

Before and beyond books of entry

David Powell

Business Archives Council of
Scotland

Remember: £, s, d.

- 12d in a shilling
- 20 shillings in a pound
- Three number columns:
 - Pounds (£ or L)
 - Shillings (s or /-)
 - Pence (d.)
- Add up carefully!!



Charge and discharge

- Single entry system
- Charge: money charged to customer i.e. income
- Discharge: Money paid out i.e. expenditure
- Some 19th century balance sheets still use the terms charge & discharge so be careful. If the Charge and Discharge balance – its probably not a C&D account!

Charge and Discharge

Charge:

By renewals Michaelmas	£1 10
By renewals Christmas	<u>£2 13 9</u>
	<u>£4 3 9</u>

Discharge:

To outlay for parcels	£0 10 6
To returned Mr Russell	<u>£1 10 6</u>
	£2 1 0

Charge: £4 3s 9d

Discharge £2 1s

Balance books

- End of accounting period each ledger account is balanced off
- Each account summarised in Balance Book
- Summarised again in the formal balance sheet
- Rare to find these

Balance Sheet

- Double entry
- Created from books of account / balance books
- Overview of the position of enterprise
- Public balance sheet
- Internal balance sheet (more detailed)
- Often show previous years comparative figure
- Negative figures in brackets

Balance Sheet structure

DEBITS (Dr)

- Fixed assets
- Stocks
- Loans made
- Investments
- Current assets
(accounts due from customers, cash in bank)
- Loss (see profit & loss account)

CREDITS (Cr)

- Capital (e.g. shares)
- Long-term liabilities
(loans, debentures, reserves, provisions)
- Current liabilities
(accounts owing to suppliers, short term bank advances etc)
- Profit (after-tax) (see profit & loss account)

Totals for both columns should be equal!

Acquire 20000 capital

ASSETS

Cash in bank

20000

20000

FINANCE

Capital

20000

20000

Acquire a loan

ASSETS

Cash in

Bank 28000

28000

FINANCE

Capital 20000

Loan 8000

28000

Purchase premises and stock

ASSETS

Fixed assets

Premises 18000

Current assets

Stock 7200

Cash in bank 2800

28000

FINANCE

Capital 20000

Liability

Loan 8000

28000

Purchase more stock on credit

ASSETS

Fixed assets

Premises 18000

Current assets

Stock 13200

Cash in bank 2800

34000

FINANCE

Capital 20000

Liability

Loan 8000

Current liability

Trade creditors 6000

34000

Sell 4000 stock for 6500 on credit

ASSETS

Fixed assets

Premises 18000

Current assets

Stock 9200

Trade debtors 6500

Cash in bank 2800

36500

FINANCE

Capital 20000

Profit 2500

Liability

Loan 8000

Current liability

Trade creditors 6000

36500

Profit and loss account

Purchases	13200	Sales	6500
Less: Closing stock	<u>9200</u>		
Cost of good sold	4000		
Profit	2500		
	<u>6500</u>		<u>6500</u>

Annual report

- First suggested in 1908 Companies Act
- Obligatory for public companies since 1928
- Obligatory private companies since 1967
- Must include:
 - Audited balance sheet and profit & loss account
 - Auditors report
 - Directors report
 - Notice of AGM
 - Group accounts if has subsidiaries
- Charities and other groups
- May also find the detailed working papers for accounts

