

your quick guide to
financials
on the freestyle
online portal.



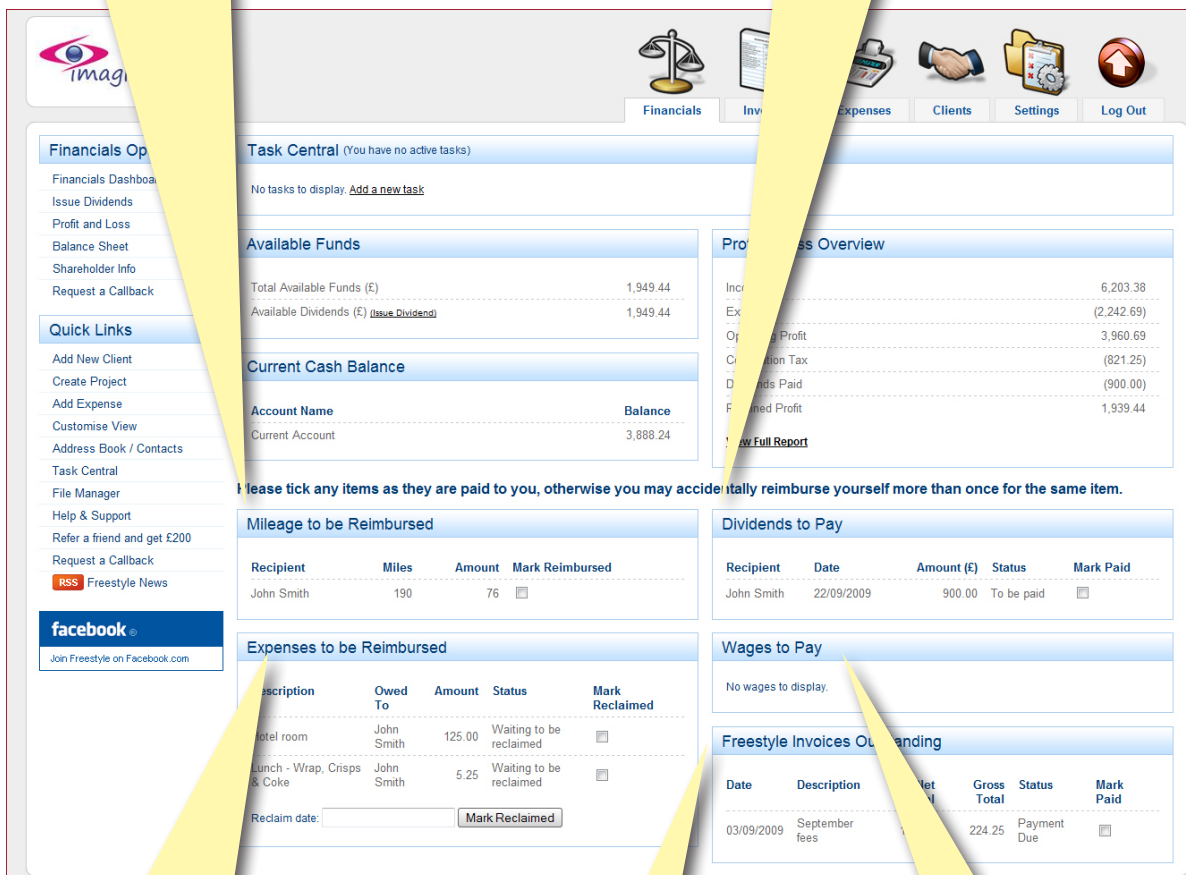
Your **financials** dashboard...

1. Your mileage claim

This section details the total mileage to be reimbursed. If the total is correct, simply tick the box and enter the date the mileage was reimbursed.

2. Dividends to pay

When a dividend has been issued it will appear on your financials dashboard here. When you have paid yourself this dividend remember to mark it as 'paid' by clicking the 'paid' tickbox and enter the date paid when requested.



