



Accreditation

A step-by-step guide to FreeAgent's core functionality

2025



freeagent.com

Welcome!

Welcome to the manual for the Accreditation module for 2024. This module will update you on new FreeAgent features and help improve your knowledge of FreeAgent's core functionality.

Completing the Accreditation module will ensure that you keep your knowledge up to date and retain your accredited partner status.

The Accreditation exam includes questions on new features and also includes questions on the functionality covered in the FreeAgent Essentials module.

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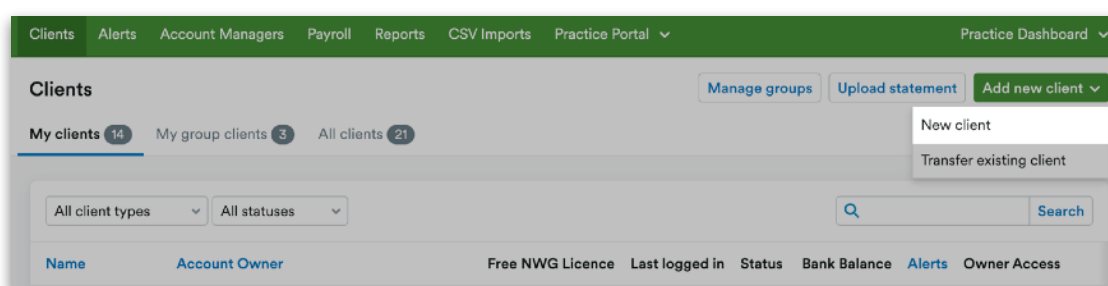
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1. Licence setup

In this section, we'll walk you through how to set up a FreeAgent licence and then prepare it for your client to use.

Step 1: Create the licence

A FreeAgent licence is created in two stages. The first stage involves setting it up on your Practice Dashboard. To do this, navigate to the 'Clients' tab, select 'Add new client' in the top-right corner and then choose 'New client' from the drop-down menu.



Next, you'll need to enter some basic information to set up the first part of the licence. In FreeAgent, the rule of thumb is that if a field has a red star next to it, information needs to be entered.

The first required field is for the client's business name. If the business is a limited company, it would be the limited company's name. If your client is a sole trader, partnership or landlord, the business name would be their name.

The next field is the subdomain, which determines the URL - the web address - for the client's FreeAgent licence. Subdomains have to be unique and can't contain spaces or special characters.

 A screenshot of the 'New client' form in FreeAgent. The form is titled 'New client' and has a section for 'Client Details'. There are two required fields, indicated by red stars: 'Business name' and 'Subdomain'. The 'Business name' field contains 'John Smith Ltd'. The 'Subdomain' field contains 'johnsmith'. To the right of the subdomain field, there's a dropdown menu showing '.freeagent.com'. Below the subdomain field, there's a note: 'This may be your client's reference number or something derived from the business's name, for example, a business called John Smith Ltd could be 'johnsmith'.'

With this in mind, we normally recommend that you put your practice initials at the start of the subdomain, followed by a word derived from your client's business name, and finally add your client's code from either your CRM or your files to the end of the subdomain. For example, **FTsmith001**.

The 'Client type' field lets you choose the type of licence you want to use for your client. You have five options for UK businesses: 'Limited Company', 'Limited Liability Partnership', 'Partnership', 'Sole Trader' or 'Unincorporated Landlord'.

The screenshot shows the 'New client' form in the FreeAgent software. The 'Client Details' section is visible, showing fields for 'Business name', 'Subdomain', 'Client Type', and 'Client Status'. A dropdown menu is open for 'Client Type', showing options for 'For Everyone', 'For US Businesses', and 'For UK Businesses'. The 'UK Sole Trader' option is selected. The 'Client Status' is set to 'Inactive Licence'.

Client Details

Business name *

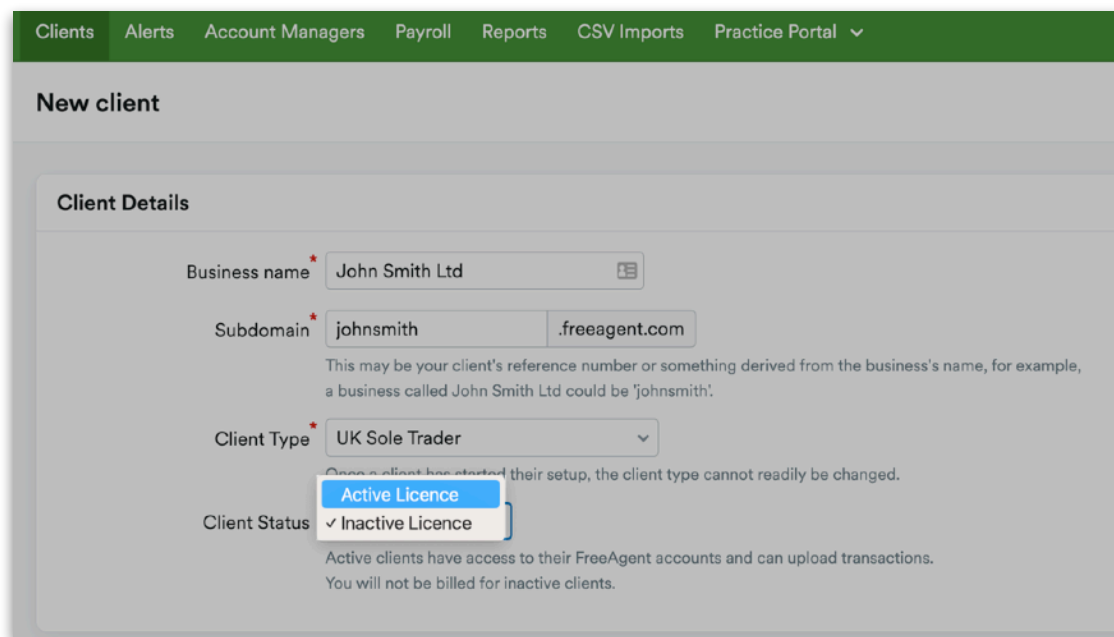
Subdomain *

Client Type *

Client Status Inactive Licence ▼

Active clients have access to their FreeAgent accounts and can upload transactions.
You will not be billed for inactive clients.

Next, you will need to set the 'Client status' to 'Active', which means you can use the licence and finish the setup. If you leave the status as 'Inactive', the licence will be in read-only mode and you and your client will not be able to use it.



Client Details

Business name* John Smith Ltd

Subdomain* johnsmith .freeagent.com

This may be your client's reference number or something derived from the business's name, for example, a business called John Smith Ltd could be 'johnsmith'.

Client Type* UK Sole Trader

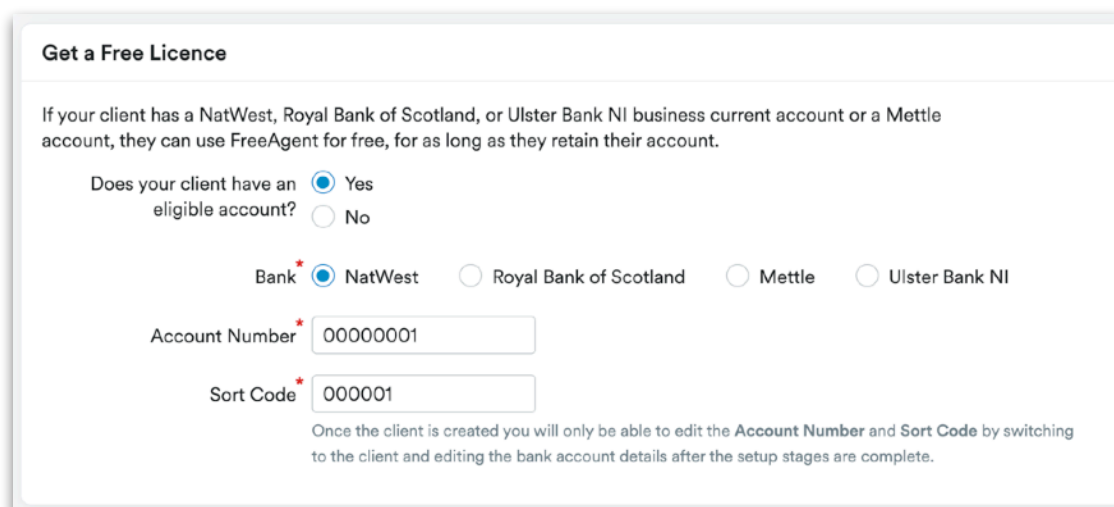
Once a client has started their setup, the client type cannot readily be changed.

Client Status* **Active Licence** ☒ Inactive Licence

Active clients have access to their FreeAgent accounts and can upload transactions.
You will not be billed for inactive clients.

Please note that when you mark a licence as 'Active', it will also become billable, unless it's a free licence that's included with a NatWest, Royal Bank of Scotland or Ulster Bank business bank account or a Mettle account.

To set up a free licence for your client, select 'Yes' in the next section and choose from one of the four options provided. You can only set up a free licence if your client has a business account with one of the four banks shown. If they do, you will need to input their account number and sort code. If you don't have those details at the time of setup, you can contact FreeAgent Support at a later time and they will be able to move it to a free licence once you share that information.



Get a Free Licence

If your client has a NatWest, Royal Bank of Scotland, or Ulster Bank NI business current account or a Mettle account, they can use FreeAgent for free, for as long as they retain their account.

Does your client have an eligible account? ☒ Yes ☐ No

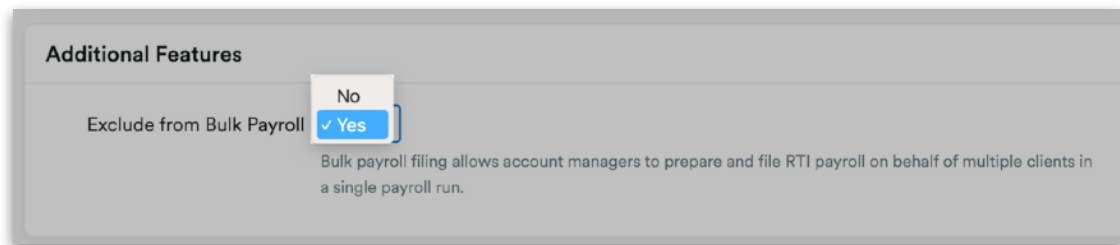
Bank* ☒ NatWest ☐ Royal Bank of Scotland ☐ Mettle ☐ Ulster Bank NI

Account Number* 00000001

Sort Code* 000001

Once the client is created you will only be able to edit the **Account Number** and **Sort Code** by switching to the client and editing the bank account details after the setup stages are complete.

If you file payroll for your clients in bulk and don't wish to include the new client in your payroll run, select 'Yes' to 'Exclude from Bulk Payroll'. Otherwise, select 'No' to include the client in your next payroll run.

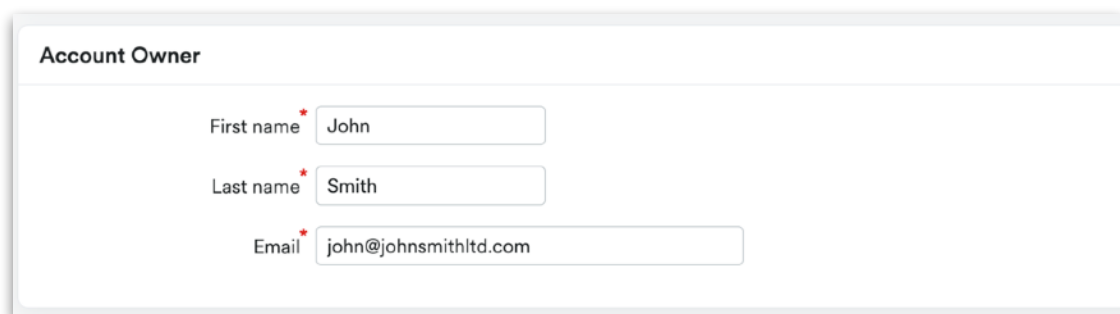


Additional Features

Exclude from Bulk Payroll ☒ Yes ☐ No

Bulk payroll filing allows account managers to prepare and file RTI payroll on behalf of multiple clients in a single payroll run.

The 'Account Owner' for the licence will be either the director that you deal with, the sole trader or the business owner. You will need to enter their first name, last name and email address. It's important this address is correct, as this is where we send the account verification email that allows your client to set their password.



Account Owner

First name*

Last name*

Email*

The final step is to set up the client's user permissions. This is how you restrict what your clients can and can't do in FreeAgent. The slider runs from level 0, which is no access at all, to level 8, which means they can do most things. These permission levels are reflected in the FreeAgent mobile app as well.

Owner Permissions

Slider: 0 (No Access) to 8 (Full Access). Current level: 7 (Tax, Accounting and Users).

Users can:	Users can't:
✓ View VAT returns, Corporation Tax (Limited Companies only) and Tax Timeline	✗ File self assessment returns
✓ View Payroll (accrual basis only)	✗ File VAT returns
✓ View and edit self assessment	✗ Post journals
✓ View accounting reports	
✓ View Radar	
✓ Create timeslip reports for all users	
✓ Create and edit users	
✓ Create and edit stock items	
✓ Edit account settings	
+ all permissions from previous levels	

Please note that even if a client is a level 8, they will not be able to submit FRS 105 accounts or CT600s while their limited company licence is on a Practice Dashboard.

If you want one of your colleagues to be this client's account manager, use the drop-down menu in the 'Practice Access' section at the bottom of the page. Please note that you need to be a senior account manager to assign an account manager to a client. If you'd like to add this client to an account manager and client group that you've created, tick the 'Add client to group(s)' check box and tick the check box for each group you want to add them to.

Once you are happy with the information you've entered, select 'Save & continue to client setup'.

Practice Access

Account manager: ▼

This will be the main contact which the client has with your practice.

☐ Add client to group(s)

Add this client to group(s) if you would like to allow their account to be accessed by multiple account managers.

Buttons: [Save & continue to client setup](#) [Save & return to dashboard](#) [Cancel](#)

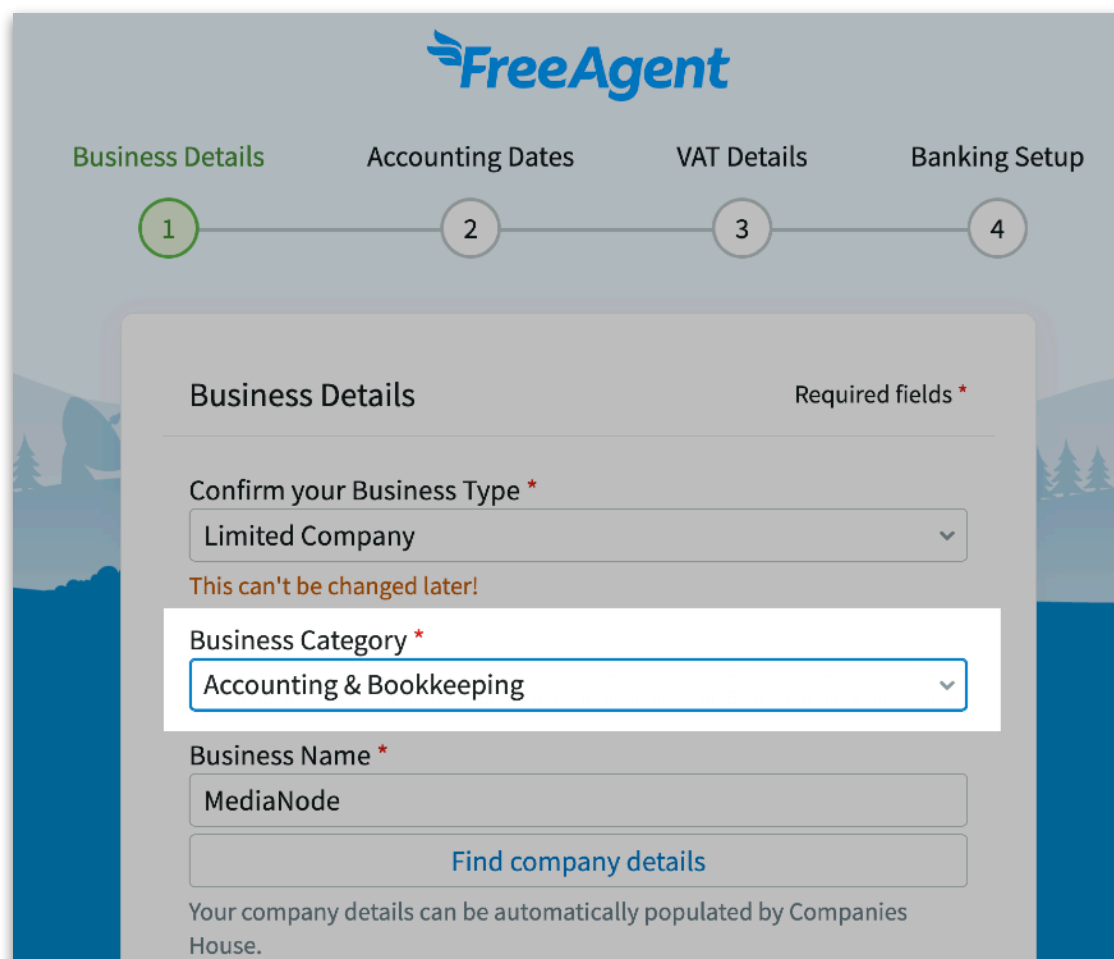
Step 2: Client setup

In the second stage of the licence setup, you'll enter additional details about your client.

The first section requires some basic information. The business type and name will have been pulled through from the first stage of the licence setup.

In the 'Business Category' section, choose the category that is most relevant for your client. This information filters into the Performance Benchmarking report, which can show your client how they compare to other businesses in the same sector and region.

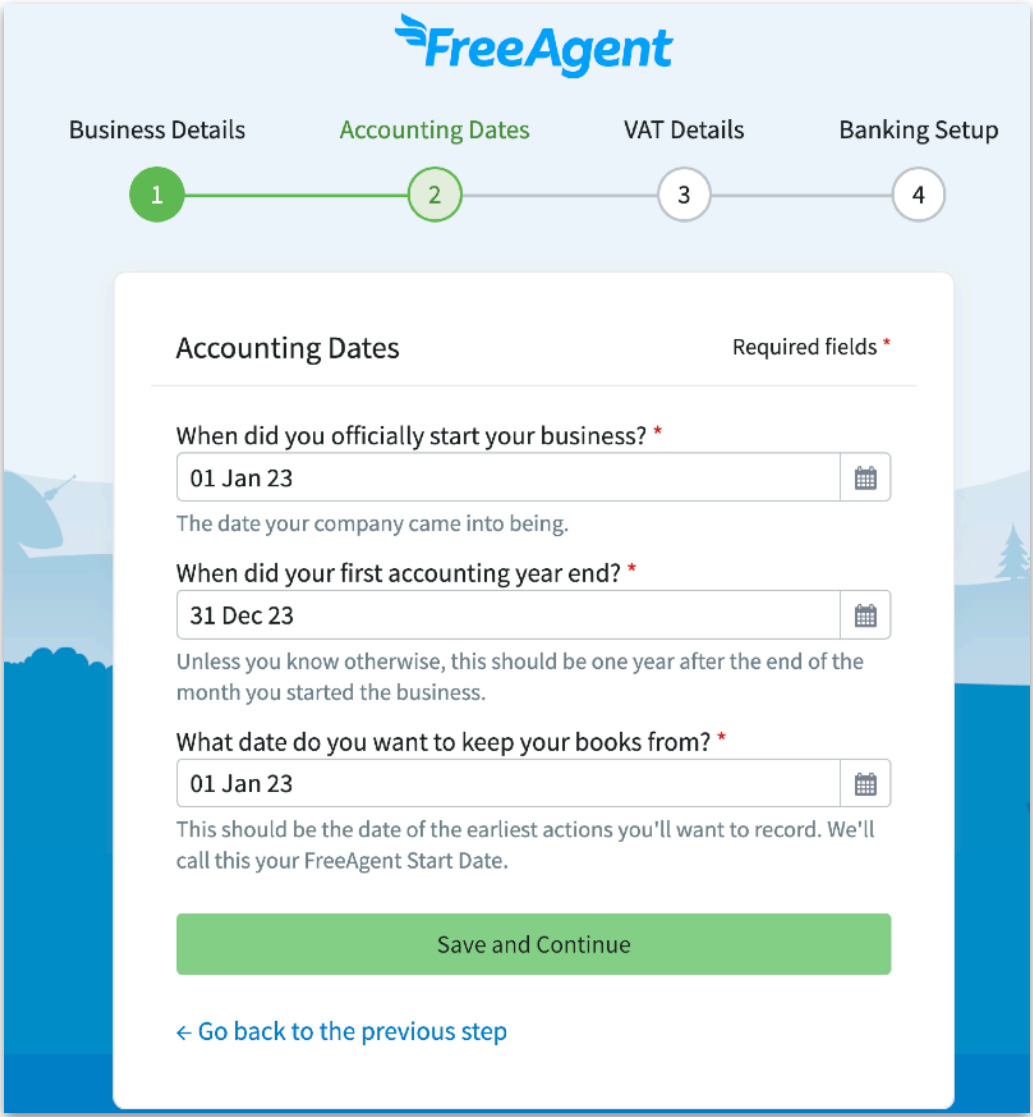
If you need to add a client who runs a charity, not-for-profit organisation, social enterprise or community interest company, you can now select 'Charity / NFP / CIC' from this menu.



The screenshot shows the FreeAgent 'Business Details' setup form. At the top, the FreeAgent logo is displayed. Below it, a progress bar indicates four steps: 1. Business Details (highlighted with a green circle), 2. Accounting Dates, 3. VAT Details, and 4. Banking Setup. The main form area is titled 'Business Details' and includes a 'Required fields *' label. It contains three dropdown menus: 'Confirm your Business Type *' (set to 'Limited Company'), 'Business Category *' (set to 'Accounting & Bookkeeping'), and 'Business Name *' (set to 'MediaNode'). A warning message 'This can't be changed later!' is displayed below the first dropdown. A 'Find company details' button is located below the third dropdown. At the bottom, a note states: 'Your company details can be automatically populated by Companies House.'