Budgets

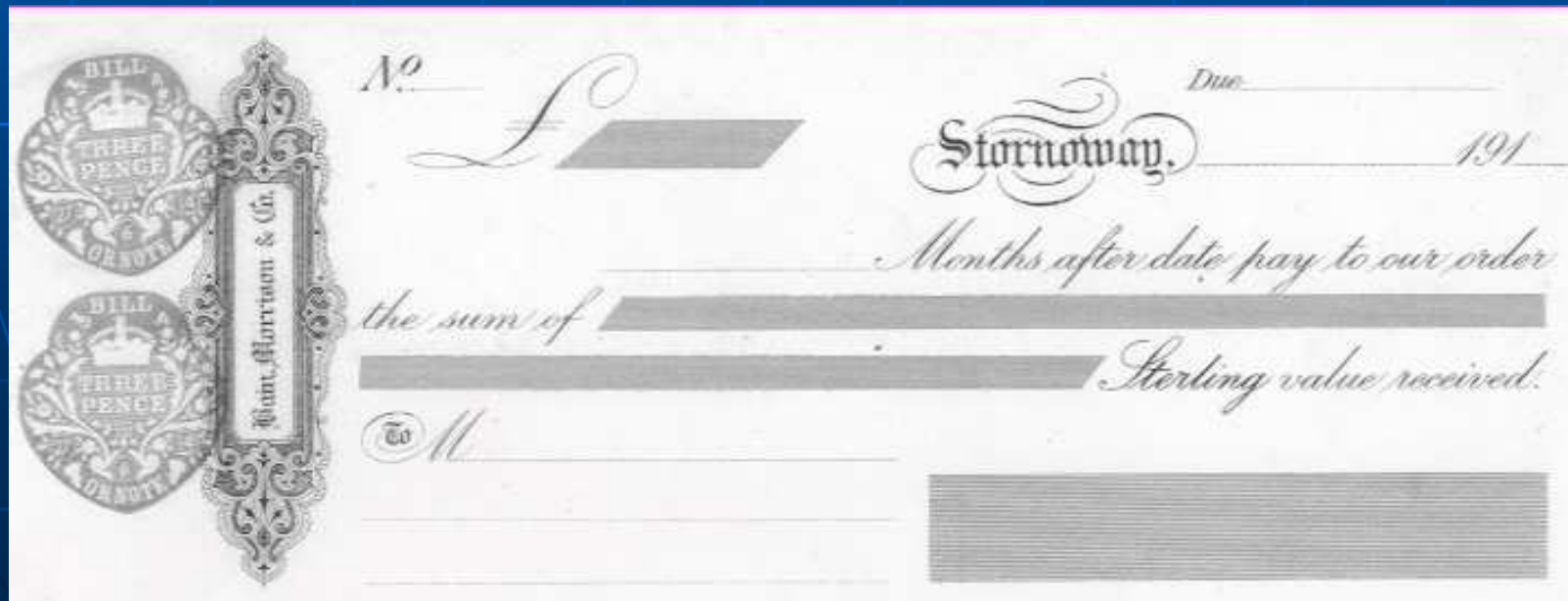
“An exercise where the unknowledgeable force the unwilling to predict the impossible based entirely on the inaccurate” – *Bluffer's Guide to Accountancy* (2004)

- Management tool
- Forward planning document
- Predict revenue (income) and expenditure
- Allocated or created?
- Watch it all go horribly wrong

	A	B	C	D	E	F
1	Religious Archives Training budget					
2						
3						
4	Fixed costs			Variable costs		
5	Venue			Venue delegate rate (refresh)	£	5.00
6	Equipment	£	-	Office administration charge	£	15.00
7	Speakers fees	£	-	Total cost per delegate	£	31.89
8	Speakers travel	£	126.90			
9	Speakers expenses	£	-	Add 10% contingency	£	3.19
10	Refreshments @ £5	£	25.00			
11	Insurance	£	26.50	Actual cost per delegate	£	35.08
12	Total fixed costs	£	178.40			
13						
14	less net sponsorship income	£	-			
15		£	178.40	Course fee - SOA member	£	40.00
16				Course fee - non-member	£	50.00
17	Min no of delegates		15			
18	Fixed cost per delegate	£	11.89			
19						