The dashboard includes a navigation menu with icons for Financials, Invoices, Expenses, Clients, Settings, and Log Out. The main content area is divided into several sections:

- Task Central:** (You have no active tasks)
- Available Funds:**

Total Available Funds (£)	1,949.44
Available Dividends (£) [Issue Dividend]	1,949.44
- Current Cash Balance:**

Account Name	Balance
Current Account	3,888.24
- Process Overview:**

Income	6,203.38
Expenses	(2,242.69)
Operating Profit	3,960.69
Corporation Tax	(821.25)
Dividends Paid	(900.00)
Finalised Profit	1,939.44
- Mileage to be Reimbursed:**

Recipient	Miles	Amount	Mark Reimbursed
John Smith	190	76	<input type="checkbox"/>
- Dividends to Pay:**

Recipient	Date	Amount (£)	Status	Mark Paid
John Smith	22/09/2009	900.00	To be paid	<input type="checkbox"/>
- Expenses to be Reimbursed:**

Description	Owed To	Amount	Status	Mark Reclaimed
Hotel room	John Smith	125.00	Waiting to be reclaimed	<input type="checkbox"/>
Lunch - Wrap, Crisps & Coke	John Smith	5.25	Waiting to be reclaimed	<input type="checkbox"/>
- Wages to Pay:** No wages to display.
- Freestyle Invoices Outstanding:**

Date	Description	Net Total	Gross Total	Status	Mark Paid
03/09/2009	September fees		224.25	Payment Due	<input type="checkbox"/>

A warning message states: "Please tick any items as they are paid to you, otherwise you may accidentally reimburse yourself more than once for the same item."

3. Your expenses claim

This section lists all your expenses that have been approved and are ready to be reimbursed. Simply tick the box and enter the date the expenses were reimbursed.

4. Freestyle invoices

When payment comes out of your bank account for our accountancy invoices you need to mark them as paid here. Simply click the tickbox and enter the payment date.