Below the business name, for limited companies and limited liability partnerships, you'll see a 'Find company details' option. This will search Companies House and show a list of similar company names. Select the correct one and FreeAgent will pull through the company registration number and business address. It will also pull through the date the client started their business, the incorporation date, as well as the first accounting year end.

Select 'Save and Continue' to proceed to the next step. Next, you'll need to enter your business's accounting dates and accounting basis (if applicable).



The image shows the FreeAgent 'Accounting Dates' setup screen. At the top, the FreeAgent logo is displayed. Below it, a progress bar shows four steps: 'Business Details' (1), 'Accounting Dates' (2, highlighted in green), 'VAT Details' (3), and 'Banking Setup' (4). The main form area is titled 'Accounting Dates' with a 'Required fields *' label. It contains three date input fields, each with a calendar icon:

- When did you officially start your business? ***
01 Jan 23
The date your company came into being.
- When did your first accounting year end? ***
31 Dec 23
Unless you know otherwise, this should be one year after the end of the month you started the business.
- What date do you want to keep your books from? ***
01 Jan 23
This should be the date of the earliest actions you'll want to record. We'll call this your FreeAgent Start Date.

At the bottom of the form is a green 'Save and Continue' button and a blue link: '< Go back to the previous step'.

Please note that if your client has changed year ends for any reason, then you'll need to enter this date instead of the first year-end date, as FreeAgent uses these dates to set up the accounting periods.

The third date on this page is what we refer to as the FreeAgent start date. This tells the software that you don't want to enter any transactions prior to this date. We also use this date for the opening balances.

We normally recommend that you use the first date of the financial period that you're working on. This will mean that for the opening balances, you will only enter the balance sheet items. Select 'Save and Continue' to move to the next page.

For partnership, sole trader and unincorporated landlord licence types, you can choose between cash basis and accruals basis for the accounting method.

Business Details **Accounting Dates** VAT Details Banking Setup

1 — 2 — 3 — 4

Accounting Dates Required fields *

When did you officially start your business? *

06 Apr 23

The date your company came into being.

When did your first accounting year end? *

05 Apr 24

Unless you know otherwise, this should be one year after the end of the month you started the business.

What date do you want to keep your books from? *

06 Apr 23

This should be the date of the earliest actions you'll want to record. We'll call this your FreeAgent Start Date.

Confirm what method you will use to record your transactions

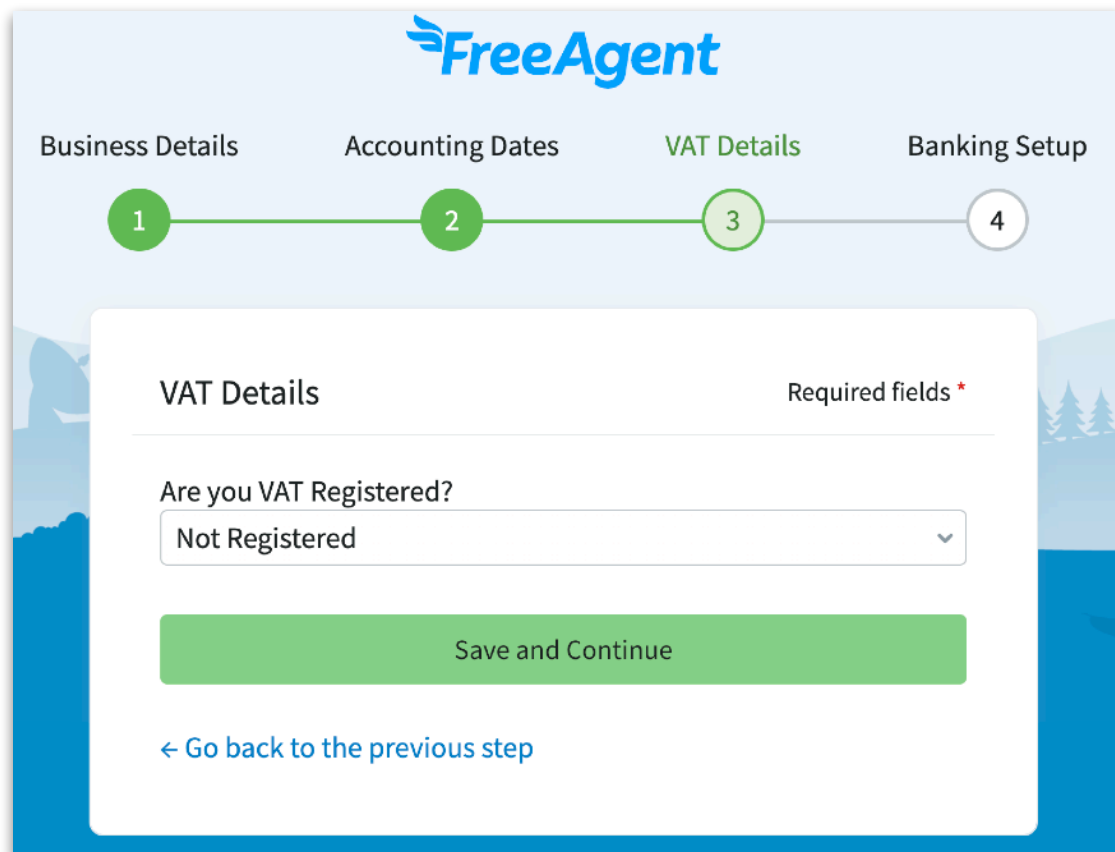
☒ Traditional (accrual) basis ☐ Cash basis

Find out more about [how to choose the appropriate accounting basis](#) in our Knowledge Base article.

Save and Continue

[← Go back to the previous step](#)

Select 'Save and Continue' to proceed to the next step. If your client is already VAT registered, then you can enter those details at this stage if you have them to hand. If you don't, you can enter the VAT settings at a later point. All the information you need can be obtained from the client's VAT registration certificate.



The image shows the 'VAT Details' setup screen in the FreeAgent software. At the top, the FreeAgent logo is displayed. Below it, a progress bar shows four steps: 'Business Details' (1), 'Accounting Dates' (2), 'VAT Details' (3, currently active), and 'Banking Setup' (4). The 'VAT Details' section is titled 'VAT Details' with a 'Required fields *' indicator. It contains a dropdown menu labeled 'Are you VAT Registered?' with 'Not Registered' selected. Below the dropdown is a green 'Save and Continue' button. At the bottom left, there is a blue link that says '← Go back to the previous step'.

One thing to note is that if your client has changed their VAT periods for any reason, then you will need to enter the new date. Also, their first VAT return period end date may not be the first VAT return that will be prepared in FreeAgent. Please make sure to use the period end date of the client's first ever VAT return, not the first return that will be prepared in FreeAgent.

FreeAgent also fully supports the VAT Flat Rate Scheme, and you can select the correct type from the drop-down field.

VAT Details

Required fields *

Are you VAT Registered?

Registered

VAT Registration Number *

1234567890

Effective Date of VAT Registration *

01 Jan 23

The registration date can be found on your VAT certificate.

First VAT Return Period End Date *

31 Mar 23

The end date of your first VAT Return can be found on your VAT certificate.

Default VAT Return Frequency

Quarterly

VAT Accounting Basis on your VAT Registration Date

Invoice

Only affects the automatically-created initial VAT returns.

Were you on a flat rate scheme on your VAT Registration Date?

☒ No ☐ Yes

Do you need to use additional VAT rates?

☒ No ☐ Yes

For example, if you trade outside the UK, use VAT MOSS or the domestic reverse charge.

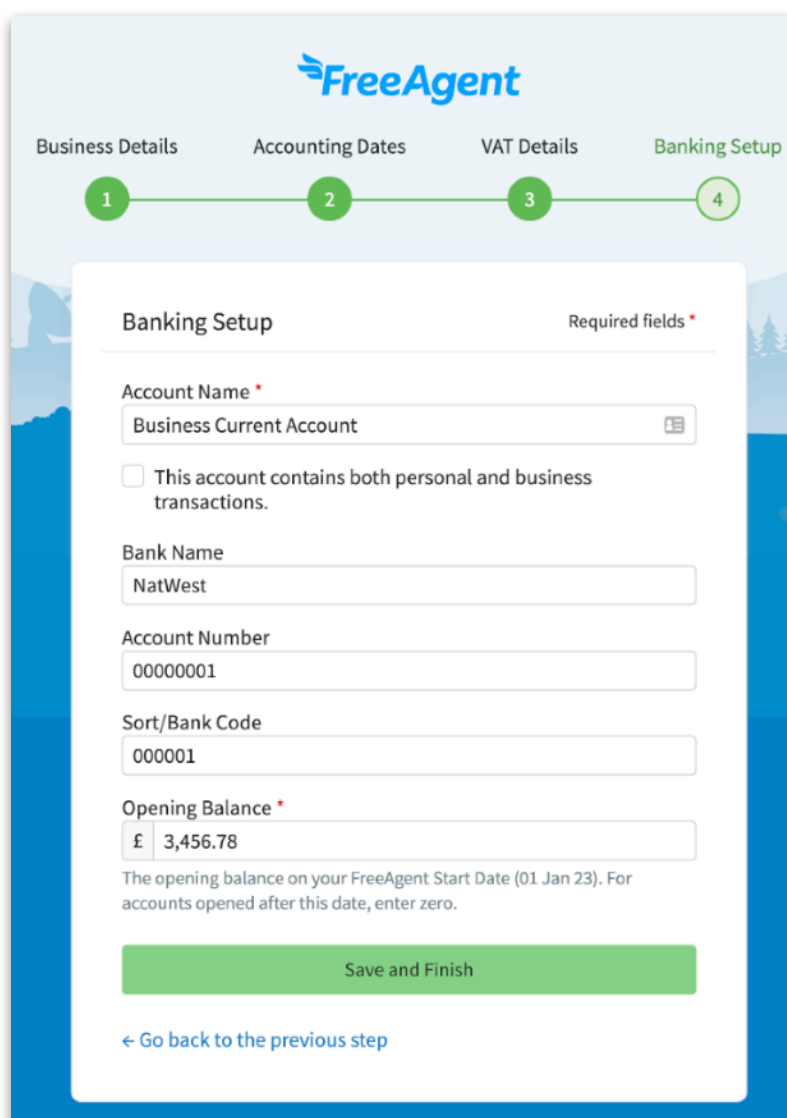
Save and Continue

[← Go back to the previous step](#)

Once you're happy with the information entered, select 'Save and continue'.

You'll then be taken to the final step of the setup process where you'll need to enter the client's bank account details.

The only required information at this stage is the name of the account and the opening balance as at the FreeAgent start date.



The image shows the FreeAgent Banking Setup form. At the top, the FreeAgent logo is displayed. Below it, a progress bar shows four steps: Business Details (1), Accounting Dates (2), VAT Details (3), and Banking Setup (4). The Banking Setup form is the active step. It contains the following fields and options:

- Account Name ***: A text input field containing "Business Current Account".
- ☐ **This account contains both personal and business transactions.**
- Bank Name**: A text input field containing "NatWest".
- Account Number**: A text input field containing "00000001".
- Sort/Bank Code**: A text input field containing "000001".
- Opening Balance ***: A text input field with a currency selector set to "£" and a value of "3,456.78".

Below the Opening Balance field, there is a note: "The opening balance on your FreeAgent Start Date (01 Jan 23). For accounts opened after this date, enter zero."

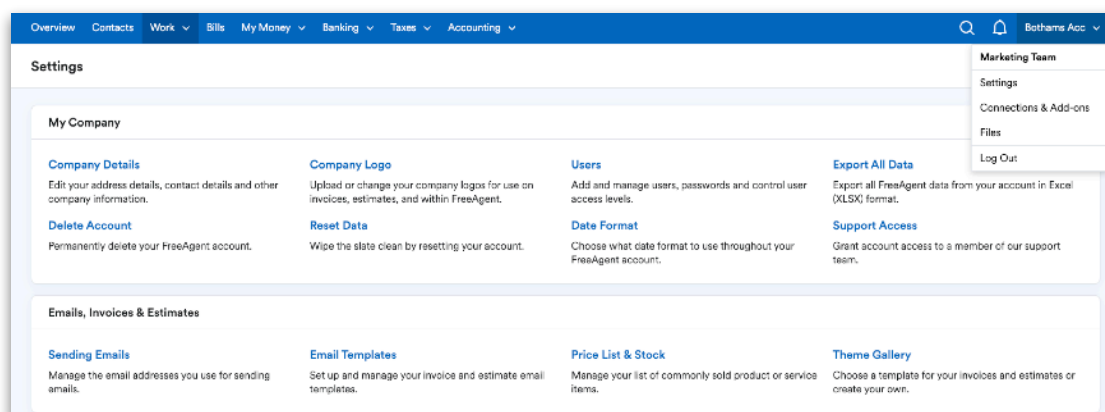
At the bottom of the form, there is a green button labeled "Save and Finish" and a blue link labeled "← Go back to the previous step".

Once you've entered these, select 'Save and finish'.

Step 3: Housekeeping

In this final stage, you'll finish setting up the licence and preparing it for your client to use.

Begin by navigating to the 'Settings' menu. To do this, click on your client's name in the top-right corner and select 'Settings'. From here, navigate to 'Users'.

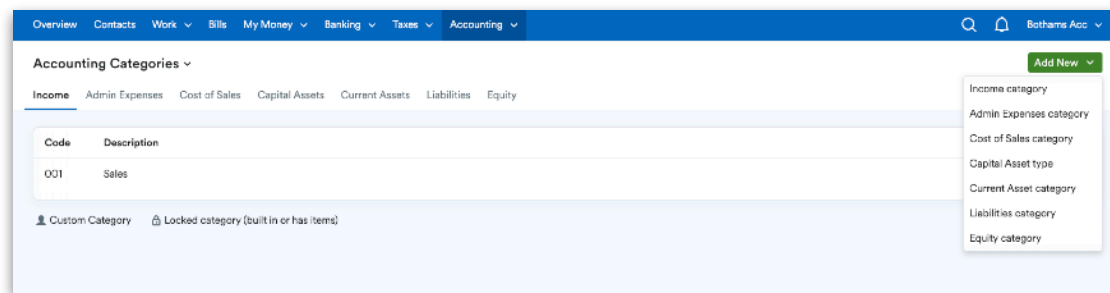


Here you'll need to add any employees and additional directors to the FreeAgent licence as users. The reason for this is that a lot of the nominal codes are auto-generated and added to menus within FreeAgent. These include director's loan accounts, payroll accounts, out-of-pocket expenses accounts and landlord property owners for split ownership.

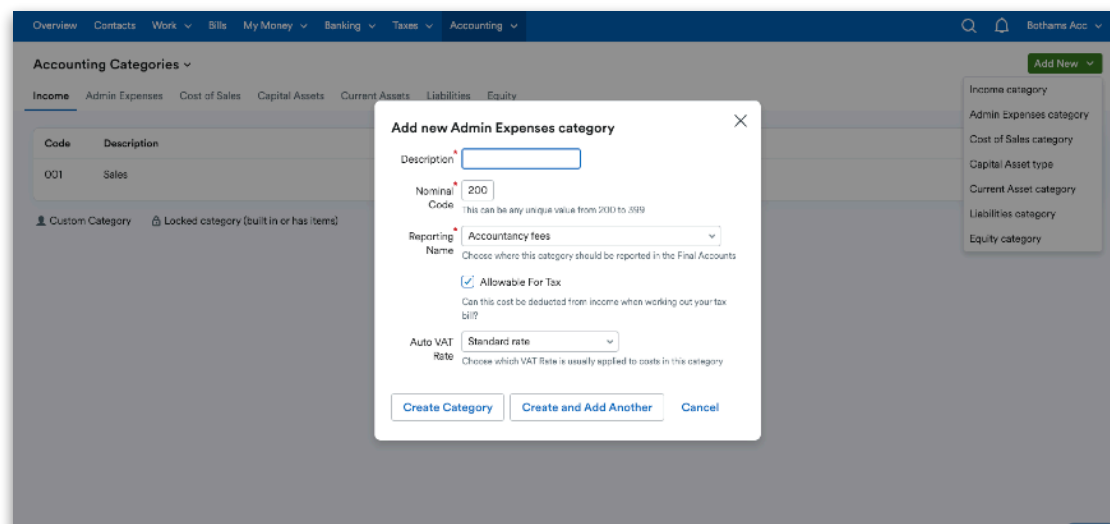
To add a new user, select 'New user'. This section is very similar to the previous one where you entered your client's details, but the main difference is that here there is a 'role' option where you can select either 'director' or 'employee'.

Navigate back to the 'Settings' area and select 'Accounting categories'. Here, you can enter additional nominal codes that might be specific to your client, but are not part of the pre-loaded ones. The nominal codes are split out into the different types.

To add a new code, select 'Add new'. The drop-down list is the same as the list of tabs across the top of the table.



If you select 'Admin Expense category', you'll see a popup where you need to enter the specifics for the new code.



'Description' is the name of the code and 'Nominal Code' will default to the next one available in the range.

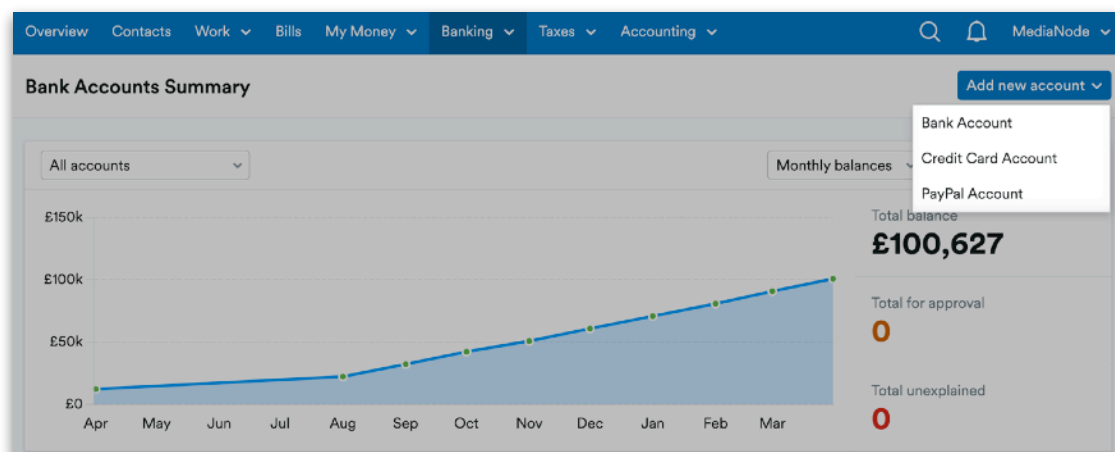
For 'Reporting Name', for a limited company licence, select where you want it to go in the accounts from the drop-down menu. For a sole trader licence, select where you want it to go on the tax return. You can also tick the checkbox to either allow it or disallow it for tax purposes.

The final field lets you select the 'Auto VAT Rate' for that nominal code. This will mean that when you are assigning a nominal code to a transaction, you can select 'Auto' under 'VAT', and it will use the VAT rate associated with the code.

Next, you'll need to add any additional accounts that your client had already opened on the FreeAgent start date. To do this, navigate to the 'Banking' tab and then select 'Bank accounts' from the drop-down menu.



Select 'Add new account' in the top-right corner and you'll see three options: 'bank account', 'credit card' and 'PayPal account'. Select the relevant account type.



Next, give the account a name and enter the opening balance as at the FreeAgent start date. If the account was not in existence on the FreeAgent start date, leave the opening balance as nil. If you're setting up a loan, then enter the balance as a negative.

New Bank Account

Bank Account

Required fields*

Account Name*

CurrencyPounds Sterling

StatusActive

☐ This is a personal account

☐ Make this my primary account

Optional Details

Bank name

Account Number

Sort/Bank Code

This is sometimes called a Routing Number.

☒ Show these details on Invoices

Opening Balance (at start of 03 Jan 16)

Balance*

£0.00

The account balance at the start of the FreeAgent Start Date. (For accounts opened after this date, enter zero.)

Guess Explanations

☒ Guess explanations for my transactions

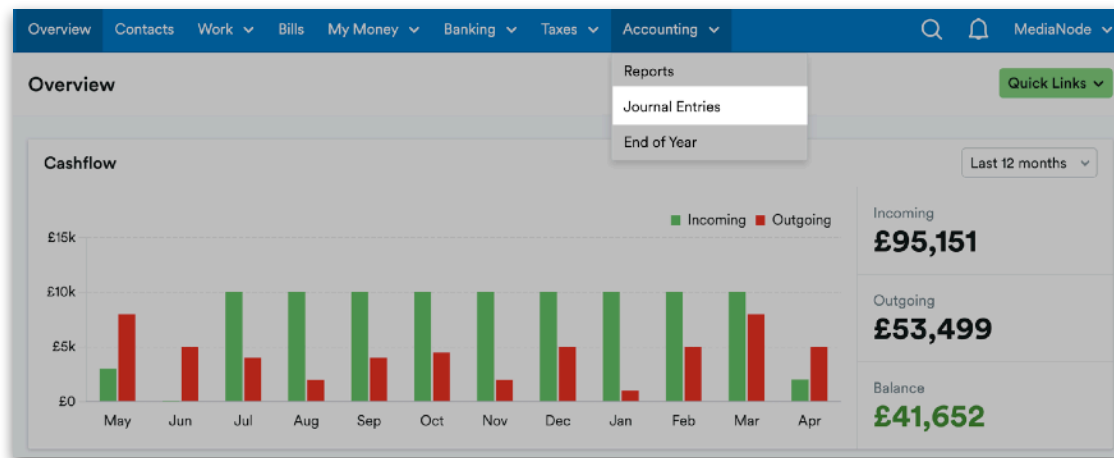
When data is imported any guessed transactions will be marked **For Approval**, allowing you to review and approve them as being correct. [Learn more](#) →

More Options

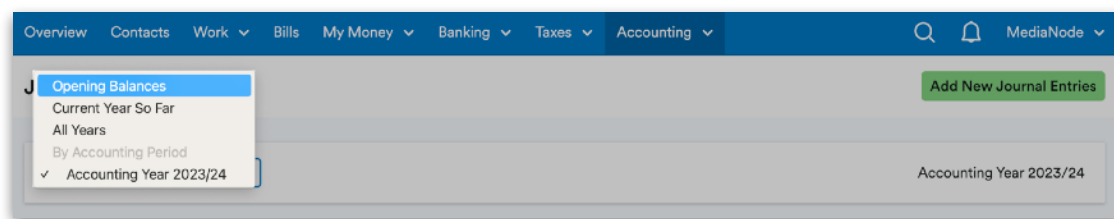
Create new account

Cancel

Once you've entered all of the relevant information, you're ready to enter the rest of the opening balances. Select 'Accounting' and then 'Journal entries'.