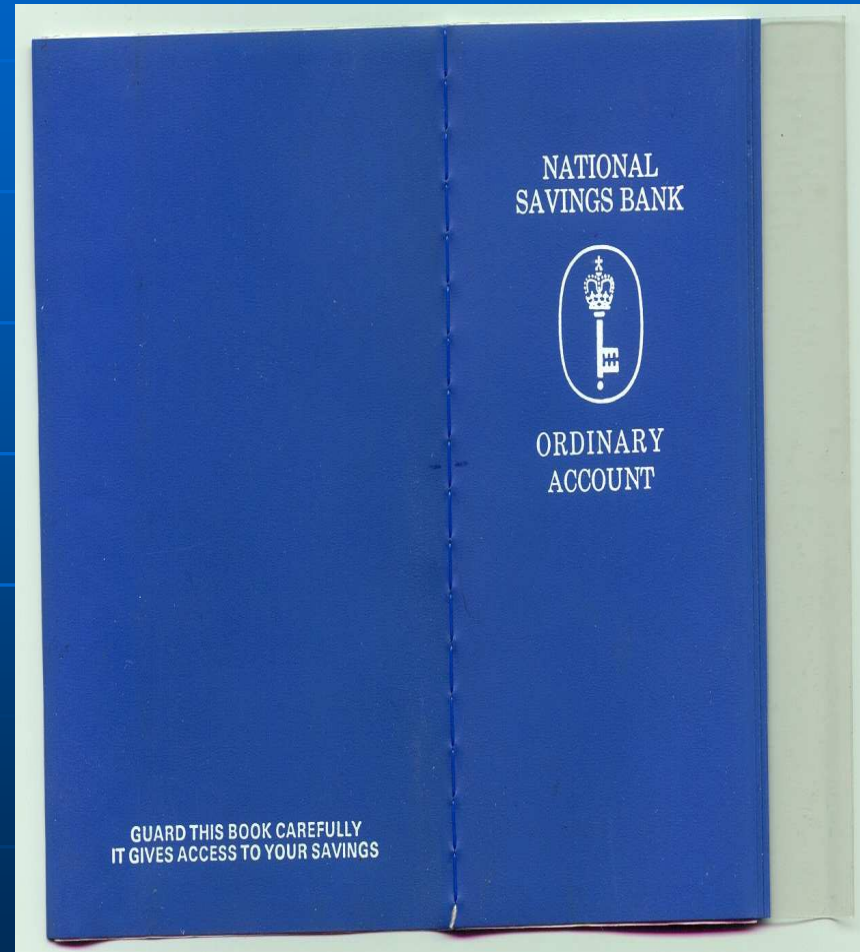
Bill books

- Record bills of exchange issued
- A credit note that can be sold on at less than its value
- Can be presented to the issuer for cash within set period



Bank pass books

- Record
 - Transactions
 - Turnover
- Can be pretty
- Poor on information!



Cheques books / returned cheques

- Returned cheques
- Information poor
- Collectable
- Display value?



Cost books

- For individual products
- Record:
 - Components required and suppliers
 - Costs of components
 - Special terms
 - Totals

	B Cylinders & mtgs				C Weir's pumps, pipes, small parts				E Boilers mtgs: such as Safety Valves etc				F Spare gear specif.														
S. S. "Pau Tah" S. O. 501																											
Iron castings	27	18	1		418	13	9		2	1	17	1	6	4	3	9	3	16	19	16	5	12	3	11	9	12	9
Forgings																											
Smithy forgings	3	10	3	3	35	2	10		5	26	2	12	4			3	21		17	7					7	8	
Other malleable iron	18	1	23		7	6	1					4	9														
Brass castings	10		20	37	4	11			1	25	4	8	3			8	1	6	30	8	5				1	25	11
Small Brass fittings (Casts)												15															
S. Brass fittings	1		11	11	4	10			1	20	4	9	2			2	6		3	2	10						
Locks									1	1	7	5	10	3													
Condenser plates																											
Condenser tubes																											
Copper									7	1	15	29	10	7													
Lead																											
Other wood					8	3	4					4	14	10					15	8					4	4	
Article from stock	16	1	21	27	18	2			2	2	11	4	5	10		1	22		2	16					3		
Donkeys etc																											
Lat appliances	5	1	25	9	4	6	5		3	6	3	20	25	4		7	2	13	25	4							
Survey fees																											
Delivery charges					3	15	6																				

Wage & salary

- Possibly the only personnel records that survive
- Can give
 - Grades
 - Dates of employment
 - Details of payments
 - Tax details
 - Personal information
- Broad salary expenditure outlined in ledger

Plant / Property Valuations

- Valuations
 - Details of assets and financial worth
- Property deteriorates with use
 - Depreciation included on the balance sheet as a loss
- Sold at liquidation