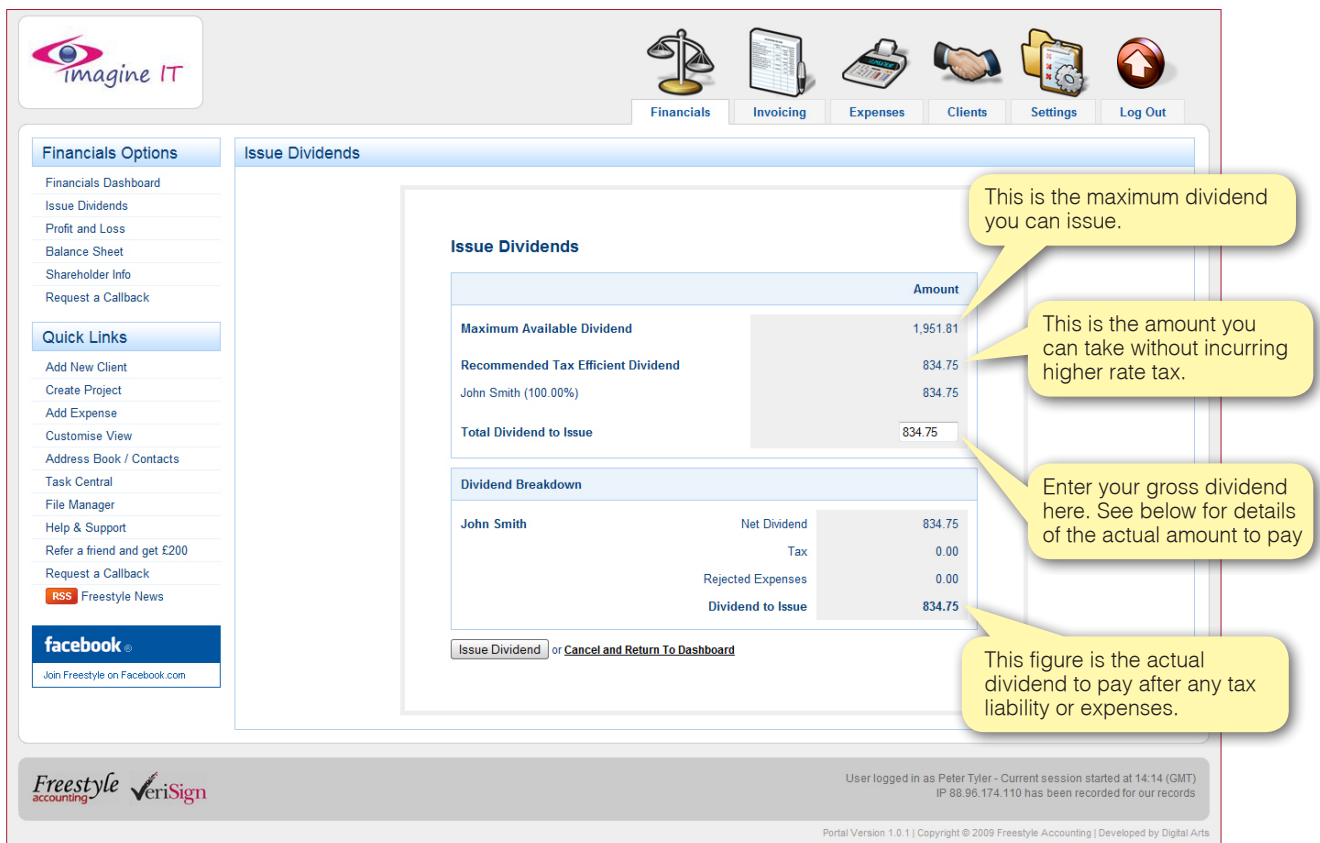
5. Wages to be paid

If you are owed wages then they will appear in this section of the financials dashboard. When you have paid yourself the correct wages, simply click the 'paid' checkbox and enter the payment date.

Issuing **dividends** to shareholders...

From the financials area of your portal you can issue dividends to shareholders of your Limited Company. To do this please click on 'issue dividends' in the left hand menu; you will then see the following 'Issue Dividends' screen.

The screen displays a **Maximum Available Dividend** as well as the **Recommended Tax Efficient Dividend**. If you take the recommended tax efficient dividend you will not incur higher rate tax.



Issue Dividends

	Amount
Maximum Available Dividend	1,951.81
Recommended Tax Efficient Dividend	834.75
John Smith (100.00%)	834.75
Total Dividend to Issue	834.75

Dividend Breakdown			
John Smith	Net Dividend		834.75
	Tax		0.00
	Rejected Expenses		0.00
	Dividend to Issue		834.75

Issue Dividend or Cancel and Return To Dashboard

Callouts:

- This is the maximum dividend you can issue.
- This is the amount you can take without incurring higher rate tax.
- Enter your gross dividend here. See below for details of the actual amount to pay
- This figure is the actual dividend to pay after any tax liability or expenses.

How to **issue a dividend**...

STEP 1 - Enter the amount you wish to issue as a dividend in the box provided. This field is pre-populated with the tax efficient dividend; issuing more than this amount will incur higher rate tax.

STEP 2 - Look at the dividend breakdown which shows any tax liability which arises (this will occur if you take more than the recommended tax efficient dividend) and any rejected expenses. The 'Dividend to Issue' is the final amount you need to pay to the shareholder.

STEP 3 - When you are happy to proceed, simply click the 'Issue Dividend' button at the bottom of the page. Then transfer the final dividend amount from the business account to the shareholders' personal account(s).

STEP 4 - On the financials dashboard you will see the dividend appear in the 'Dividends to pay' area. When the payment has been made please ensure you tick this box and enter the date the dividend was paid.



Please note: your tax efficient dividends and higher rate tax calculations are based on the information you have provided to us. Please inform us if you have other forms of income as these will need to be taken into account.



If you decide to issue more than the recommended tax efficient dividend an additional personal tax liability will become due and will be shown in the dividend breakdown box.

understanding your **profit & loss** account...