Then, choose 'Opening Balances' from the drop-down.



Here you'll be shown the balances from any accounts you've entered in the banking section. You'll also see another entry labelled 'Automatic balancing entry'. This entry is created and posted to the suspense account and will be automatically removed once all of the opening balances have been entered.

Journal Entries			
Opening Balances		Import Opening Balances	Edit Opening Balances
Opening Balances		Opening Balances	
Opening Balances	Additional information	Debit	Credit
750-1 Bank Account > Business Current Account	Opening Balance	5,000.00	
681 Trade Debtors	Money owed to the business from customers	2,000.00	
796 Trade Creditors	Money owed by the business to suppliers		5,000.00
968 Profit and Loss	Retained profit		3,000.00
817 VAT	Money owed by the business to HMRC for VAT		400.00
674 Business loan provided to another business	Outstanding loan balance owed to the business	400.00	
999 Suspense Account	Automatic Balancing Entry	1,000.00	

To edit the opening balances, select 'Edit opening balances'.

To add another entry, select 'Add another'. Then, select any of the nominal codes that are in the licence. Once you've entered all of the opening balances and they balance, select 'Save Changes' and the automatic balancing entry will be removed from the system.

Code	Additional information	Debit	Credit	
750-1 Bank Account > Business Current Account	Opening Balance	5000.00		Edit
681 - Trade Debtors	Money owed to the business from customers	2000.00		X
796 - Trade Creditors	Money owed by the business to suppliers		5000.00	X
968 - Profit and Loss	Retained profit		3000.00	X
817 - VAT	Money owed by the business to HMRC for VAT		400.00	X
674 - Business loan provided to another business	Outstanding loan balance owed to the business	1400.00		X
		8400.00	8400.00	
Difference: 0.00				

Because of the automatic balancing entry, the suspense account will be locked, which means that you or your client can't explain transactions to it. Instead, if you have a transaction that you would want to put to suspense, you will need to use the nominal code '998 contra account' instead.

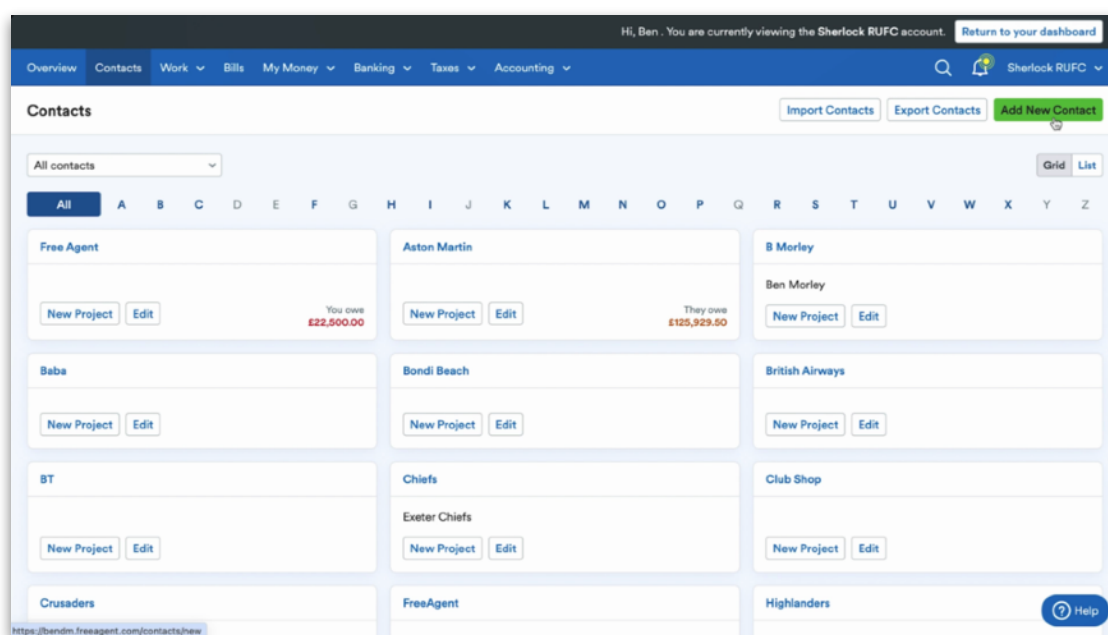
2. Contacts, invoicing, credit notes and projects

In this section, we'll show you how to enter contacts, sales invoices and credit notes, as well as how to manage projects within FreeAgent.

Contacts

In FreeAgent, contacts refer to your client's customers and suppliers. Adding contacts is normally the first thing your client would do, but not always. For example, if clients are explaining everything from their bank account to P&L codes, they don't need to use contacts.

To enter a new contact, navigate to the 'Contacts' tab and select 'Add new contact'.



The information you enter here will get pulled through to other areas of FreeAgent, like sales invoicing. When entering the name of the contact, you can either enter the person's name or the name of the organisation they work for. You don't need to enter both, but you may want to if you are dealing with a specific person within an organisation.

Hi, Ben. You are currently viewing the Sherlock RUFC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

New Contact

Contact Details

First Name

Last Name

Organisation

Enter a first and last name, and/or an organisation name. Both are not required

Email

Billing Email

Telephone

Mobile Number

Invoicing Address

Address

Town

[Help](#)

Under 'Invoicing Options', you can specify the payment terms for the contact. You can also set up contact-level email settings and use contact-level invoice sequencing instead of using global invoice sequencing. You can enter the contact's VAT registration number here too.

Region

Post/Zip Code

Country

Invoicing Options

Invoices that have already been created will not be affected by changes made here.

Default Payment Terms days

Set to zero to display 'Due on Receipt' on invoices
Leave this blank if you don't want to set contact-level payment terms.

☐ Use contact-level email settings?

☐ Contact-level Invoice Sequence?

Can be overridden by project-level sequences

☒ Display Contact Name

Check this box if you want invoices to show the Contact name as well as an Organisation Name.

Charge VAT

VAT Registration Number

If applicable, and needing to be displayed on invoices.

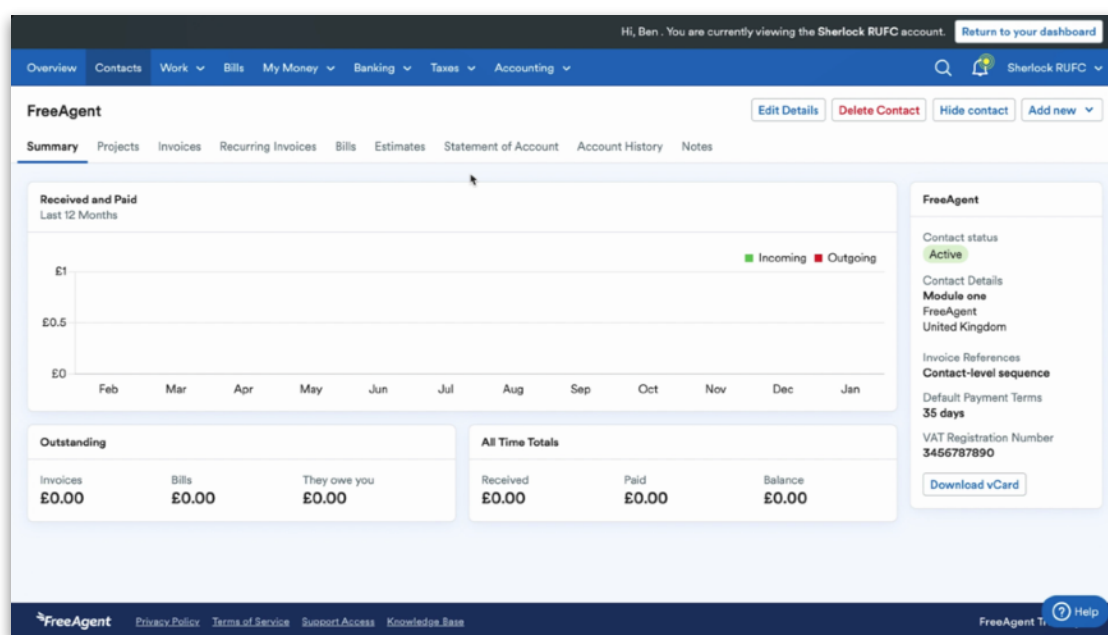
Invoice/Estimate Language

This allows you to display Invoices and Estimates in different languages.

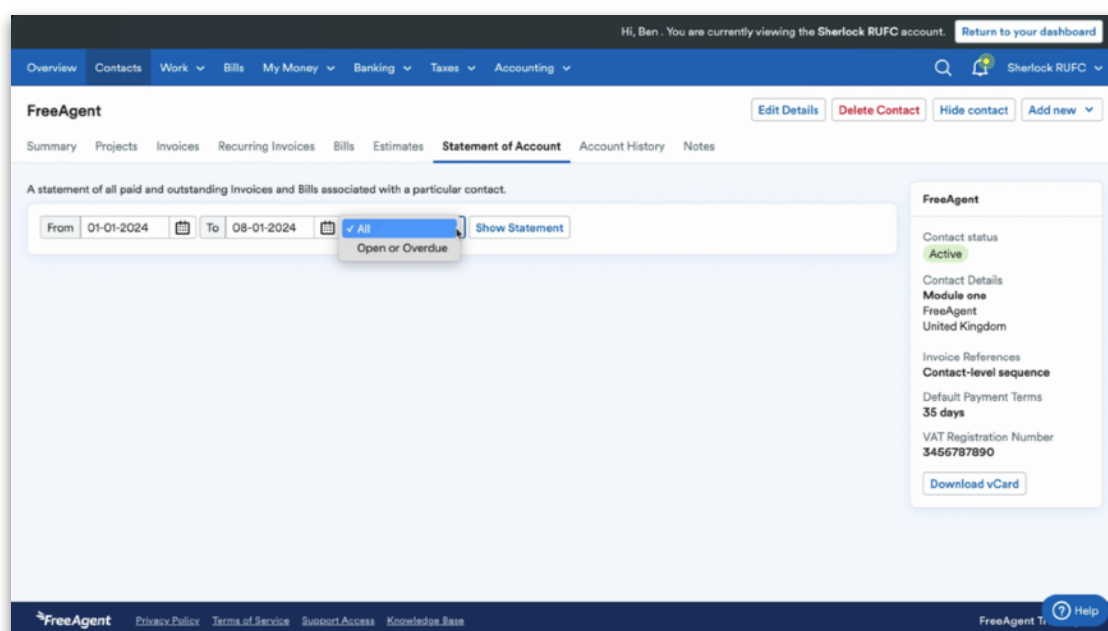
[Create New Contact](#) [Create and Add Another](#) [Cancel](#) [Help](#)

If the contact is based outside the UK, and is VAT-equivalent registered, set the 'Charge VAT' option to 'Never'. If they are not VAT-registered in their own country, then you may wish to leave it on the default setting.

Once you've created a contact, you can start explaining transactions to them. Once you've done so, you can select the contact's name to see all of their transactions in FreeAgent.



You can also view the statement of account for that contact by selecting the 'Statement of Account' tab, which can either be shown as all transactions or just the outstanding ones.



You can save this as a PDF and print it or email it to the contact by selecting the relevant option in the top-right.

Hi, Ben - You are currently viewing the Sherlock RUFUC account. [Return to your dashboard](#)


Overview Contacts Work Bills My Money Banking Taxes Accounting

FreeAgent [Edit Details](#) [Delete Contact](#) [Hide contact](#) [Add new](#)

Summary Projects Invoices Recurring Invoices Bills Estimates **Statement of Account** Account History Notes

From 01-01-2024 To 08-01-2024 Open or Overdue Show Statement [Save as PDF](#) [Send by Email](#)

STATEMENT OF ACCOUNT

 FreeAgent

Sherlock RUFUC
5 Church Street
Royston
Barnsley
South Yorkshire S71 4QU

Dates: 01-01-2024 - 08-01-2024

Prepared by Sherlock RUFUC
Registration number: 0123456

FreeAgent

Contact status: **Active**

Contact Details
Module one
FreeAgent
United Kingdom

Invoice References
Contact-level sequence
Default Payment Terms
35 days
VAT Registration Number
3456787890
[Download vCard](#)

[Help](#)

Invoicing

To navigate to the Invoices area, select the 'Work' tab and then 'Invoicing' from the drop-down menu. On this page, you'll see a list of sales invoices that have been entered into FreeAgent.

Hi, Ben - You are currently viewing the Sherlock RUFUC account. [Return to your dashboard](#)

Overview Contacts **Work** Bills My Money Banking Taxes Accounting

Invoices [Add New Credit Note](#) [Add New Invoice](#)

All

Date	Due Date	Reference	Contact and Project	Total Value	Status	
22-11-2023	22-12-2023	Invoice 2022-28	Aston Martin	25,129.50	Overdue - due 17 days ago	Send reminder
21-11-2023	21-12-2023	Invoice 2022-27	Aston Martin	21,600.00	Overdue - due 18 days ago	Send reminder
16-11-2023	16-12-2023	Invoice 2022-24	Aston Martin	79,200.00	Overdue - due 23 days ago	Send reminder
01-11-2023	01-12-2023	Invoice 2022-08	Chiefs	1,320.00	Paid on - 14-06-2022	
10-10-2023	09-11-2023	Invoice 2022-23	Makro Plc	18,000.00	Paid on - 14-06-2023	
07-09-2023	07-10-2023	Invoice 2022-22	Ultron High	18,000.00	Paid on - 14-06-2023	
14-03-2023	13-04-2023	Invoice 2022-11	Highlanders	5,760.00	Paid on - 14-06-2022	
17-11-2022	17-12-2022	Invoice 2022-21	Toulon	4,800.00	Paid on - 20-02-2022	
08-09-2022	08-10-2022	Invoice 2022-20	Tigers	5,760.00	Paid on - 20-02-2022	
18-08-2022	17-09-2022	Invoice 2022-19	Stade Francais	4,800.00	Paid on - 15-09-2022	
13-07-2022	12-08-2022	Invoice 2022-18	Saracens	5,760.00	Paid on - 15-10-2022	
16-06-2022	16-07-2022	Invoice 2022-17	Saracens	5,760.00	Paid on - 15-10-2022	

[Help](#)

FreeAgent uses a traffic light system to show the state of the invoice: green means the invoice is paid; orange means the customer has not yet met payment terms, and red means they have not yet paid and the invoice is now overdue. To add a new sales invoice, select 'Add new invoice'. This is where you will enter all of the standing data for the sales invoice.

New Invoice

Contact and Project Details Required fields*

Contact: Aston Martin Add a new contact

Project: -- No Project --

Invoice Details Required fields*

Invoice Reference: 2022-29 Using Global invoice sequencing

Invoice Date: 08-01-2024

Payment Terms: 30 days Set to zero to display "Due on Receipt" on the invoice.

Currency: Pounds Sterling

Additional Text:
Additional text is added at the bottom of your invoices. [Set default additional text](#)

Online Payments Help

Next, select the contact who you're going to send the invoice to. The drop-down list under 'Contact' will show all the customers and suppliers that have been added as contacts to FreeAgent.

New Invoice

Contact and Project Details Required fields*

Contact: ✓ Aston Martin Add a new contact

Project: -- No Project --

Invoice Details Required fields*

Invoice Reference: 2022-29 Using Global invoice sequencing

Invoice Date: 08-01-2024

Payment Terms: 30 days Set to zero to display "Due on Receipt" on the invoice.

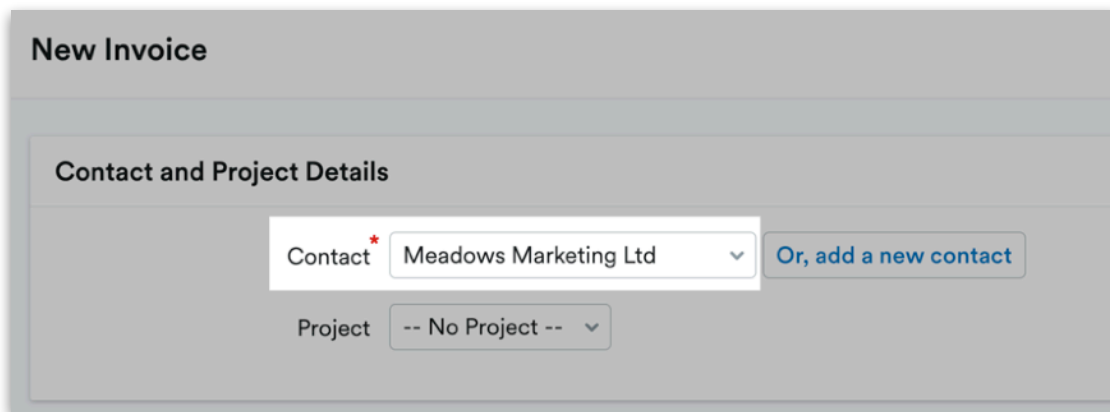
Currency: Pounds Sterling

Additional Text:
Additional text is added at the bottom of your invoices. [Set default additional text](#)

Online Payments Help

- Free Agent
- B Morley
- Baba
- Bondi Beach
- British Airways
- BT
- Chiefs
- Club Shop
- Crusaders
- FreeAgent
- FreeAgent
- Highlanders
- house 1
- Irish
- Kukari
- Hira Laptop
- Makro Plc
- Mercedes - Benz
- NSW
- ir35 old style
- Opro
- Pearson, Hardman, Specter, Litt
- Pukka

You can select a contact from the menu, or you can add a new contact by selecting 'Or, add a new contact' next to the Contact field.



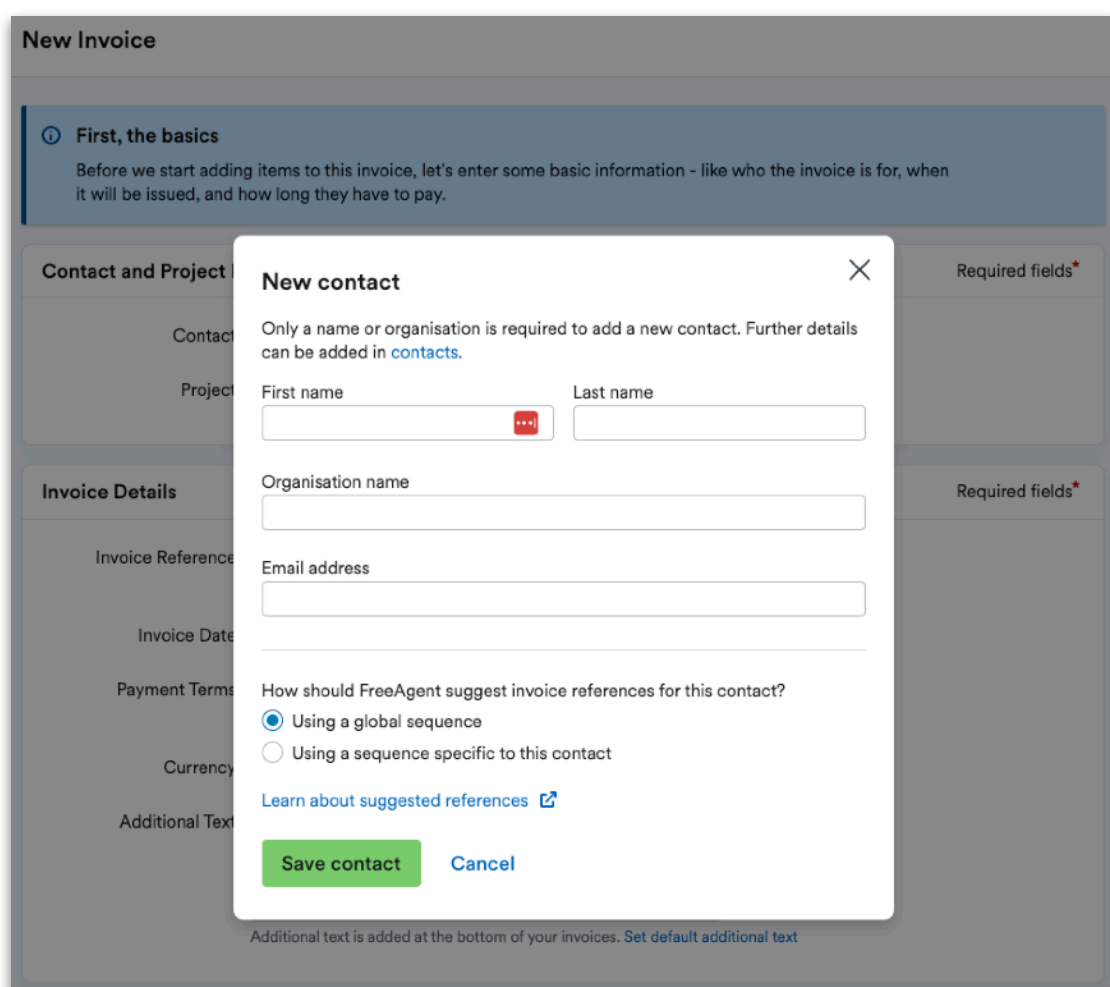
New Invoice

Contact and Project Details

Contact * Meadows Marketing Ltd [Or, add a new contact](#)

Project -- No Project --

You can either enter a first name and last name (with or without an organisation name) or enter an organisation name on its own. You can also include the email address for the contact and specify whether you want to use FreeAgent's global invoice sequencing or contact-level invoice sequencing.



