

BROUGHT FORWARD BALANCES GUIDE

for Relate Accounts Production



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CHECK BROUGHT FORWARD BALANCES

The Check Brought Forward Balances utility will enable you to view a report of all brought forward figures. This will help in analysing your postings for the purposes of resolving any cash flow issues you may encounter. This tool is accessed from the toolbar of the Nominal Ledger Screen.

Simply choose this option and the system will show the results in a report view.

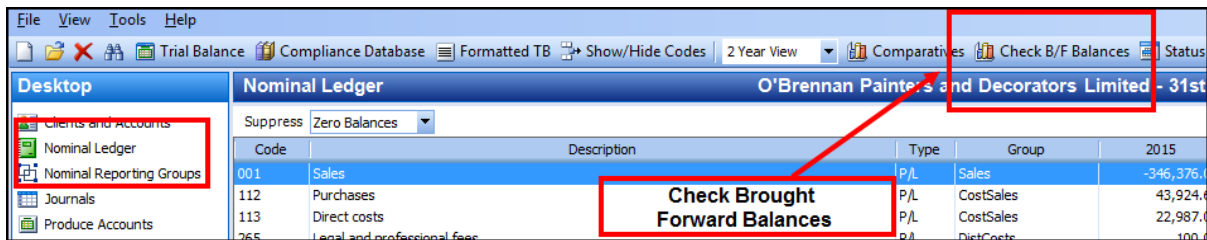


Figure 1

From here you can then determine what postings are incorrect, and where you should make the necessary adjustments.

The screenshot shows the 'Check brought forward balances' report window. The client is 'OBR01 O'Brennan Painters and Decorators Limited' and the accounting year is '31st December 2015'. The report displays a table with the following data:

Code	Description	Year	Actual	Expected	Difference
662	Fixtures, fittings and equipment accumulated depreciation b/wd	2015	-4,716.00	-3,144.00	-1,572.00
904	Long term bank loan balance b/wd	2015	-39,200.00	-25,000.00	-14,200.00
991	Profit and loss reserve retained profit b/wd	2015	55,881.94	55,882.97	-1.03
			11,965.94	27,738.97	-15,773.03

Figure 2

In the above screen shot the system has recognised differences in the brought forward amounts posted to 662, 904 and 991. These figures are calculated by looking at the figures posted in the prior year, determining what balances should roll forward and then checking if those match. In code 904 Long term bank loan balance b/fwd an amount of €25,000 was posted in 2014. In 2015 €39,200 was posted resulting in a difference of €14,200. By then looking at the amounts in the nominal ledger we can see the difference.

Desktop		Nominal Ledger					O'Brennan Painters and Decorators Limited - 31st December 2015	
Clients and Accounts		Suppress: None						
Nominal Ledger		Code	Description	Type	Group	2015	2014	
Nominal Reporting Groups		901	Debentures b/fwd	B/S	LTCred	0.00	0.00	
Journals		901.01	Debentures issued in year	B/S	LTCred	0.00	0.00	
Produce Accounts		901.02	Debentures movement to within 1 year	B/S	LTCred	0.00	0.00	
Reports		901.03	Debentures amortisation using effective rate of return	B/S	LTCred	0.00	0.00	
Client Analysis		904	Long term bank loan balance b/fwd	B/S	LTCred	-39,200.00	-25,000.00	
Staff		904.01	Long term bank loan increase	B/S	LTCred	0.00	0.00	
		904.02	Long term bank loan movement to under 1 year	B/S	LTCred	0.00	0.00	
		904.03	Long term bank loan amortisation using effective rate of return	B/S	LTCred	0.00	0.00	
		907	Long term pension fund loan b/fwd	B/S	LTCred	0.00	0.00	

Figure 3

To resolve this issue, the posting to 904 needs to be adjusted, in this case the €14,200 was an increase and was incorrectly posted to 904. The correct nominal code to use is 904.01 Long term bank loan increase. When the amount is posted as an increase the brought forward balance will be correct at €25,000.

901.03	Debentures amortisation using effective rate of return	B/S	LTCred	0.00	0.00
904	Long term bank loan balance b/fwd	B/S	LTCred	-25,000.00	-25,000.00
904.01	Long term bank loan increase	B/S	LTCred	-14,200.00	0.00
904.02	Long term bank loan movement to under 1 year	B/S	LTCred	0.00	0.00
904.03	Long term bank loan amortisation using effective rate of return	B/S	LTCred	0.00	0.00

Figure 4

In this example we can also see that posting to nominal 662 is incorrect.

Check brought forward balances					
Client: OBR01 O'Brennan Painters and Decorators Limited					
Accounting Year: 31st December 2015					
Code	Description	Year	Actual	Expected	Difference
662	Fixtures, fittings and equipment accumulated depreciation b/fwd	2015	-4,716.00	-3,144.00	-1,572.00
904	Long term bank loan balance b/fwd	2015	-39,200.00	-25,000.00	-14,200.00
991	Profit and loss reserve retained profit b/fwd	2015	55,881.94	55,882.97	-1.03
			11,965.94	27,738.97	-15,773.03

Figure 5

Here an amount of €4,716 has been posted to 662, the brought forward nominal for FFE Depreciation, but the system expected €3,144 to be posted. The difference of €1,572 should have been posted to 662.01, the increase nominal in the current year. A journal posting debiting 662 and crediting 662.01 by €1,572 will resolve this issue

Remember any comparative year adjustments are made using the 'Comparatives' tool from the Nominal Ledger.