Please Note: This Profit and Loss Account is intended for the internal use of the directors and shareholders. No responsibility will be accepted by Freestyle Accounting for reliance placed on this information by any other party.

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Profit & Loss Report

Report created 22 September 2009

Imagine IT Limited

123 Company Road, West Midlands,
B23 4AD, United Kingdom

Year to Date (06/04/2009 to 22/09/2009)

Business Income	
Sales Invoices (View)	6,970.08
Credit Notes (View)	0.00
Interest Received	0.00
Sundry Income	0.00
VAT Liability	(766.70)
Business Income Total	6,203.38
Business Expenditure	
Directors' Gross Wage	480.00
Company Pension Contributions	0.00
Other Gross Wages	0.00
Employer's NI	10.00
Accountancy Fees	224.25
Approved Expenses	1,525.44
Bank Charges	0.00
Insurance	0.00
Use of Home as Office	0.00
Sundry Expenses	0.00
Travel	0.00
Business Expenditure Total	(2,239.69)
Pre-tax Profits	3,963.69

If you have created any credit notes the total value of all credits appear here. Click 'view' to see a full list.

Provided your invoicing is up-to-date this figure reflects all your sales invoices for the year. Click 'view' to see a list of invoices.

Your cumulative VAT liability for the year will appear here. This is the amount of VAT that has been paid / will be paid based on the total sales invoices for the year.

All expenses that have been approved will appear here as a cumulative value.

The total income for the business after deducting credit notes and VAT liability and adding any interest received or sundry income.

This is the total of all your business expenditure for the year to date.

This is your profit for the year before any tax is deducted (i.e. your total business income minus your total business expenditure).

This section details the corporation tax and higher rate personal tax liability, plus any dividends that have been issued.

Year to Date	
Taxation and Dividends	
Corporation Tax	(821.88)
Est. Higher Rate Personal Tax	(300.00)
Dividends	(900.00)
Undistributed Profits	1,941.81

Undistributed profits is money that remains in the business following the payment of tax and dividends. This figure only relates to the current financial year.



Your profit and loss account will update as you add items like expenses, invoices and payments to the portal. Therefore the accuracy of the profit and loss account will only be as up-to-date as the information you enter on to the portal. Please note: the profit & loss account only relates to the current financial year.

understanding your **balance sheet**...

Balance Sheet		Imagine IT Limited	
			Total
Recommended Tax Efficient Dividend			
John Smith (100.00%)			834.75
Current Available Funds			1,951.81
Unapproved Expenses			0.00
Maximum Dividend Available			1,951.81
Current Cash Balance			3,888.24
Expenses			(206.25)
Sales Invoices Outstanding			1,380.00
Unallocated Payments			(97.35)
Freestyle Fees Owning			(224.25)
PAYE/NI Owning			0.00
VAT Owning			(766.70)
Corporation Tax Owning			(821.88)
Higher Rate Personal Tax Owning			(300.00)
Home As Office Fee Owed			0.00
Pension Contributions Owed			0.00
Dividends Owning			(900.00)
Current Available Funds			1,951.81

This is the tax efficient dividend available for each shareholder. In this example John owns 100% of the shares.

Any unapproved expenses will appear here. As these are unapproved they will reduce the maximum dividend available until you send in your receipts.

All approved expenses appear here in brackets and are available for you to withdraw. See the financials dashboard for more details.

These are payments that have been made to you but have not been allocated against a sales invoice.

The current cash balance is the amount of money available in the business bank account.

This is the amount you owe to HMRC for PAYE and National Insurance based on the wages drawn to date.

This is the amount that has been reserved to cover your higher rate personal tax liability.

These are dividends that have been allocated but not marked as 'paid'. Provided they have been paid, please go to the financials dashboard and click 'paid'.



Please note: figures that appear on the balance sheet in brackets are owed by the business (i.e. expenses owed to you, VAT owed to HMRC etc).

As with the profit and loss account, the balance sheet will update as you add items like expenses, invoices and payments to the portal. As a result the accuracy of the balance sheet will only be as up-to-date as the information you enter on to the portal.