New Invoice

First, the basics
Before we start adding items to this invoice, let's enter some basic information - like who the invoice is for, when it will be issued, and how long they have to pay.

Contact and Project Details

Contact * Meadows Marketing Ltd [Or, add a new contact](#)

Project -- No Project --

Invoice Details

Invoice Reference

Invoice Date

Payment Terms

Currency

Additional Text

New contact

Only a name or organisation is required to add a new contact. Further details can be added in [contacts](#).

First name

Last name

Organisation name

Email address

How should FreeAgent suggest invoice references for this contact?

☒ Using a global sequence

☐ Using a sequence specific to this contact

[Learn about suggested references](#)

[Set default additional text](#)

[Required fields*](#)

[Required fields*](#)

[Additional text is added at the bottom of your invoices.](#)

[Save contact](#) [Cancel](#)

If you're using global invoice sequencing, FreeAgent will automatically increase the invoice reference number by one each time you create an invoice. You can select the payment terms for the invoice here, or from within the 'Contacts' area.

The screenshot shows the 'Contact and Project Details' and 'Invoice Details' sections of the FreeAgent interface. The 'Contact' dropdown is set to 'Highlanders' and the 'Project' dropdown is set to '-- No Project --'. The 'Invoice Details' section includes fields for 'Invoice Reference' (2022-29), 'Invoice Date' (08-01-2024), 'Payment Terms' (30 days), and 'Currency' (Pounds Sterling). There is also an 'Additional Text' field. The 'Online Payments' section at the bottom provides options for connecting Stripe, PayPal, and GoCardless.

You can set up an invoice in an international currency by selecting the relevant currency from the drop-down menu. We use XE.com to update the exchange rate daily. FreeAgent will work out any realised and unrealised losses or gains and post them accordingly.

This screenshot shows the same 'Contact and Project Details' and 'Invoice Details' form, but with the 'Currency' dropdown menu open. The menu lists various international currencies, including Euro, US Dollar, Canadian Dollar, New Zealand Dollar, Australian Dollar, Angolan Kwanza, Argentine Peso, Armenian Dram, Aruban Florin, Australian Dollar, and Azerbaijani Manat. The 'Pounds Sterling' option is currently selected.

If you have a client who is a CIS subcontractor, you can set this up from within the 'Settings' menu. Your client can also use templates for their sales invoices. We will cover these in more detail in the Settings section. Once you're happy with the information, select 'Create new invoice' at the bottom of the page.

Additional Text

Additional text is added at the bottom of your invoices. Set default additional text

Online Payments

Online Payment Options Let customers pay straight away by connecting Stripe and PayPal
Set up Direct Debits by connecting GoCardless

Invoice Emails

☐ Email this invoice automatically using my default template
You need to create a new invoice email first!

☐ Email payment reminders if the invoice goes unpaid
[Edit reminder rules](#)

☐ Email a Thank You once this invoice has been paid
You need to create a Thank You email template first!

More Options ▾

Create New Invoice Cancel

Help

Next, you can enter the line items for the invoice. To do this, select 'Add invoice item'.


Invoice 2022-29 (Draft)

Save as PDF Edit Delete More ▾

☒ Draft ☐ Sent ☐ Paid

☒ Show Income Categories (will not appear on sent invoices)

Highlanders

 Sherlock RUC
5 Church Street
Royston
Barnsley
South Yorkshire S71 4QU
VAT: 123456789

INVOICE 2022-29
08 January 2024
Payment due by 07 February 2024

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
		Net Total		0.00
		VAT		0.00
		GBP TOTAL		£0.00

Add Invoice Item

Payment Details Other Information

Total value
£0.00
Created 08-01-2024
Due Not yet sent
Contact Highlanders →

Online payments
Let your customers pay quickly and securely online.
[Set up online payments](#)

Help

The pop-up window lets you enter the details for each line item.

If your client sells the same items or services regularly, we recommend setting those items up as price list items. To do this, tick the checkbox next to 'Add this to your price list' and give the item a title.

This will mean that in the future you'll be able to select the item from 'Autofill from your price list' drop-down, which will populate the field and save you time.

Once you're happy, you have two options: you can either create another line item or select 'Create and Finish' to complete the process.

Please note that while the invoice is in 'draft' mode, it will not be pulled through to the accounting reports in FreeAgent. When 'Mark as Sent' is selected, the invoice will be pulled through to the accounting reports, to the VAT returns if applicable, and will be available to have bank transactions explained against it.


Invoice was successfully marked as sent are currently viewing the Sherlock RUF C account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Invoice 2022-29 (Open - due in about 1 month) [Save as PDF](#) [Send by Email](#) [More](#)

☒ Make Draft ☒ **Sent** ☐ Paid [Actions](#)

☐ Show Income Categories (will not appear on sent invoices)



Sherlock RUF C
5 Church Street
Ryston
Barnsley
South Yorkshire S71 4QU
VAT: 123456789

Highlanders

INVOICE 2022-29
08 January 2024
Payment due by 07 February 2024

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
1:00 Hour	internet sales	15,000.00	20%	15,000.00
Net Total				15,000.00
VAT				3,000.00

Total value
£18,000.00

Created
08-01-2024

Due
07-02-2024

Contact
[Highlanders -->](#)

[Help](#)

Credit notes

Within FreeAgent there are two ways to enter credit notes. The first is to create a standalone credit note. To do this, begin by selecting 'Work' and then 'Invoicing' from the drop-down menu. Next, select 'Add new credit note'.

The screenshot shows the 'New Credit Note' form in the FreeAgent interface. The form is divided into two main sections: 'Contact and Project Details' and 'Credit Note Details'. In the 'Contact and Project Details' section, the 'Contact' is set to 'Highlanders' and the 'Project' is set to '-- No Project --'. In the 'Credit Note Details' section, the 'Credit Note Reference' is '2022-30', the 'Credit Note Date' is '08-01-2024', the 'Payment Terms' are '0 days', and the 'Currency' is 'Pounds Sterling'. There is an 'Additional Text' field at the bottom. The form includes a 'Required fields' indicator and a 'Help' button.

This page is very similar to the one shown in the Invoicing section above. The main difference is that you enter a credit note reference. Once you are happy with the credit note, select 'Save changes'. From here, follow the same process for adding line items as you would for a sales invoice. However, this time you'll need to make sure the figures are negative.

The screenshot shows the 'New Credit Note Item' modal form. The modal is titled 'New Credit Note Item' and has a close button. It includes a dropdown menu for 'Autofill from your price list'. Below this, there is a 'Quantity' field set to '1.0' and a unit dropdown set to 'Hours'. The 'Details' field contains the text 'internet sales'. The 'Unit Price' field is set to '£ -15000.00'. The 'Income Category' is set to 'Sales' and the 'VAT' is set to 'Standard (20.0%)'. At the bottom, there are three buttons: 'Create and Finish', 'Create and Add Another', and 'Cancel'. The background shows a summary of the credit note with a total value of £0.00 and a date of 08-01-2024.

Once you're happy with the credit note, select 'Mark as sent'.

Hi, Ben. You are currently viewing the Sherlock RUCF account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Invoice 2022-29 (Open - due in about 1 month) [Save as PDF](#) [Send by Email](#) [More](#)

☒ Draft ☐ Mark as Sent ☐ Refunded [Invoice Item added.](#)

☒ Show Income Categories (will not appear on sent credit notes)

Sherlock RUCF
5 Church Street
Royston
Barnsley
South Yorkshire S71 4QU
VAT: 123456789

Highlanders

CREDIT NOTE 2022-30
08 January 2024
Payment Terms: Due on receipt

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
1:00 Hour	internet sales	-15,000.00	20%	-15,000.00
Net Total				-15,000.00
VAT				-3,000.00
GBP TOTAL				-£18,000.00

[Add Credit Note Item](#)

[Payment Details](#) [Other Information](#)

Total value: **-£18,000.00**
Created: 08-01-2024
Due: Not yet sent
Contact: [Highlanders](#)

[Help](#)

The other way to create a credit note is against a sales invoice. To do this, select the sales invoice that you want to credit, then select the 'Actions' drop-down. Next, select 'Create new credit note'.

Hi, Ben. You are currently viewing the Sherlock RUCF account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Invoice 2022-29 (Open - due in about 1 month) [Save as PDF](#) [Send by Email](#) [More](#)

☐ Make Draft ☒ Sent ☐ Paid [Actions](#)

☐ Show Income Categories (will not appear on sent invoices)

Sherlock RUCF
5 Church St
Royston
Barnsley
South Yorkshire S71 4QU
VAT: 123456789

Highlanders

INVOICE 2022-29
08 January 2024
Payment due by 07 February 2024

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
1:00 Hour	internet sales	15,000.00	20%	15,000.00
Net Total				15,000.00
VAT				3,000.00

[Apply existing credit note](#)
[Create new credit note](#)
[Add manual bank transaction](#)

Total value: **£18,000.00**
Created: 08-01-2024
Due: 07-02-2024
Contact: [Highlanders](#)

[Help](#)

Once it has been created you have two options: you can add more line items to the credit note if needed, or mark the credit note as sent.


Hi, Ben - You are currently viewing the Sherlock RUCFC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Credit Note 2022-31 (Draft) [Save as PDF](#) [Send by Email](#) [Edit](#) [Delete](#) [More](#)

☒ Draft ☐ Mark as Sent ☐ Refunded

☒ Show Income Categories (will not appear on sent credit notes)

 **Highlanders**

Sherlock RUCFC
5 Church Street
Ryoston
Barnsley
South Yorkshire S71 4QU
VAT: 123456789

CREDIT NOTE 2022-31
08 January 2024
Payment Terms: Due on receipt

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
1:00 Hour	internet sales Sales	-15,000.00	20%	-15,000.00
Net Total				-15,000.00
VAT				-3,000.00

Total value
-£18,000.00

Created
08-01-2024

Due
Not yet sent

Contact
[Highlanders](#)

[Help](#)

Once you have marked the credit note as sent, you'll see the 'Actions' button appear.

You have two options to mark the credit note as paid: you can allocate the credit note against a bank transaction; or you can select 'Apply to invoice'


Hi, Ben - You are currently viewing the Sherlock RUCFC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Credit Note 2022-31 (Open - due today) [Save as PDF](#) [Send by Email](#) [More](#)

☐ Make Draft ☒ Sent ☐ Refunded

☐ Show Income Categories (will not appear on sent credit notes)

 **Highlanders**

Sherlock RUCFC
5 Church Street
Ryoston
Barnsley
South Yorkshire S71 4QU
VAT: 123456789

CREDIT NOTE 2022-31
08 January 2024
Payment Terms: Due on receipt

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
1:00 Hour	internet sales	-15,000.00	20%	-15,000.00
Net Total				-15,000.00
VAT				-3,000.00

Total value
-£18,000.00

Created
08-01-2024

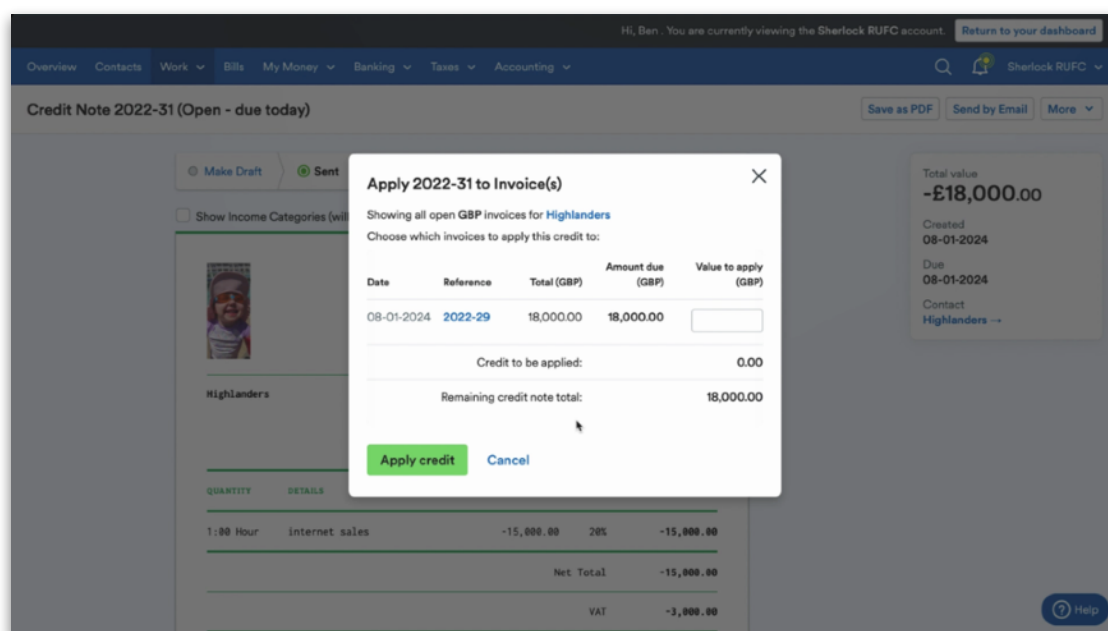
Due
08-01-2024

Contact
[Highlanders](#)

[Actions](#)
Apply to Invoice
Add manual bank transaction

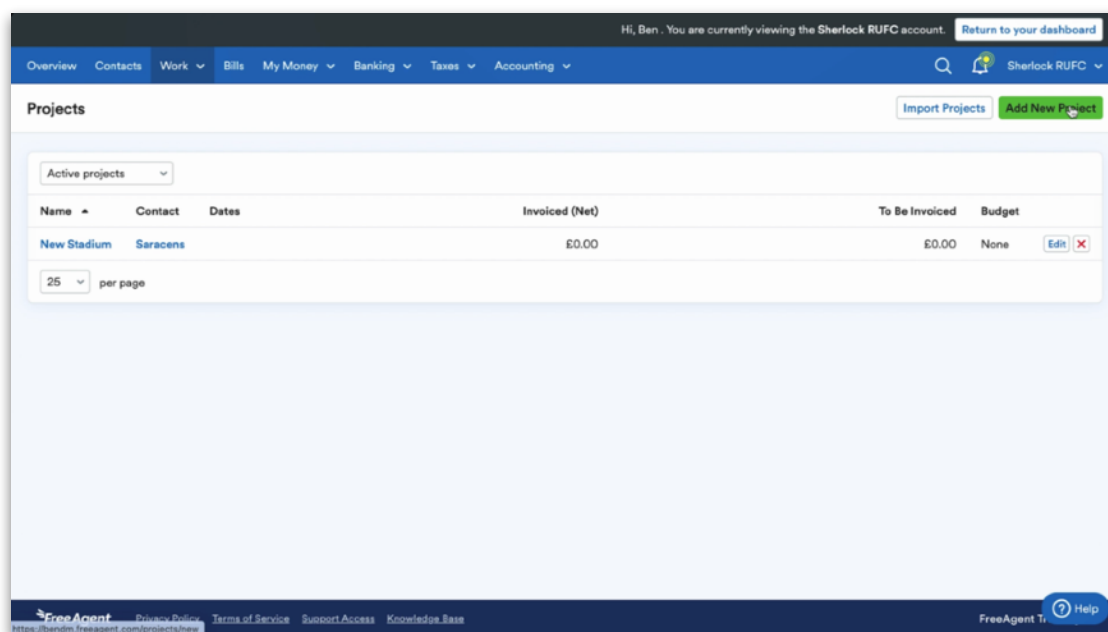
[Help](#)

A pop-up will appear with all the sales invoices associated with that contact in FreeAgent. You can then either allocate the full amount of the credit note against one invoice or split it against numerous sales invoices for that contact.



Projects

To navigate to the Projects area, select the 'Work' tab and then 'Projects' from the drop-down menu. From here, you can manage any projects that have already been set up in FreeAgent or add new ones by selecting 'Add new project'.



Next, you'll be taken to the 'New Project' setup area. Select a contact from the drop-down list and enter the additional relevant options for the project.

The screenshot shows the 'New Project' setup form in the Sherlock RUFC account. The form is divided into two main sections: 'Project' and 'Time and Money'. In the 'Project' section, the 'Contact' is set to 'Free Agent', and there is a link to 'Or, add a new contact'. The 'Project Name' field is empty, and the 'Status' is set to 'Active'. The 'Contract/PO Number' field is empty, and there is a checkbox for 'Project-level Invoice Sequence?'. In the 'Time and Money' section, the 'Currency' is set to 'Pounds Sterling', the 'Budget' is set to '0', and the 'Hours per day' is set to '8:00'. The 'Normal Billing Rate' is set to '0.0 per hour plus VAT'. A 'Help' button is located in the bottom right corner.

Once you're happy with the setup of the project, select 'Create New Project'.

The screenshot shows the 'New Project' setup form with the 'Project Name' field filled in with 'new stadium'. The 'Status' is still 'Active', and the 'Contract/PO Number' field is empty. The 'Project-level Invoice Sequence?' checkbox is still unchecked. In the 'Time and Money' section, the 'Currency' is 'Pounds Sterling', the 'Budget' is '0', the 'Hours per day' is '8:00', and the 'Normal Billing Rate' is '0.0 per hour plus VAT'. At the bottom of the form, there is a 'More Options' dropdown menu and two buttons: 'Create New Project' and 'Cancel'. The footer of the page includes the 'FreeAgent' logo, links to 'Privacy Policy', 'Terms of Service', 'Support/Access', and 'Knowledge Base', and a 'FreeAgent T. Help' button.

Once you've created the project, you can start allocating transactions to it. Please note that the following types of transactions cannot currently be allocated to a project: journals, wages, and sales income that has gone directly into the bank account.

Once you've started allocating transactions to a project, you can see a breakdown of all the transactions that have been allocated to it, as well as a detailed P&L specifically for that project.

Hi, Ben. You are currently viewing the Sherlock RUFU account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

new stadium [Edit Details](#) [Mark project as](#) [Delete Project](#) [Add new](#)

Summary Estimates Invoices Tasks Profit & Loss Time Expenses Notes

Breakdown

TIME	RECEIVED	OUTSTANDING	NOT BILLED YET
0:00	£0	£0	£0

Project Profitability ☒ Include unbillable time

INCOME	EXPENSES	UNBILLABLE TIME	PROFIT
£0	£0	£0	£0

[See full Project Profit & Loss](#)

Project Status: **Active**
 Contact: [Irish](#)
 Invoice Reference: **Global sequence**
 Billing Rate: **£0.00 per hour**
 Budget: **None**

FreeAgent [Privacy Policy](#) [Terms of Service](#) [Support Access](#) [Knowledge Base](#) FreeAgent [Help](#)

Climb Everest [Edit Details](#) [Mark project as](#) [Add new](#)

Summary Estimates Invoices Tasks **Profit & Loss** Time Expenses Notes

[All Time Periods](#) ☒ Include unbillable time [Export Report](#)

	Debit	Credit
Turnover		1,103,785
Sales		244,985
Sponsorship		857,180
Merchandise		1,620
less Cost of Sales	55,000	
Materials	55,000	
less Administration Expenses	81,008	
Local Guides	2,878	
Mileage	2,045	
Computer Hardware	13,200	
Climbing Equipment	23,125	
Mobile Phone	40,000	
Stationery	22	

Project Status: **Active**
 Contact: [Jacks Climbing Company](#)
 PO Number: **EVST0008848**
 Invoice Reference: **Contact-level sequence**
 Billing Rate: **£250.00 per hour**
 Budget: **100 Hours**

[Help](#)

3. Bills and out-of-pocket expenses

In this section, we'll explain how to work with bills and out-of-pocket expenses within FreeAgent.

Bills

Bills are purchase ledger invoices and they run on the same traffic light system as sales invoices in FreeAgent.

To add a new bill, select the 'Bills' tab and then select 'Add New Bill' at the top-right.

Hi, Ben. You are currently viewing the Sherlock RUFIC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Bills [Add New Bill](#)

All bills from all time

Due On	Bill Date	Reference	Supplier Contact, Details	Total Value	Status	
30-11-2025	01-01-2024	Phones	Vodafone Inc £20.83 VAT ↳ Recurs Monthly, next recurs on 01-02-2024	125.00	Open - due in almost 2 years	Edit
30-11-2025	01-01-2024	Phones	Vodafone Inc £20.83 VAT ↳ Recurs Monthly, next recurs on 01-02-2024	125.00	Open - due in almost 2 years	Edit
30-10-2025	01-12-2023	Phones	Vodafone Inc £20.83 VAT	125.00	Open - due in almost 2 years	Edit
30-10-2025	01-12-2023	Phones	Vodafone Inc £20.83 VAT	125.00	Open - due in almost 2 years	Edit
16-02-2022	19-01-2022	power sockets	Free Agent Inc £500.00 VAT	3,000.00	Overdue - due almost 2 years ago	Edit
01-11-2025	12-01-2022	New Van	Free Agent Inc £5,000.00 VAT	30,000.00	Open - £19,500.00 due in almost 2 years	Edit Lock
01-12-2023	01-01-2022	Phones	Vodafone Inc £20.83 VAT	125.00	Paid on 25-01-2023	Edit Lock
01-12-2023	01-01-2022	Phones	Vodafone Inc £20.83 VAT	125.00	Paid on 25-12-2022	Edit Lock

Total Unpaid **£23,000.00**

100 per page [Help](#)

Next, select the contact that the bill relates to. Then, enter the reference, bill date and due date from the purchase invoice. You can select an international currency if needed, and choose whether to enter the items as either including VAT or excluding VAT.

