Net current assets/(liabilities)		11070	10981
		-----	-----
Net assets/(liabilities)		£ 13870	£ 12781
		=====	=====
Represented by:			
Capital Accounts	2		
Capital Account (1)		12950	10781
Capital Account (2)		920	2
Capital Account (3)		-	1998
		-----	-----
		£ 13870	£ 12781
		=====	=====

Notes to the balance sheet at 31st March 1988

1. Fixed assets

	Cost or Valuation £	Acc. Dep'n £	nbv 87/88 £	nbv 86/87 £
Vehicles	3000	200	2800	1800
	=====	=====	=====	=====

2. Capital accounts

	Opening Capital £	Capital Intro £	Drawings £	Net P'ft (Loss) £	Total £
Capital Account (1)	-	-	(50)	13000	12950
Capital Account (2)	-	-	-	920	920
	-----	-----	-----	-----	-----
	-	-	(50)	13920	13870
	=====	=====	=====	=====	=====

ACCOUNTANTS' GUIDE

Business Controller is an accounts package with considerable scope which allows the Amstrad to be used as a powerful **business** tool, taking the drudgery out of book keeping, and producing accurate and comprehensive management information. It is designed for the small to medium sized business, whether a sole trader, partnership, or a limited company.

In its simplest form **Business Controller** will replace your Cash and Petty Cash books. In addition to recording cash and bank transactions, the program will allow you to enter credit sales and purchases, and for all of these entries it will automatically complete double entry routines, to ensure that your records are always in balance. Sales and Purchase ledger control accounts are included, which makes the program ideal for integration into an existing manual sales or purchase ledger system.

The manual is carefully designed to cater for the novice to the accountant including: tutorial for newcomers to double entry book keeping; optional **Quickstart**; general advice on keeping computerized accounts and using accounting ratios; glossary of computer terms; full reference section and index; simple wall chart showing all of the relevant menus/options.

A separate **Accountants Manual** is also provided especially for users who wish to use this program in conjunction with their accountant/financial adviser.

Facilities include:

- Summary of VAT information to enable completion of VAT Returns.
- Cumulative receipts and payments report analysed over the standard Profit and Loss and Balance Sheet headings.
- Optional departmental analysis of sales and purchases.
- Printout of all transactions, Nominal Account balances, etc.
- Journal routine for entering transfers between accounts and Year End adjustment for debtors, creditors, etc.
- Observes normal accounting procedures (assuring the correct approach to both book keeping and simple accountancy).
- Facilities to handle the financial transactions of sole traders, partnerships, limited companies, clubs, etc.
- Accounting ratios with comparatives.
- Trial Balance.
- Full Audit Trail.
- Profit and Loss Account with comparatives.
- Balance Sheet with comparatives.
- Notes to the Accounts.
- All reports may be produced at any time interval comparing actual to budget.
- Screen prompts throughout the program for ease of use and substantial error trapping to reduce mistakes when entering information.

PRESS COMMENTS:

"A sophisticated accounts package that can be mastered with a limited knowledge of accounts. A good manual that is designed to suit a wide variety of levels. There is even a section for your accountant."
8000 Plus, August 1987.

With grateful acknowledgement to the following:



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