Hi, Ben. You are currently viewing the Sherlock RUCF account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Add a New Bill

Bill Details Required fields*

Supplier Contact: Free Agent [Or, add a new contact](#)

Reference:

Bill Date: 08-01-2024

Due On: 07-02-2024

Currency: Pounds Sterling

Bill totals will be entered: ☒ Including VAT ☐ Excluding VAT
If your bill does not include VAT you can pick either option.

Hire purchase: ☐ This will be paid using a hire purchase agreement
Bill will be paid off in instalments. [Learn more about hire purchases.](#)

VAT Options: ☒ UK VAT Rates ☐ Reverse Charge

Comments:

[Help](#)

If the bill is for an item bought using a hire purchase agreement, tick the 'Hire purchase' checkbox, which will enable the bill to be paid off in instalments. Enter the date that the hire purchase agreement ends in the 'Due On' field.

Reference: 34567

Bill Date: 08-01-2024

Due On: 20-03-2024

Currency: Pounds Sterling

Bill totals will be entered: ☐ Including VAT ☒ Excluding VAT
If your bill does not include VAT you can pick either option.

Hire purchase: ☒ This will be paid using a hire purchase agreement
Bill will be paid off in instalments. [Learn more about hire purchases.](#)

VAT Options: ☒ UK VAT Rates ☐ Reverse Charge

Comments:

Bill Contents

This bill contains: ☒ A single item or items of the same category ☐ Multiple items with different categories and VAT rates

Spending Category: Accommodation and Meals

Total Price (excluding VAT): £ 0.00

[Help](#)

If you only have a single line item to enter for the bill, enter it at this step. If you need to enter multiple line items, select 'Multiple items with different categories and VAT rates' in the 'Bill contents' section.

If a Capital asset category is selected, you can choose the method of depreciation that best suits your needs. FreeAgent now supports multiple depreciation methods, including:

- **Straight-Line method**
- **Reducing Balance method**

Additionally, you can specify the annual depreciation rate in the system. You also have the flexibility to choose whether to post the depreciation annually or monthly. For certain assets, such as land and investments you may choose to apply no depreciation.

You can depreciate assets over 2-25 years using the Straight-Line method in FreeAgent. FreeAgent automatically generates the necessary acquisition, depreciation and disposal journals based on your asset details. This saves you time and ensures accuracy in your financial records.

You can use the Capital Asset report to:

- Filter assets by tax year, current status, disposed assets, and asset type.
- Export reports to CSV or PDF via the drop-down menu at the top right corner of the screen.
- View asset details by clicking on the asset name.

OverviewContactsWorkBillsMy MoneyBankingTaxesAccounting

Clare Brazilian JuJitsu Limited

Capital AssetsExport report

Current year so farAll capital assetsAll asset types

Purchased on	Asset name	Asset type	Depreciation method	Tax treatment	Purchase price	Net book value
26 Nov 24	Computer	Computer Equipment	Straight line	Annual investment allowance	£16,666.67	£16,203.71
21 Nov 24	Van	Motor Vehicle	Reducing balance	Annual investment allowance	£16,666.67	£15,833.34
20 Nov 24	Van	Motor Vehicle	Reducing balance	Annual investment allowance	£16,666.67	£15,833.34
20 Nov 24	Van	Motor Vehicle	Reducing balance	Annual investment allowance	£16,666.67	£16,597.23
20 Nov 24	Van	Motor Vehicle	Reducing balance	Annual investment allowance	£16,666.67	£16,597.23
07 Nov 24	Van	Motor Vehicle	Reducing balance	Annual investment allowance	£16,666.67	£16,527.78
02 Feb 24	OS for gym	Computer Equipment	Reducing balance	Full expensing	£9,523.81	£8,571.43
23 Dec 23	PSM	Other Capital Asset	No depreciation	Annual investment allowance	£16,666.67	£16,666.67
08 Sep 23	Apple Laptop	Computer Equipment	Straight line	Annual investment allowance	£1,954.17	£1,367.91
08 Sep 23	Wall Mats	Fixtures and Fittings	Straight line	Annual investment allowance	£1,666.67	£1,000.01
20 Jun 23	Capital Asset Purchase (training room)	Other Capital Asset	Straight line	Annual investment allowance	£41,666.67	£29,366.67
Total					£171,478.01	£154,368.32

25 per page

Learn about managing your capital assets

When you click on an asset name, the system will display the following key details: Acquisition date, Tax treatment, Depreciation method, and Disposal details.

On the right-hand side of the screen, you will see a grid showing the asset details. If you need to update any of the information, click “Edit asset details”.

OverviewContactsWorkBillsMy MoneyBankingTaxesAccounting

Clare Brazilian JuJitsu Limited

ComputerBack to Capital Assets

Asset timeline

Date	Event	Tax value	Accounting value	Net book value
26 Nov 24	Purchase	£16,666.67	£16,666.67	£16,666.67
	Annual Investment Allowance	-£16,666.67		
	Depreciation of 2.78%		-\$462.96	£16,203.71

Learn about managing your capital assets

Asset details

Purchase transaction

Apple - Bill Shell

Purchase date

26 Nov 24

Purchase price

£16,666.67

Asset type

Computer Equipment

Depreciation method

Straight line

Useful life

3 years

Depreciation frequency

Monthly

Net book value

£16,203.71

Tax treatment

Annual investment allowance

Edit asset details

In the edit screen, you can

- Adjust the Tax Treatment (e.g. main pool or special pool).
- Choose whether to post depreciation monthly or yearly
 - **Monthly depreciation:** the annual depreciation rate is divided by 12 and posted each month.
 - **Yearly depreciation:** the full depreciation amount is posted at the start of the year.

When an asset is disposed of, FreeAgent automatically adjusts the net book value against the sales proceeds. Any difference is posted to the Loss/Gain on Disposal of Capital Asset accounting category.

Please note, once the accounting period is locked, no changes can be made to the asset records for that period. It is not possible to add assets with an acquisition date prior to when you first start using FreeAgent.

If you then select 'Save and continue', you'll be able to enter multiple line items by selecting 'Add bill item'.

Choose a P&L code under 'Spending Category'. Then, add the relevant details, quantity if necessary, and the price. This will be inclusive or exclusive of VAT, depending what option you selected in the previous step.

Once you're happy with the information, you can add another line item to the bill by selecting 'Save and add another', or select 'Save' to finish the process. Once you've saved the bill, you can click on 'Add another bill' if you have more bills to add.

Hi, Ben. You are currently viewing the Sherlock RUFC account.

[Return to your dashboard](#)

OverviewContactsWorkBillsMy MoneyBankingTaxesAccounting

SearchSherlock RUFC

Bill 34567 (Open)

[Edit bill details](#)[Add another bill](#)

34567

Open - due in 2 months

Aston Martin

Bill Date

Due Date

08-01-2024

20-03-2024

Details	VAT	Net line total (£)
Staff Training training event	20% 460.00	2,300.00

Add bill item

Net total:	£2,300.00
VAT:	£460.00
GBP due:	£2,760.00

Add a manual payment

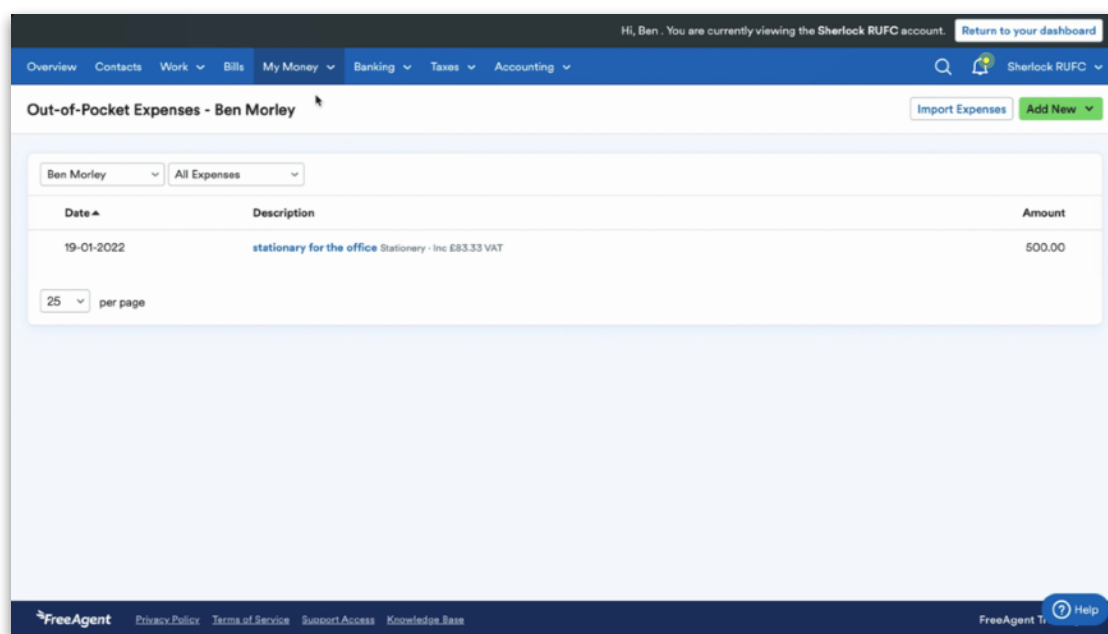
This will create a manual bank transaction in your primary bank account for the amount still due.

[Add a manual payment](#)

Help

Out-of-pocket expenses

To navigate to the out-of-pocket expenses area in FreeAgent, select the 'My Money' tab and then 'Expenses' from the drop-down menu. This will show you the out-of-pocket expenses for all directors and employees.



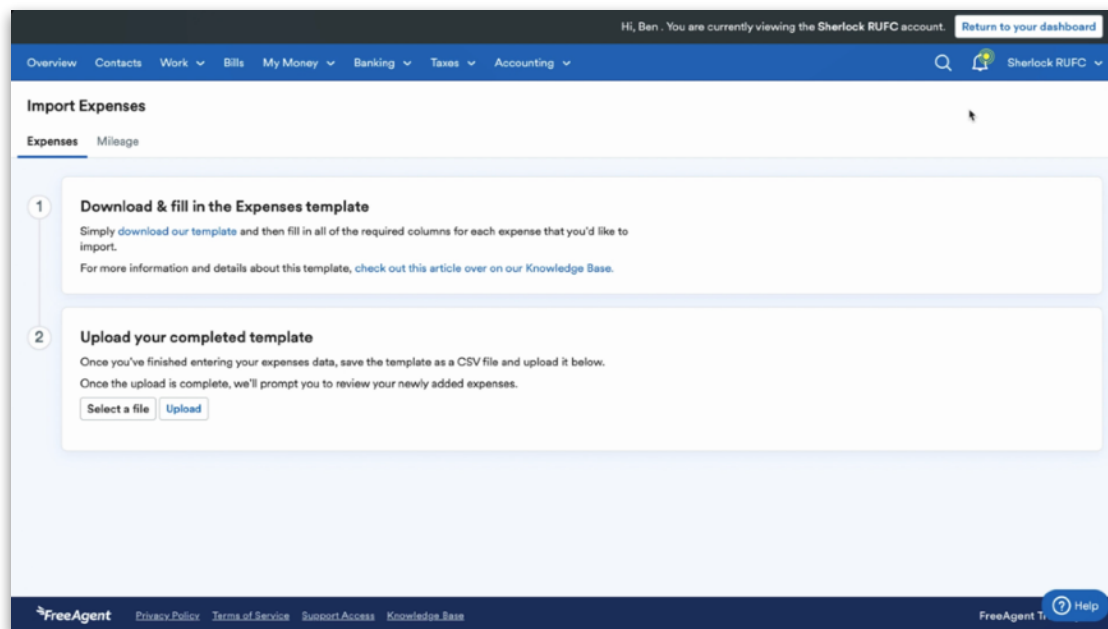
You can switch between directors and employees by selecting from the drop-down menu in the top-left corner. You can also change which expenses are being shown using the drop-down menu to the right of this.

Out-of-pocket expenses are split between expenses and mileage claims. There are a few different ways to add these into FreeAgent.

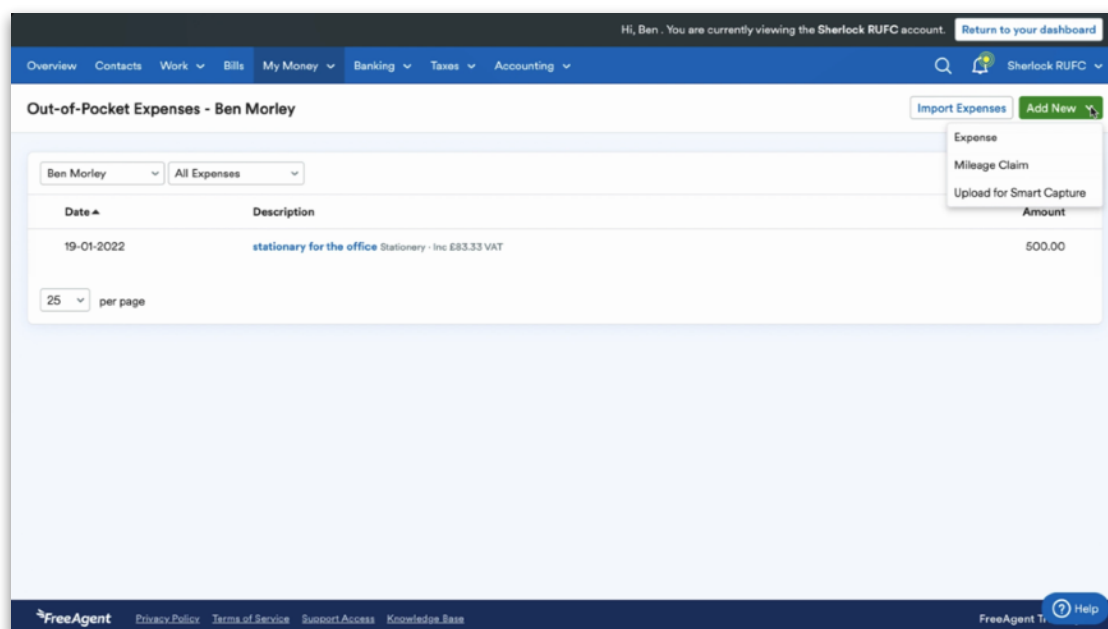
The first option is to take a photo of an expense using the FreeAgent mobile app. The Smart Capture feature will save a photo of the receipt in the 'Files' area of the mobile app.

Smart Capture will then automatically extract the date and amount from the file. The file can then be allocated against a transaction at a later time. This process is covered in more detail in the separate mobile learning module.

You can also bulk import expenses into FreeAgent through a CSV upload. To do this, select 'Import expenses' in the top-right corner and follow the link to download our template for either expenses or mileage, which you can then fill in and upload back into FreeAgent.



To enter an individual expense or mileage claim, select 'Add new' and choose the appropriate option.



When entering an expense, you'll need to select the claimant first. This is the employee or director that the expense relates to. Under 'Type', select either payment or refund, and under 'Category' select the P&L code you would like to allocate it to. Next, select the date that the expense occurred on and the amount of the transaction.

File to attach or
Max size 5MB. Alternatively, upload your receipt with Smart Capture to autofill your expense.

Attachment description

Expense details Required fields*

Claimant

Type

Category

Dated

Currency

Total Value VAT
Select Auto VAT to use the normal VAT rate for the expense type and date.

VAT Options ☒ UK VAT Rates ☐ Reverse Charge

Description

Receipt Reference

Is this a Project Expense?

Link to Project

[Help](#)

If you want to use a saved photo of a receipt, select 'Choose from saved files' at the top of the screen.

Choose an attachment from your saved files ✕

Attaching a file to this expense will remove it from the Files list. It will be stored with the expense once you save it.

Attaching a file with extracted data will automatically fill in the fields that have been extracted from the receipt. This will replace any data already entered in those fields.

Date	File Name	Total value
<input type="radio"/> 04-01-2024	receipt_389a0468-f23f-4a7c-add0-268f9c8ab465.pdf	7.14 Info
<input type="radio"/> 04-01-2024	receipt_a73ea3fc-eb75-47ee-9bb9-26e9781dd248.pdf	13.71 Info
<input type="radio"/> 04-01-2024	receipt_db9fb669-6bb9-443f-86fa-ae4f01d8263b.pdf	93.88 Info
<input type="radio"/> 04-01-2024	invoice_7015374.pdf	27.59 Info
<input type="radio"/> 04-01-2024	receipt_0b1637b4-0fda-45cb-921b-8add00825432.pdf	25.85 Info
<input type="radio"/> 04-01-2024	receipt_8c9b69a0-c1e8-434d-8d15-b804d50878f4.pdf	6.26 Info
<input type="radio"/> 04-01-2024	invoice_7015054.pdf	14.39 Info
<input type="radio"/> 03-01-2024	9089C62F-DO88-4383-9921-7B243177592E.jpeg	
<input type="radio"/> 19-12-2023	Invoice5996392646733393449 (1).pdf	34.73 Info

[Help](#)

If you select a file that Smart Capture has been applied to, it will pull the date of the purchase invoice and the gross amount through to the expense page, and it will highlight those fields in blue.

The screenshot shows the 'Attachment' section at the top with a file named 'receipt_389a0468-f23f-4a7c-add0-268f9cbab465.pdf' and a 'Remove' button. Below it is the 'Expense details' section. The 'Claimant' is 'Bruce Wayne'. The 'Type' is 'Payment'. The 'Category' is 'Mobile Phone'. The 'Dated' field is '09-08-2022' and is highlighted in blue. The 'Currency' is 'Pounds Sterling'. The 'Total Value' is '£ 7.14' and is highlighted in blue. The 'VAT' is set to 'Auto'. The 'VAT Options' are 'UK VAT Rates'. The 'Description' field is empty. A 'Help' button is in the bottom right corner.

In the 'Description' field, enter a brief description of the expense. When you're happy with the information entered, select 'Create new expense' or 'Create and add another' if you'd like to enter additional expenses.

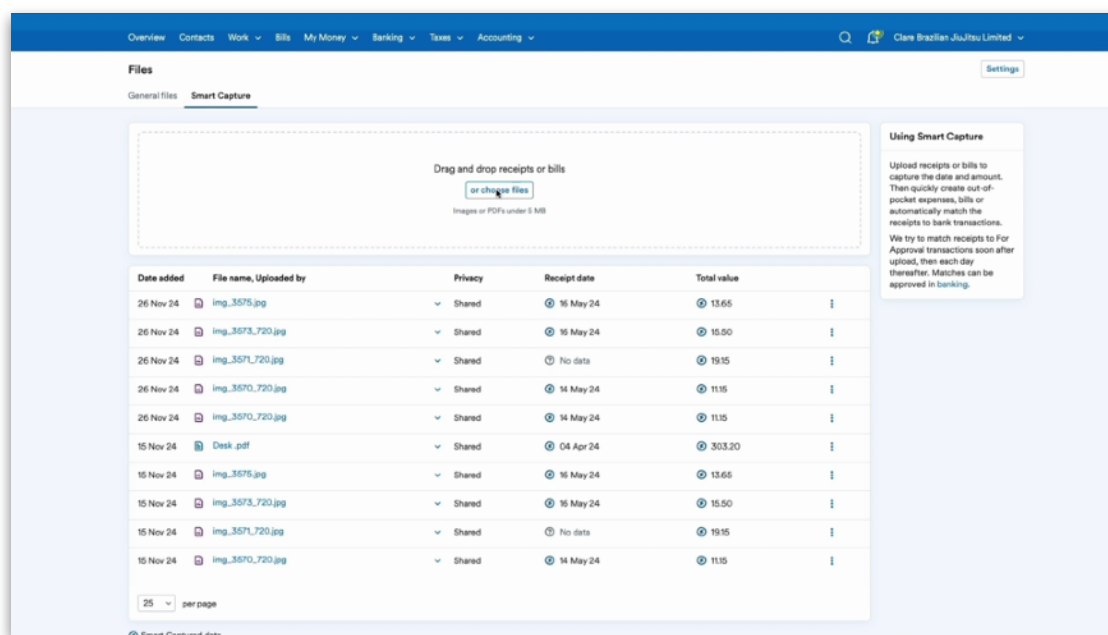
The screenshot shows the 'Description' field with the text 'mobile phone'. Below it is the 'Receipt Reference' field. The 'Is this a Project Expense?' section has a 'Link to Project' dropdown set to '-- None --'. The 'Recurring Options' section has a 'This Expense recurs' dropdown set to '-- Does Not Recur --'. At the bottom are three buttons: 'Create New Expense', 'Create and Add Another', and 'Cancel'. The 'FreeAgent' logo and navigation links are at the bottom left, and a 'Help' button is at the bottom right.

Smart Capture

Smart Capture is a FreeAgent add-on that automatically extracts the date and amount from images of receipts and bills. This tool simplifies the process of uploading and managing expenses in FreeAgent.

You can use Smart Capture to upload receipts and bills in bulk using the following steps:

1. Click on the name of your client in the top-right corner of the screen.
2. Select 'Files and Smart Capture' from the drop-down menu and then the Smart Capture icon at the top left of the screen.
3. Drag and drop files into the upload area and click 'Choose files' to select images or PDFs of receipts and bills from your desktop.



Once uploaded, the system will display the date the file was added, along with the name of the file.

You can convert a Smart Capture file in two ways: during the creation of the expense or directly from the Files area. To convert from the Files area:

1. Navigate to the Files area in FreeAgent.
2. In the Smart Capture Files area, click the three dots next to the uploaded file.
3. From the menu, you can:
 - Preview the file

- Create an expense or bill
 - Edit the file name
 - Download the original file
 - Delete the file
4. To create a bill, click 'Create Bill', which will open the Add new bill screen. The date, amount, due date, supplier name and category will be auto-populated.

When creating a bill, you will need to manually complete the Reference, Hire Purchase (if applicable), VAT rate, Link to Project (if required) and re-bill (if applicable) fields.

Once you've entered all the information required, click Save and Review. The file will then be attached to the transaction and removed from the Smart Capture area.

Overview Contacts Work Bills My Money Banking Taxes Accounting

Clare Brazilian Ju/itsu Limited

Bill Aid2345 (Overdue) Edit bill details Add another bill

Aid2345 Overdue - due 7 months ago

Aldi

Bill Date: 04 Apr 24 Due Date: 04 May 24

Details	VAT	Net line total (£)
Office Costs	20% 50.53	252.67

Add bill item

Net total: £252.67
VAT: £50.53
GBP due: £303.20

Add a manual payment
This will create a manual bank transaction in your primary bank account for the amount still due.
Add a manual payment

Attachment
Download Delete

In the Bills screen, a paperclip icon indicates that a file is attached to the transaction. If you delete a bill, you will be asked whether you want to delete the file permanently or move the file back to the files area.

Mileage

Mileage follows a similar process to expenses. Select the relevant employee or director from the 'Claimant' drop-down menu in the 'Mileage details' section, then enter the date and a description of the journey. Next, select which vehicle was used: a car, motorcycle or bicycle.

Hi, Ben. You are currently viewing the Sherlock RUFU account. Return to your dashboard

Overview Contacts Work Bills My Money Banking Taxes Accounting

Sherlock RUFU

New Mileage Claim - Bruce Wayne

Attachment

File to attach: Select a file or Choose from saved files
Maximum file size is 5MB.

Attachment description

Mileage details Required fields*

Claimant: Bruce Wayne

Dated: 08-01-2024

Mileage: miles

Description:

Vehicle Type: Car

Reclaim Mileage

Reclaim mileage rate: At Approved Mileage Allowance Payments (AMAP) Rate

Help

To use the mileage claims in FreeAgent, your client needs to reimburse at the government's recommended rates of 45p and 25p per mile. FreeAgent will automatically change to 25p per mile once 10,000 miles has been surpassed.

The screenshot shows a mileage claim form in FreeAgent. The form is divided into several sections:

- Claimant:** Bruce Banner (dropdown)
- Dated:** 08-01-2024 (calendar icon)
- Mileage:** 34 miles (input field)
- Description:** travel (text input)
- Vehicle Type:** Car (dropdown)

Reclaim Mileage

- Reclaim mileage rate:** At Approved Mileage Allowance Payments (AMAP) Rate (dropdown). Below it, a note states: "The allowable rate for cars is currently 45p/mile for the first 10,000 miles then 25p/mile thereafter."

Reclaim VAT on Mileage?

- ☐ Yes, and I have a VAT receipt
- Car Engine Type and Size:** Petrol - 1401-2000cc (dropdown)

Is this Project Mileage?

- Link to Project:** -- None -- (dropdown)

Recurring Options

A blue circular help icon with a question mark and the word "Help" is located in the bottom right corner of the form.

If your client is VAT registered, you can reclaim VAT on the mileage as FreeAgent has HMRC's fuel rates built in and they are updated in line with HMRC's updates.

Dividends

The 'My Money' tab in FreeAgent is also where the 'Dividends' area can be found within your client's licence. This is where dividend declaration vouchers are generated when either a bank transaction is explained as a dividend payment or when a director's dividend code is journaled to.

Dividends for Tax Year 2022/23 - Ben Morley		
Ben Morley Tax Year 2022/23		06-04-2022 - 05-04-2023
Date	Description	Dividend Amount
30-06-2022	Dividend	£90,000.00
09-08-2022	UBER	£7.14
	Total Paid	£90,007.14

Please note that because the dividend voucher declarations are automatically generated from the bank transaction or journal, the only way to adjust these vouchers inside your client's licence would be to adjust the original dividend explanation or journal entry.

Completely removing the explanation posted to the bank transaction or deleting the journal entry will lead to the removal of the dividend voucher altogether.

Select the voucher from the list to view it, or download it as a PDF by selecting 'Save as PDF' in the top-right corner. This will allow you to share it outside your client's licence.

The screenshot displays a web application interface for a client named Sherlock RUFC. The top navigation bar includes links for Overview, Contacts, Work, Bills, My Money, Banking, Taxes, and Accounting. A user notification at the top right says "Hi, Ben. You are currently viewing the Sherlock RUFC account." with a "Return to your dashboard" link. The main header area shows the client name "Sherlock RUFC" and a "Save As PDF" button. The central content area is titled "Dividend Declaration" and contains a form for a "Dividend Declaration for Sherlock RUFC". The form includes fields for "Directors Meeting Held On:", "Directors Present:", and "Held At:". Below these is a paragraph stating that at a meeting of the Directors, it was proposed and resolved to confirm payments to shareholders in proportion to their shareholdings. A table shows the total distribution details with a dividend of £90,000.00. The form also includes a section for the Director's signature and the date, and a "Payment Details" section. A "Help" button is located in the bottom right corner.

Hi, Ben. You are currently viewing the Sherlock RUFC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Sherlock RUFC

Dividend Declaration [Save As PDF](#)

Dividend Declaration for Sherlock RUFC

Directors Meeting Held On:

Directors Present:

Held At:

At a meeting of the Directors of the Company held on the above date, it was proposed and resolved to confirm the payments to the shareholders of the Company Dividends in the proportion of their respective shareholdings in the amounts shown below.

The total distribution details are:

Dividend:	£90,000.00
-----------	------------

The shareholders were advised of these amounts and cheques paid/drawn accordingly.
There being no further business, the meeting was adjourned.

Director

Date

Payment Details

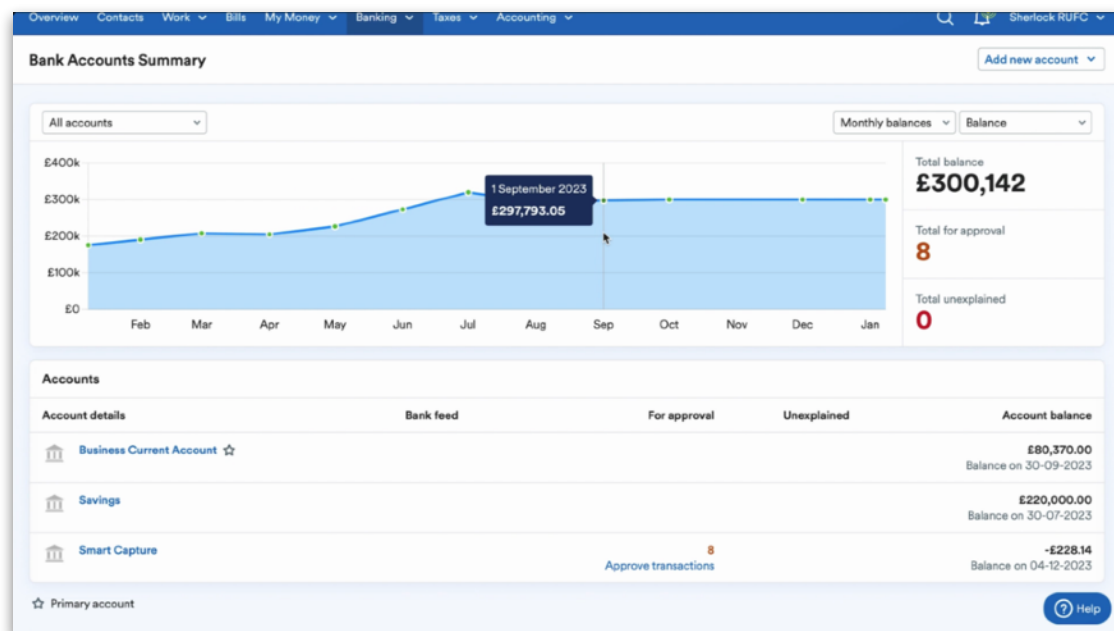
[Help](#)

4. Banking and Cashflow

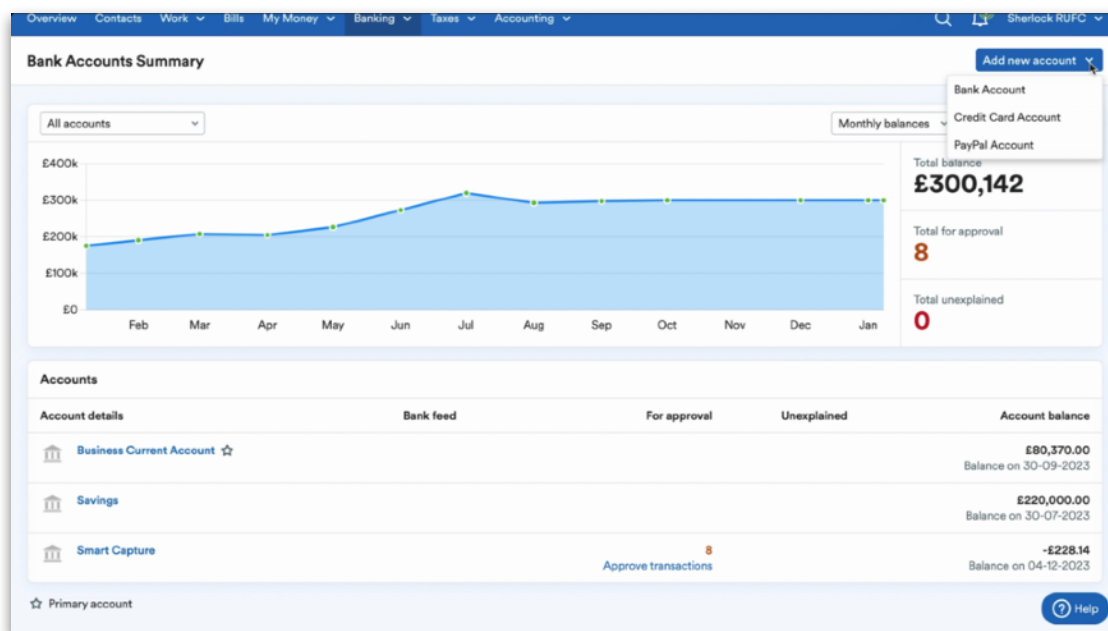
In this section, we'll show you an overview of the Banking area and Cashflow reports inside FreeAgent. We'll also explain how these features can help lessen the business admin burden for you and your clients.

The Banking area

If you navigate to the 'Banking' tab at the top of the screen and select 'Bank accounts' from the drop-down menu, you'll be able to see your client's individual bank account balances, an aggregated view of how much cash they have in the bank in total, along with any transactions that require your attention.



Within FreeAgent, you can create as many bank accounts as your client needs for their business. To do this, select 'Add new account' at the top-right.



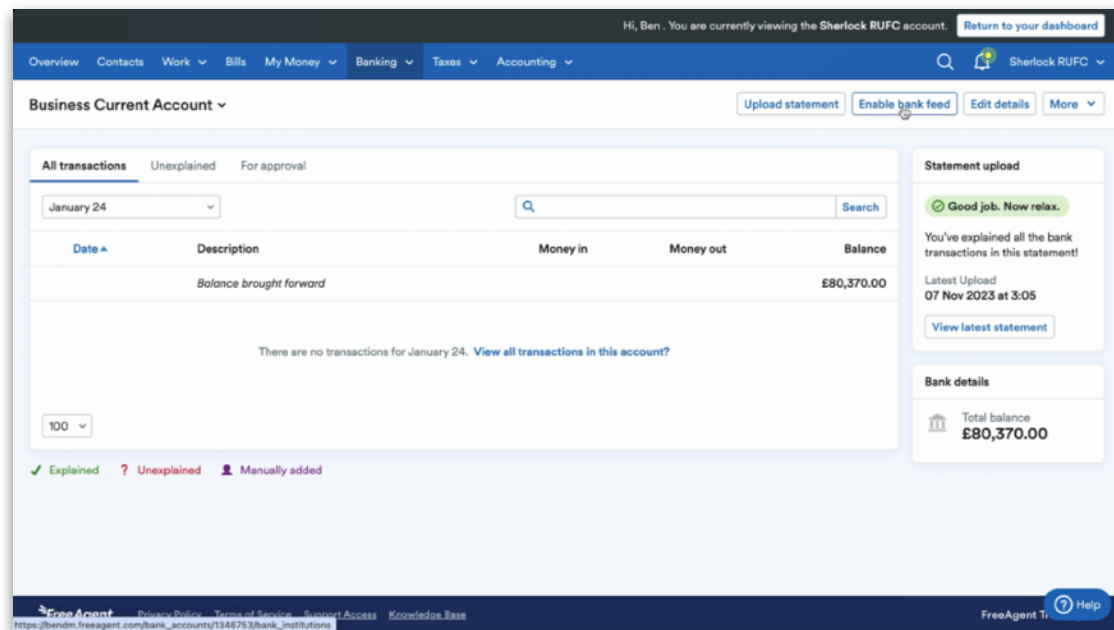
You can create additional bank, credit card and PayPal accounts. Bank accounts can have automated feeds, which will handle the transactions being imported into these accounts in FreeAgent.

Dummy bank accounts can also be used to manage the bookkeeping for petty cash movements, till takings, E-commerce and the liability for bank loans.

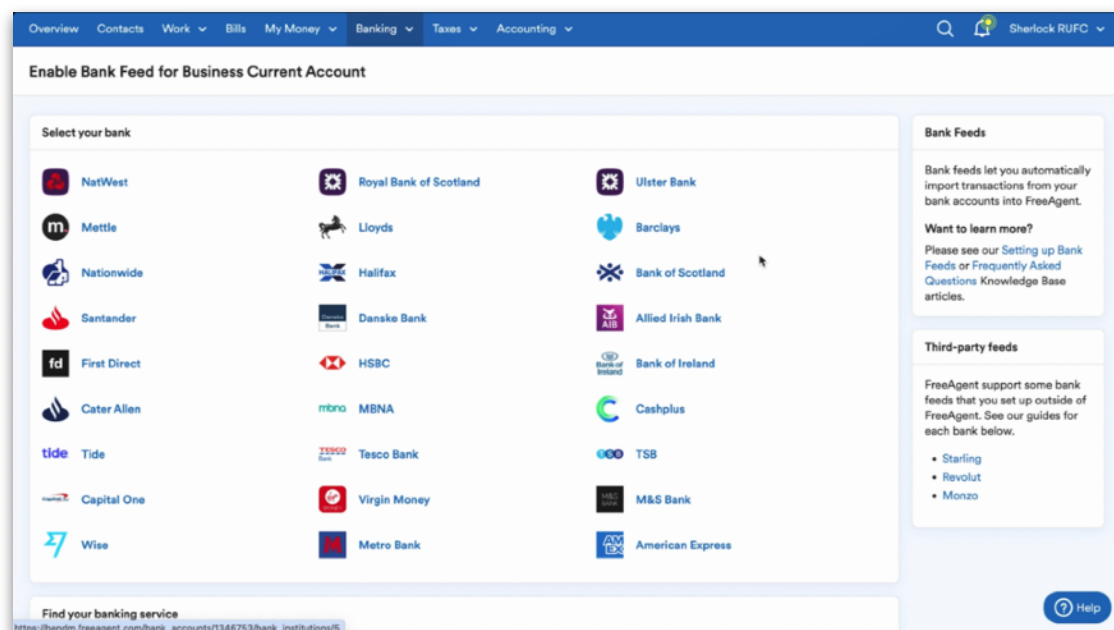
Bank feeds

There are two main methods of getting your client's banking transactions into their bank account inside FreeAgent.

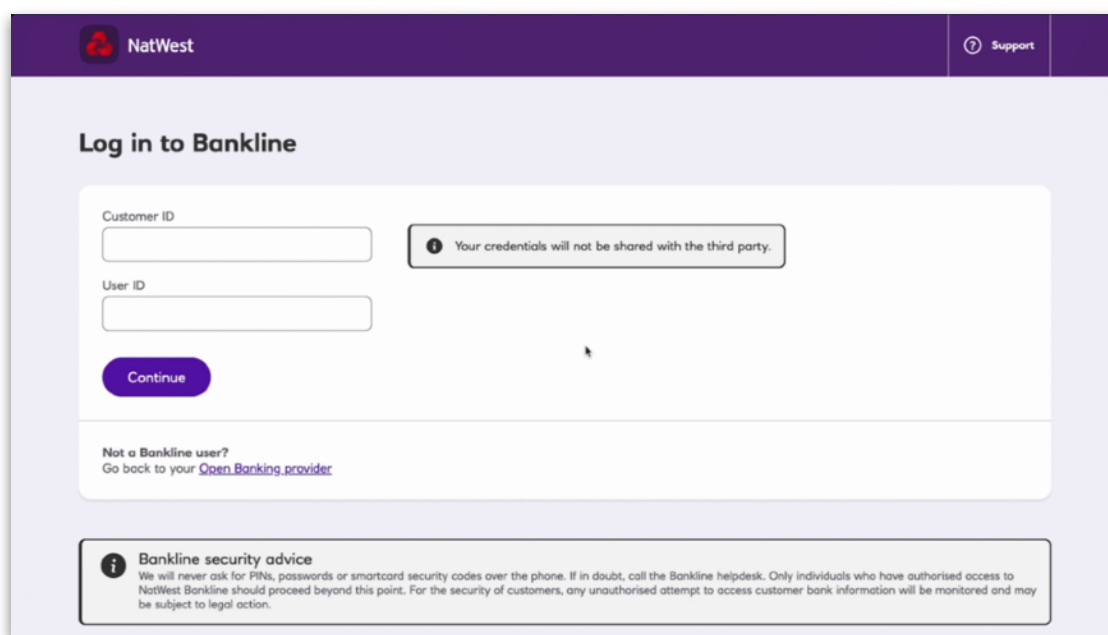
First, after selecting a bank account, choosing 'Enable Bank Feed' will allow your client's bank transactions to be automatically imported into FreeAgent from their bank via an Open Banking bank feed.



Your client would set up this connection by simply selecting who they bank with, the type of bank account and finally choosing 'Connect to my bank'.



Your client would then be switched over to their online banking login screen, where they can enter their login credentials for their online banking and select the relevant account to connect to FreeAgent.



The screenshot shows the NatWest Bankline login interface. At the top, there is a purple header with the NatWest logo on the left and a 'Support' link with a question mark icon on the right. Below the header, the main content area has a light purple background. The title 'Log in to Bankline' is centered at the top of this area. Below the title, there is a white login box. Inside this box, there are two input fields: 'Customer ID' and 'User ID'. To the right of these fields, there is a small information box with a question mark icon and the text 'Your credentials will not be shared with the third party.' Below the input fields is a purple 'Continue' button. At the bottom of the login box, there is a link for 'Not a Bankline user?' that says 'Go back to your [Open Banking provider](#)'. Below the login box, there is a 'Bankline security advice' section with an information icon and a paragraph of text: 'We will never ask for PINs, passwords or smartcard security codes over the phone. If in doubt, call the Bankline helpdesk. Only individuals who have authorised access to NatWest Bankline should proceed beyond this point. For the security of customers, any unauthorised attempt to access customer bank information will be monitored and may be subject to legal action.'

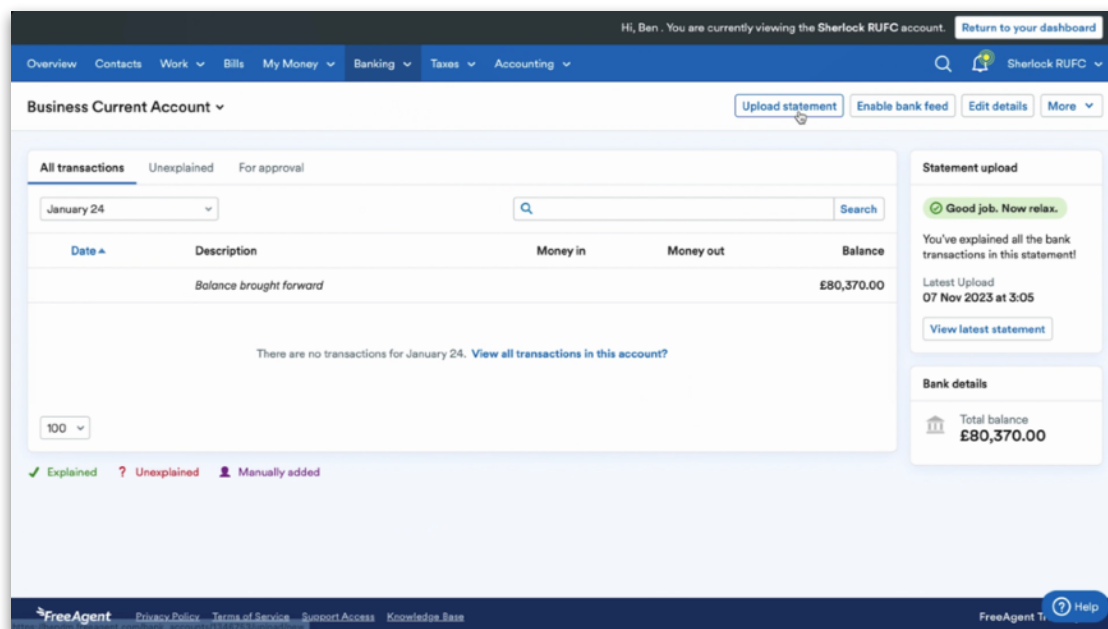
At this point, they would be taken back to FreeAgent and the banking transactions would be imported into their account from the FreeAgent start date.

Be sure you select the correct FreeAgent start date for your client to ensure the correct transactions are brought into their FreeAgent account. Having the right dates will help keep your client's account accurate. Please note that entering any transactions dated before your client's FreeAgent start date can cause errors in your client's account. FreeAgent can import transactions from either your client's FreeAgent start date or up to two years prior, whichever comes first.

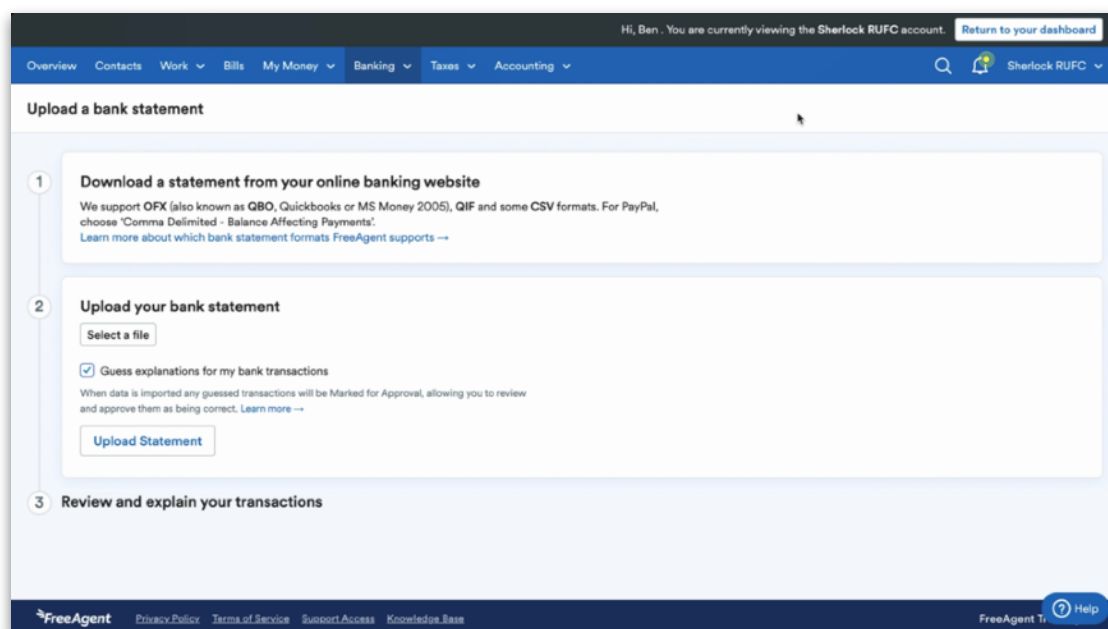
Your client's FreeAgent bank accounts should then be used to mirror their actual bank accounts in order to keep the data as accurate as possible.

CSV imports

Instead of setting up an automated bank feed, your client also has the option to upload electronic statements by selecting 'Upload Statement'.



We support OFX and QIF file formats, as well as standard CSV files.



A CSV file should simply be an Excel document saved in the 'comma separated value' format with no headings and three columns. Each row inside the document relates to a single bank transaction, while each column reflects the following:

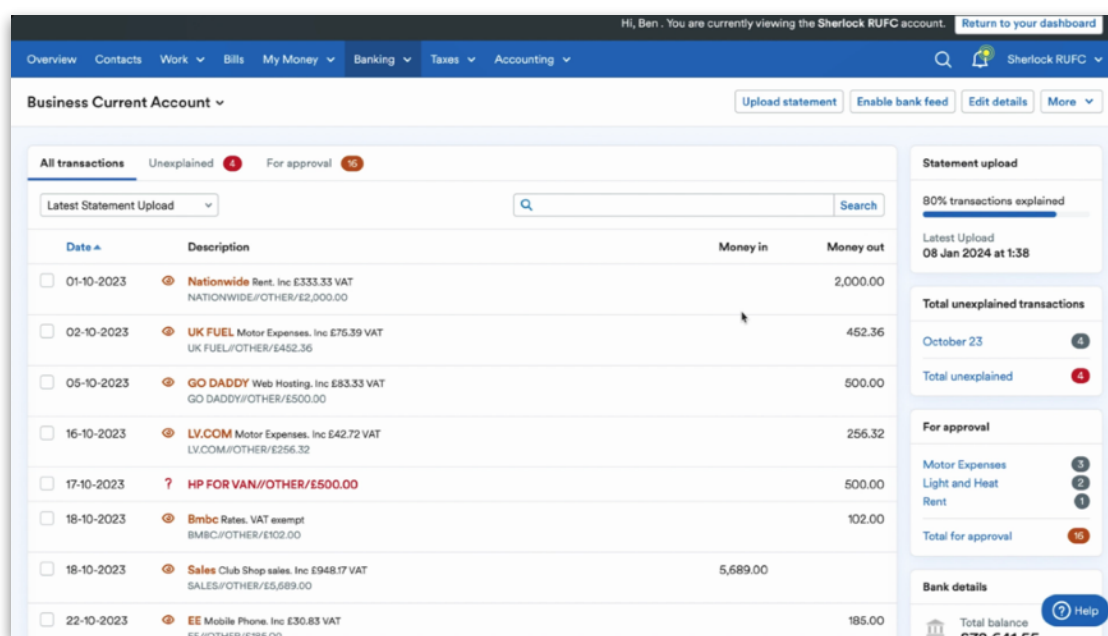
- The first column is the date of a transaction in the format DD/MM/YYYY.
- The second is the value of the transaction, where negative transactions are outgoing and incoming transactions are positive.
- The third and final column would be the description that's uploaded with the transaction.

Reconciling transactions

Now you know how to get transactions into your client's bank account, we're going to cover some of the functionality in FreeAgent that makes the reconciliation of your client's transactions as efficient as possible.

Guess

FreeAgent's Guess functionality makes suggestions for transaction allocations, which can be found in the 'For Approval' tab. This allows you to simply select 'Approve & Save Changes' to approve and explain guessed transactions.



Guess has two separate features to help you and your client allocate explanations to bank transactions. These are Guess explanations and Guess rules.

Guess explanations

The 'Guess explanations' feature looks at the day-to-day transactions within your client's accounts and offers an explanation suggestion based on the description that is either imported or uploaded.

Guess explanations work from day one within your client's account as Guess uses data from other FreeAgent accounts to spot patterns and offer suggestions based on how other users have categorised similar transactions.

Guess explanations can be enabled or disabled for each of your client's individual bank accounts in FreeAgent.

The screenshot shows a web form for setting up a bank account in FreeAgent. The form is divided into several sections. The top section contains input fields for 'Bank name', 'Account Number', and 'Sort/Bank Code', with a note that the Sort/Bank Code is sometimes called a Routing Number. Below these is a checkbox labeled 'Show these details on Invoices' which is checked. The next section is titled 'Opening balance (at start of 01-01-2022)' and contains a 'Balance' field with a currency selector set to '£' and a value of '0.00'. A note below this field states: 'The account balance at the start of the FreeAgent Start Date. (For accounts opened after this date, enter zero.)'. The 'Guess explanations' section is highlighted with a blue bar and contains a checked checkbox labeled 'Guess explanations for my transactions'. Below this checkbox is a note: 'When data is imported any guessed transactions will be marked **For Approval**, allowing you to review and approve them as being correct. [Learn more](#) ->'. At the bottom of the form is a 'More options' dropdown menu. The footer of the form contains 'Save changes' and 'Cancel' buttons, and a 'Help' button with a question mark icon in the bottom right corner.

Bank name

Account Number

Sort/Bank Code
This is sometimes called a Routing Number.

☒ Show these details on Invoices

Opening balance (at start of 01-01-2022)

Balance £

The account balance at the start of the FreeAgent Start Date. (For accounts opened after this date, enter zero.)

Guess explanations

☒ Guess explanations for my transactions

When data is imported any guessed transactions will be marked **For Approval**, allowing you to review and approve them as being correct. [Learn more](#) ->

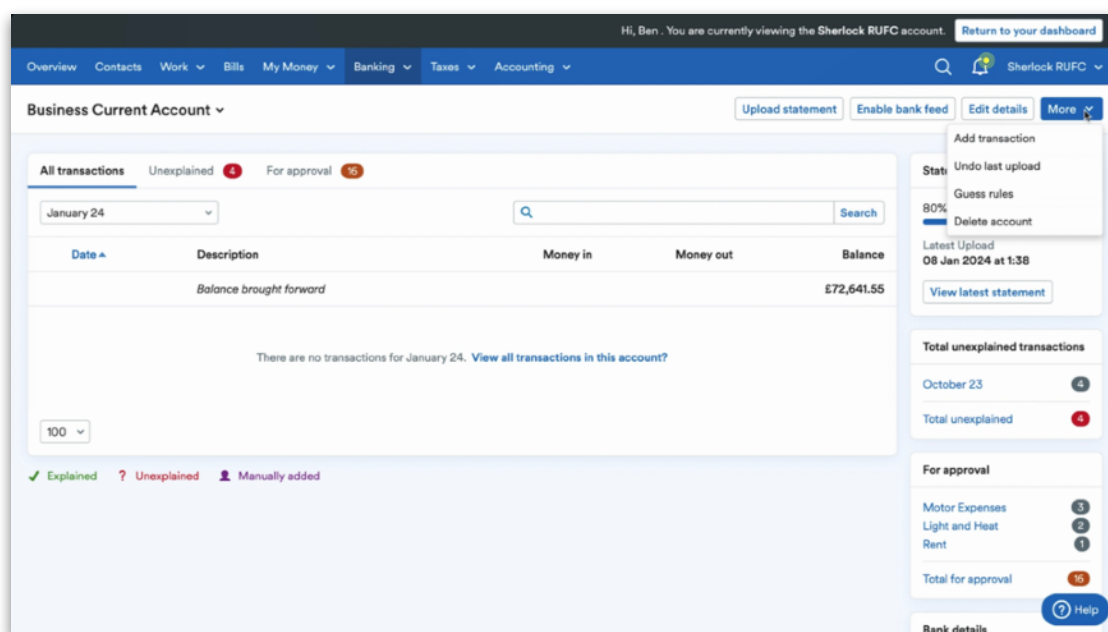
More options

[Help](#)

Guess rules

The second feature is 'Guess rules', which looks at the transactions that have bookkeeping associated with them and offers transaction explanations based on nine rules.

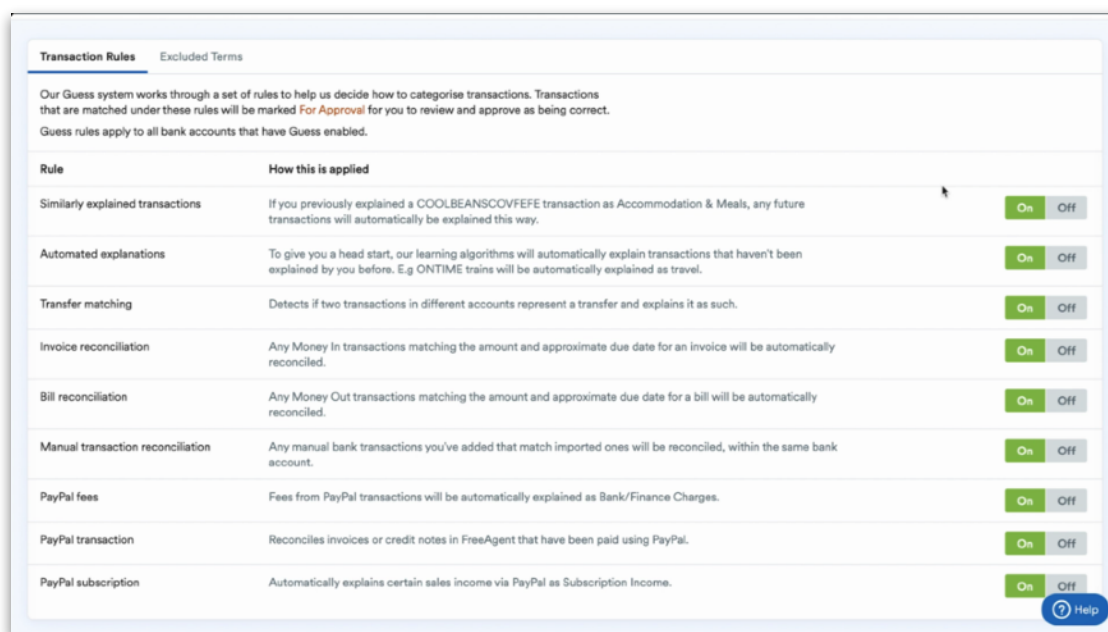
You can access the rules by choosing 'Guess rules' from the 'More' drop-down menu.



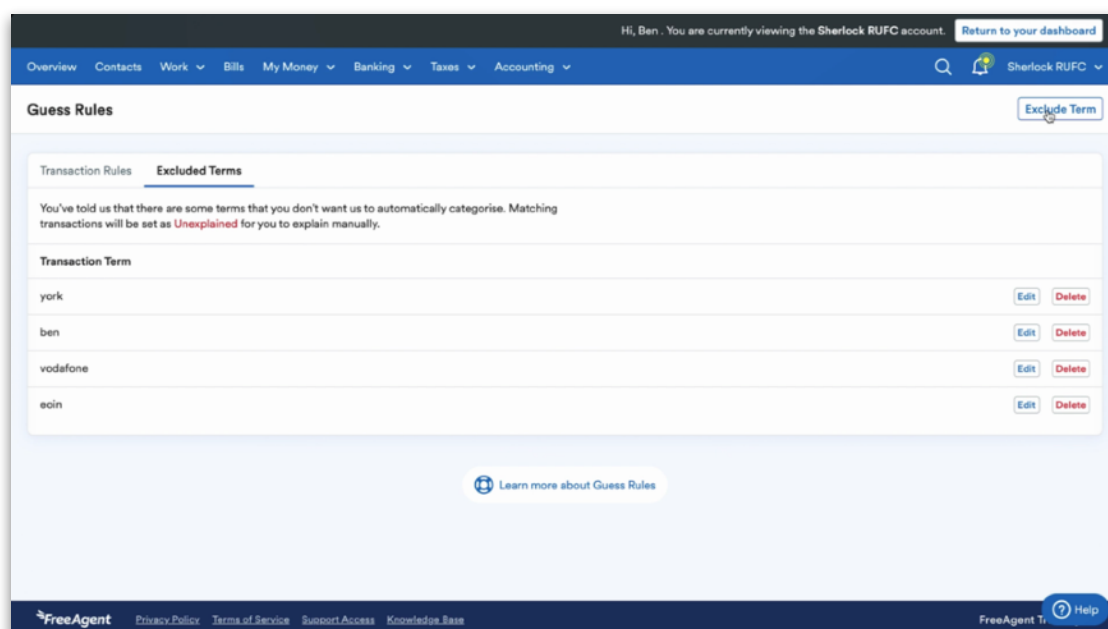
These nine rules will attempt to explain transactions against open or overdue invoices and bills, transfers between bank accounts, manual transactions being matched to imported or uploaded transactions along with handling subsequent PayPal transactions.

Guess rules will also learn both your and your client's behaviour to offer suggestions for new transactions that come in with similar descriptions.

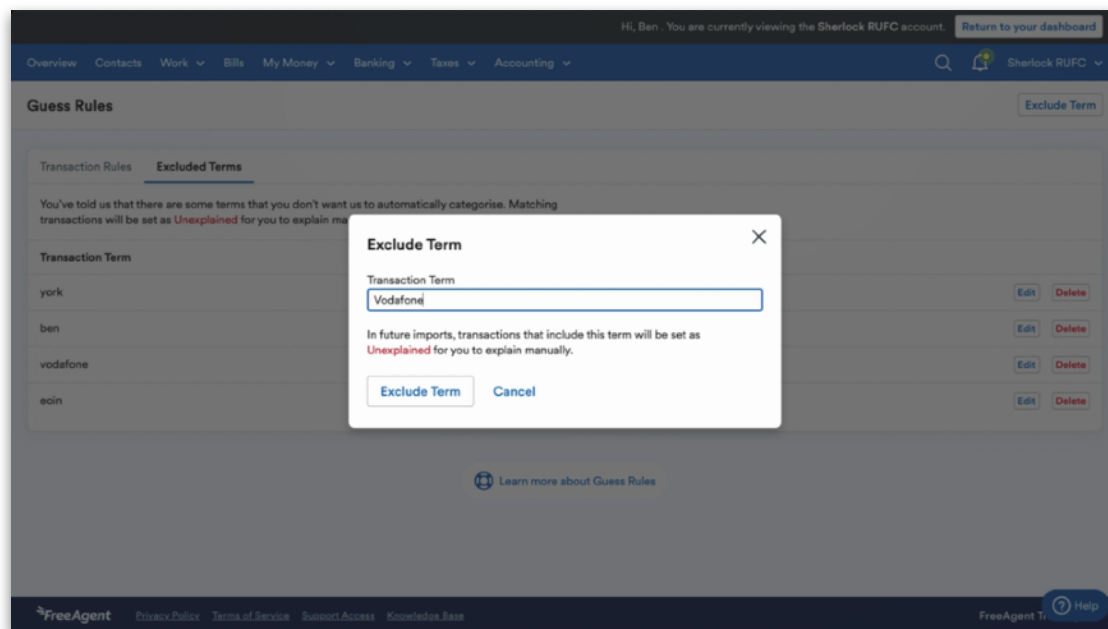
You can manage the individual rules by toggling them on and off.



Guess rules and Guess explanations should help you operate efficiently when it comes to the day-to-day bookkeeping inside your client's FreeAgent account. However, you may wish to navigate to the 'Excluded Terms' section to add any transactions that you don't want Guess to try to explain. To do this, navigate to the 'Excluded Terms' tab and select 'Exclude Term' at the top-right.



Next, enter the term you would like to exclude in the pop-up window. This will ensure that Guess ignores these terms. The term you enter is not case-sensitive or phrase sensitive, meaning that it should always be picked up and left as unexplained within your client's account.



You can enter as many excluded terms as necessary and can update the list of terms at any time.

Explaining bank transactions

Regardless of how transactions are added to FreeAgent, explaining bank transactions is a simple process. Transactions can be filtered by state using the different tabs. For example, 'All transactions' or 'Unexplained'. Transactions can also be filtered by date, using the drop-down menu on the left.

The screenshot shows the 'All transactions' page in FreeAgent. The 'Unexplained' tab is selected, showing 4 unexplained transactions. The 'For approval' tab is also visible, showing 16 transactions. The 'Statement upload' section on the right shows 80% transactions explained and a total balance of £72,641.55.

Date	Description	Money in	Money out
01-10-2023	Nationwide Rent, Inc £333.33 VAT NATIONWIDE/OTHER/E2,000.00		2,000.00
02-10-2023	UK FUEL Motor Expenses, Inc £75.39 VAT UK FUEL/OTHER/E452.36		452.36
05-10-2023	GO DADDY Web Hosting, Inc £83.33 VAT GO DADDY/OTHER/E500.00		500.00
16-10-2023	LV.COM Motor Expenses, Inc £42.72 VAT LV.COM/OTHER/E256.32		256.32
17-10-2023	HP FOR VAN/OTHER/E500.00		500.00
18-10-2023	Bmhc Rates, VAT exempt BMHC/OTHER/E102.00		102.00
18-10-2023	Sales Club Shop sales, Inc £948.17 VAT SALES/OTHER/E5,689.00	5,689.00	
22-10-2023	EE Mobile Phone, Inc £30.83 VAT EE/OTHER/E185.00		185.00
23-10-2023	Fancy A Brew.Com Sundries, Inc £20.00 VAT FANCY A BREW.COM/OTHER/E120.00		120.00

Once you've selected a transaction to explain, FreeAgent will ask you to provide some information about it. You'll need to fill in the payment type, category, the appropriate rate of VAT and a description if necessary. Then select 'explain transaction' to complete the process.

The screenshot shows the 'Unexplained' page in FreeAgent. A transaction for 03 Apr 23 is selected, with a value of £200.00. The transaction is marked as 'Unexplained'. The page prompts the user to provide details: Type (Payment), Including (Auto), VAT, Category (Internet & Telephone), Description (BT Internet), and Attachment (Upload a file... or Choose from saved files). The 'Explain Transaction' button is highlighted.

Date	Description	Money In	Money Out
03 Apr 23	OTHER/£200.00		200.00

Type: Payment
Including: Auto VAT
Category: Internet & Telephone
Description: BT Internet
Attachment: Upload a file... or Choose from saved files

[Get help with choosing a category →](#)

[Select all matching transactions](#)

[Explain Transaction](#) [Cancel](#) [More Options](#)

You'll notice that each transaction has a colour and icon. You can refer to the colour legend at the bottom-left of the screen to see the different transaction statuses and icons.

Explaining bank transactions is an important part of keeping your client's accounts up to date as it will post it inside their accounts and onto their VAT return, if applicable.

Explaining multiple bank transactions in bulk

To save time, you can also explain certain transactions in bulk in FreeAgent. To do this, tick the checkbox next to each of the transactions you would like to explain, select the relevant 'Type' and VAT rate for the transactions, and add a description in the 'Explain transactions' section to the right of the screen. Then, select 'Explain X transactions' (where 'X' is the number of transactions you selected).

The screenshot shows the FreeAgent Business Current Account interface. At the top, there are tabs for 'All transactions', 'Unexplained' (with a red circle containing the number 3), and 'For approval' (with a red circle containing the number 16). Below these tabs is a search bar and a 'Latest Statement Upload' dropdown. The main table lists transactions with columns for 'Date', 'Description', 'Money in', and 'Money out'. Three transactions are selected with checkboxes:

Date	Description	Money in	Money out
28-10-2023	YORKSHIRE WATER//OTHER/£97.60		97.60
25-10-2023	BRUCE BANNER//OTHER/£1,541.76		1,541.76
25-10-2023	BEN MORLEY//OTHER/£720.60		720.60

Below the table is a legend: 'Explained' (green checkmark), 'Unexplained' (red question mark), and 'Manually added' (purple person icon). On the right side, the 'Explain transactions' sidebar is visible. It shows '3 unexplained' transactions. The 'Type' dropdown is set to 'Payment'. The 'Including' dropdown is set to 'Auto'. The 'Category' dropdown is set to 'Accommodation and Meal'. There is a 'Description' field with the text 'Optional'. A green button 'Explain 3 transactions' is at the bottom of the sidebar. Below this, there is a 'Delete transactions' section with a red button 'Delete 3 transactions'.

You can bulk explain to different P&L codes and VAT rates, as well as bulk explain transactions as transfers to different bank accounts or payments to and from the Director Loan Account. However, please note that you cannot bulk explain transactions as capital assets, as you need to individually enter a useful life for an asset.

Splitting transactions

If a transaction has had charges deducted prior to receiving the money or if a transaction needs to be split between a few different nominal codes, then you can split the transaction in FreeAgent.

To do this, choose the transaction you would like to explain. Then, select 'More options' in the bottom-right to access more functionality when explaining a transaction.

The screenshot shows the FreeAgent interface with a list of transactions. The first transaction is selected: 25-10-2023, BEN MORLEY//OTHER/E720.60, 720.60. The 'More options' button is circled in blue.

Transaction details for the selected entry:

- Date: 25-10-2023
- Type: Payment
- Including: Auto
- Category: Accommodation and Meals
- Description: Ben Morley
- Attachment: Upload a file... or Choose from saved files
- Buttons: Explain transaction, Cancel, More options (circled)

Other transactions in the list:

- 25-10-2023, BRUCE BANNER//OTHER/E1,541.76, 1,541.76
- 25-10-2023, Tony Stark Subcontractor Costs, Inc £145.90 VAT, 881.40

Right sidebar:

- For approval: Motor Expenses (3), Light and Heat (2), Rent (1), Total for approval (6)
- Bank details: Total balance £72,641.55
- Help button

You'll need to fill in the payment type, category and the appropriate rate of VAT for the transaction. However, the 'Value' field will now be customisable. This will allow you to either increase the transaction, split it for a deduction that happened before the money was received, or decrease the transaction, to explain a portion of the transaction.

The screenshot shows the 'Explain a Transaction' form in FreeAgent. The form is divided into several sections:

- Business Current Account:** A table showing the transaction details.

Date	Description	Money In	Money Out
25-10-2023	BEN MORLEY//OTHER/E720.60		720.60
	Balance		720.60
- Select a Type:**
 - Type: Payment
 - VAT Options: UK VAT Rates (selected), Reverse Charge
 - Value: £ 350 (input field)
 - VAT: Auto
- More Detail:**
 - Category: Accommodation and Meals
 - Description: Ben Morley
- Optional References:**

Buttons: Delete this Transaction, Help

Add a description and select 'Create New Explanation' to complete the process. You'll notice that FreeAgent shows the portion of the transaction that you've explained, but it will also create a second transaction below the one you explained for the remainder of the transaction. This will allow you to either explain this remaining transaction to another category or use 'More Options' again to split it even further out.

The screenshot shows the 'Explain transaction' form in FreeAgent. The transaction is dated 25-10-2023 and is a payment of 370.60. The description is 'Ben Morley'. The category is 'Accommodation and Meals'. The form includes fields for 'Type' (Payment), 'Including' (Auto), 'VAT', and 'Attachment'. There are buttons for 'Explain transaction', 'Cancel', and 'More options'. On the right, there is a 'For approval' section with a list of categories: Motor Expenses (3), Light and Heat (2), and Rent (1). Below this is a 'Bank details' section showing a total balance of £72,641.55.

You can follow the same process to split an incoming transaction that had money deducted before it hit the bank account.

The screenshot shows the 'Explain transaction' form in FreeAgent for an invoice receipt of 5,689.00 dated 18-10-2023. The description is 'SALES//OTHER/E5,689.00'. The form includes fields for 'Type' (Invoice Receipt), 'Invoice' (Search by reference, contact, or total...), and 'Attachment'. There are buttons for 'Explain transaction', 'Cancel', and 'Move options'. On the right, there is a 'Total unexplained' section showing 4 unexplained transactions. Below this is a 'For approval' section with a list of categories: Motor Expenses (3), Light and Heat (2), and Rent (1).

For example, the transaction shown above has been increased to show money deducted before an invoice payment was received.

The screenshot shows the 'Create New Explanation' form in FreeAgent. The transaction is dated 18-10-2023 and is an invoice receipt of 18,000.00. The description is 'SALES//OTHER/E5,689.00'. The form includes fields for 'Type' (Invoice Receipt), 'Value' (£ 18000.00), 'Select an Invoice to allocate the money to' (2022-29 Highlanders £18,000.00), and 'Attachment'. There are buttons for 'Create New Explanation', 'Cancel', and 'Help'.

Date	Description	Money In	Money Out
18-10-2023	SALES//OTHER/E5,689.00	5,689.00	
	Balance	5,689.00	

This will allow the invoice to be reconciled and show as fully paid, as FreeAgent will create an outgoing transaction equal to the amount the invoice transaction was increased by.

<input type="checkbox"/>	18-10-2023	✓ Invoice receipt against 2022-29 Highlanders - View invoice	18,000.00	Total for approval 13
<input type="checkbox"/>		? SALES/OTHER/£5,689.00	12,311.00	Bank details

You can then explain this new transaction as the bank or finance charge which was deducted prior to receiving the funds.

Balance at bank

If your client decides to use an Open Banking bank feed to manage the input of transactions into their FreeAgent account, they will also receive a balance mismatch alert in the 'Bank details' section in the bottom-right of the banking area when the balance of the bank account in FreeAgent doesn't match the balance of their actual bank account.

Overview

Contacts

Work

Bills

My Money

Banking

Taxes

Accounting

🔍

🔔

MediaNode

Business Current Account

Upload Statement

Edit Details

More

All Transactions

Unexplained 12

For Approval

May 21

🔍

Search

Date

Money In

Money Out

Balance

Balance brought Forward

£109.89

There are no transactions for May 21. [View all transactions in this account?](#)

25

✓ Explained

? Unexplained

👤 Manually Added

Bank Feed

Latest Import

04-05-2021 at 07:07

(0 imported)

Total unexplained transactions

January 21 2

March 21 1

April 21 4

Total unexplained 12

Bank details

🔄

Total Balance

£1,089.89

Bank

NatWest

Sort Code

000001

Account Number

00000001

Balance at bank on 20-04-2021

£989.89

Balance mismatch

Your FreeAgent balance is £100.00 more than the balance from your online bank.

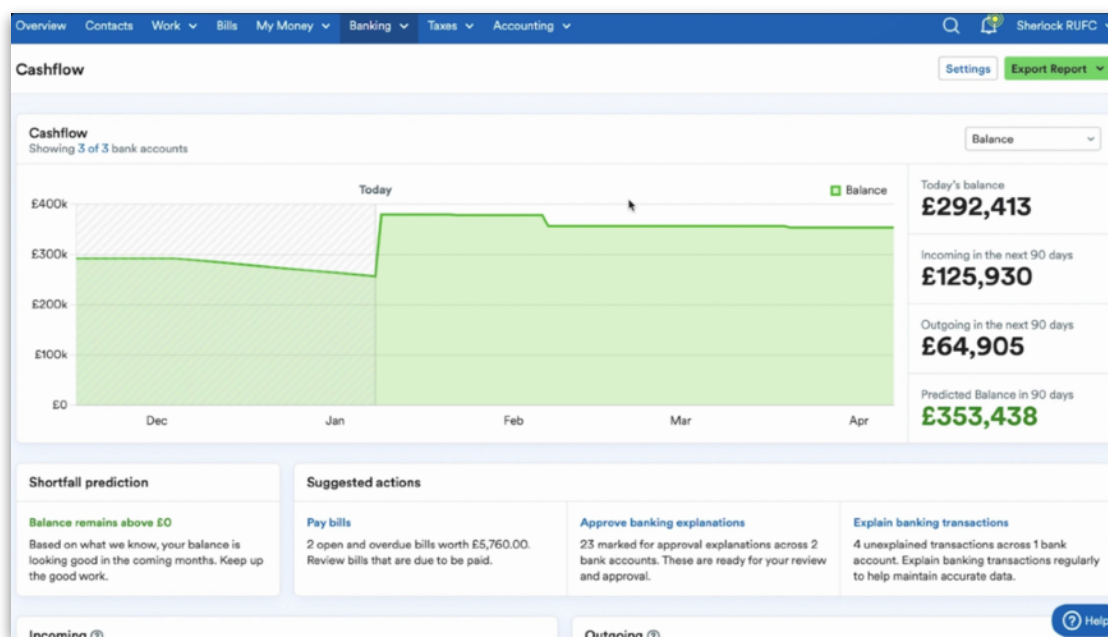
[Learn how to fix this](#)

The balance mismatch alert will also highlight exactly which day the balances started to differ. Your client can then do a quick bank reconciliation exercise by navigating to the highlighted date and correcting any mistakes, such as accidentally deleted transactions or manual transactions added in error.

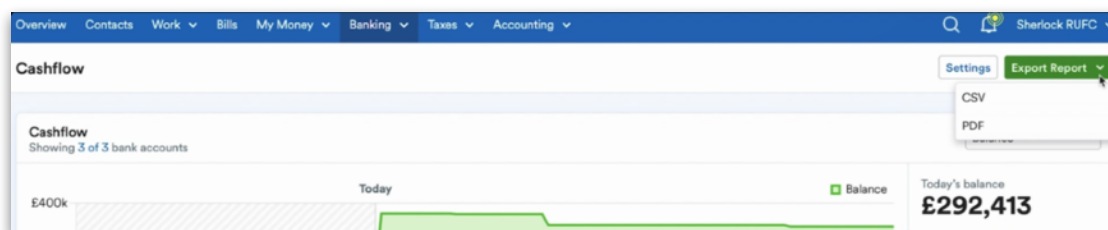
The Cashflow report

The Cashflow report is a 90-day forecasted projection. It's important to note that the 'Cashflow' panel on the Overview screen in FreeAgent is different to the Cashflow functionality and only shows historical cashflow.

To access the Cashflow report, select the 'Banking' tab and then 'Cashflow' from the drop-down menu.

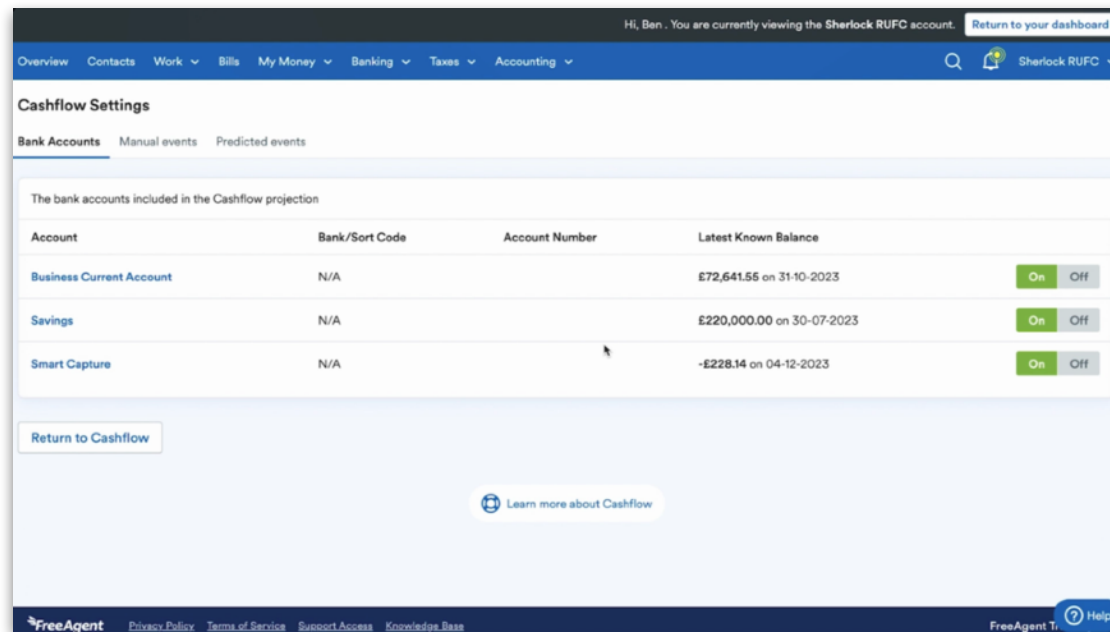


This report can be exported as a CSV or PDF and can be managed by selecting 'Export Report' in the top-right corner of the Cashflow area and selecting the relevant file format from the 'Export Report' drop-down menu.



FreeAgent calculates the money coming in and going out of your client's business across a 90-day window to provide a measure of business health and to show you and your client a projected future balance. To perform the calculation, FreeAgent uses data from other areas of your client's account, including your bank accounts, invoices, bills, VAT returns, and payroll.

You can customise the data that FreeAgent displays in the Cashflow report by selecting 'Settings'.

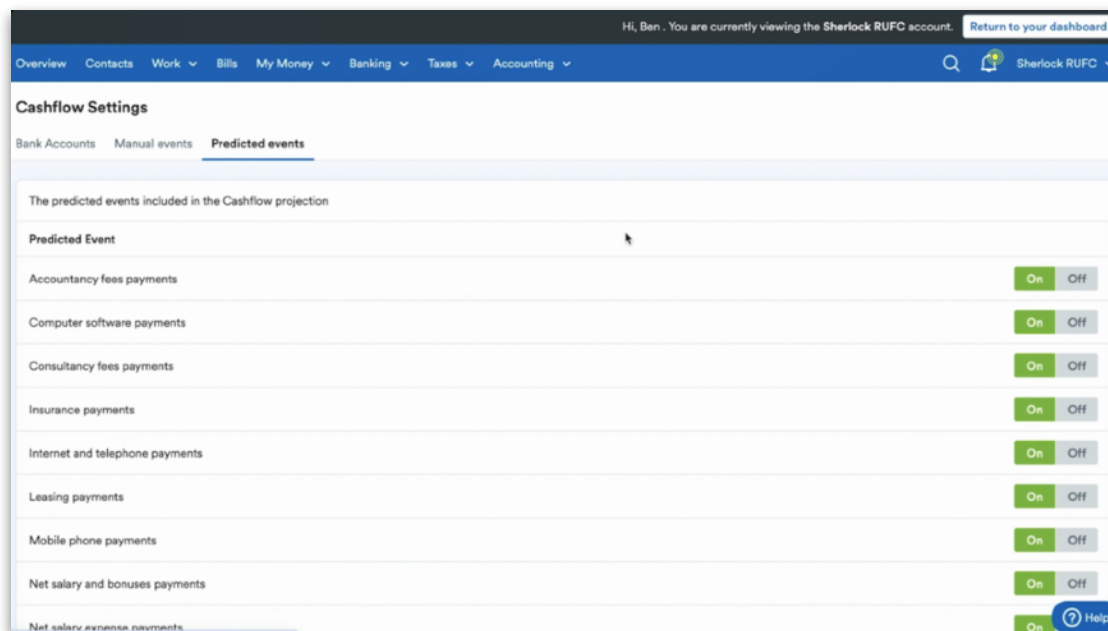


You can toggle on or off any personal accounts, credit card accounts or foreign currency accounts depending on whether you want them included in the Cashflow forecast.

This means, for instance, if you've got something like a loan account that doesn't have a bearing on your cash position because you pay it through your main bank account, you can turn it off, and it won't throw out your Cashflow projection.

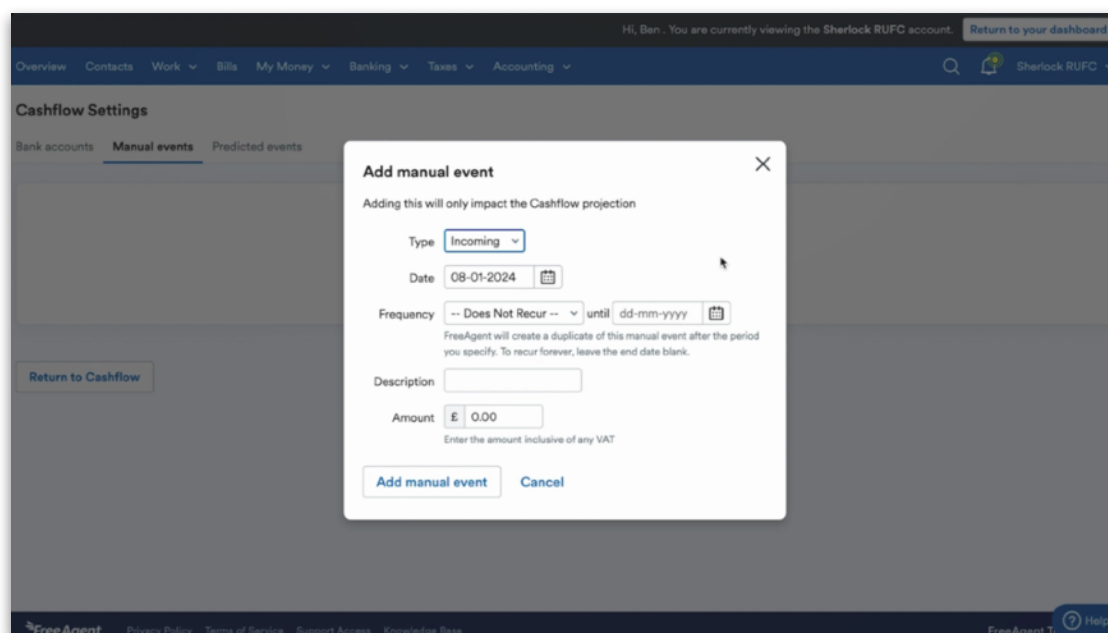
Once you've chosen these settings, select 'Return to Cashflow' and the projection will be updated accordingly.

Predicted events are transactions that come into the banking section with the same description and are consistently explained with the same explanations consecutively for 90 days. FreeAgent will recognise these transactions and include them in the cashflow calculations.



You can turn predicted events on and off per the different categories used to explain bank transactions. This gives you more control over what's included in the Cashflow report.

Anything that hasn't been captured by the 'Predicted events' can be added as a manual event in the 'Manual events' tab. This can be for recurring transactions or one-off transactions.



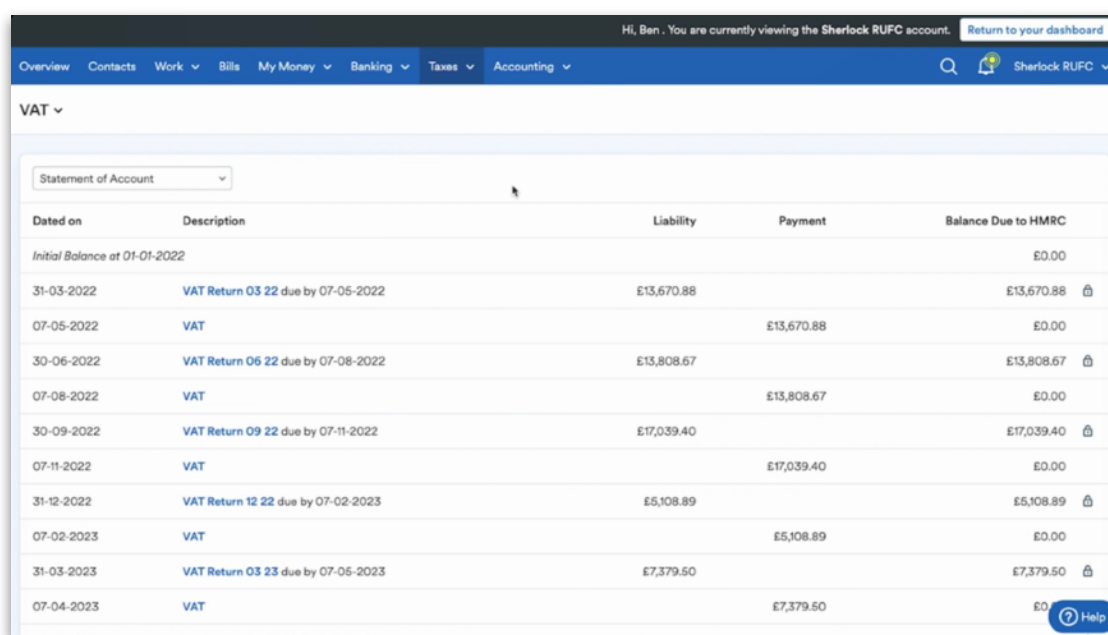
5. VAT

In this section, we'll discuss FreeAgent's VAT filing functionality. FreeAgent calculates tax liabilities in real time, based on the transactions in the account. With FreeAgent, you can easily file VAT, Payroll, Corporation Tax and, for sole traders and company directors, Self Assessment directly to HMRC. Payroll and the end-of-year process are covered in separate learning modules.

FreeAgent supports annual, monthly and quarterly VAT returns for both invoice and cash accounting, and the VAT Flat Rate Scheme.

Viewing a VAT return

You can access the VAT area in FreeAgent by navigating to the 'Taxes' tab at the top of the screen and then selecting 'VAT' from the drop-down menu.



Hi, Ben. You are currently viewing the Sherlock RUFIC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

VAT

Statement of Account

Dated on	Description	Liability	Payment	Balance Due to HMRC
Initial Balance at 01-01-2022				£0.00
31-03-2022	VAT Return 03 22 due by 07-05-2022	£13,670.88		£13,670.88
07-05-2022	VAT		£13,670.88	£0.00
30-06-2022	VAT Return 06 22 due by 07-08-2022	£13,808.67		£13,808.67
07-08-2022	VAT		£13,808.67	£0.00
30-09-2022	VAT Return 09 22 due by 07-11-2022	£17,039.40		£17,039.40
07-11-2022	VAT		£17,039.40	£0.00
31-12-2022	VAT Return 12 22 due by 07-02-2023	£5,108.89		£5,108.89
07-02-2023	VAT		£5,108.89	£0.00
31-03-2023	VAT Return 03 23 due by 07-05-2023	£7,379.50		£7,379.50
07-04-2023	VAT		£7,379.50	£0.00

[Help](#)

This view shows the standard return and what values are in each of the boxes. It also shows if the VAT return is filed or unfiled.

Once your practice is connected you will be able to enable MTD filing for your client [through their profile on your Practice Dashboard](#).

VAT Period Ending 30-09-2023

VAT Return

01-07-2023 to 30-09-2023

VAT due on sales and other outputs	1	£2,866.67
VAT due on intra-community acquisitions of goods made in Northern Ireland from EU Member States	2	£0.00
Total VAT due (the sum of boxes 1 and 2)	3	£2,866.67
VAT reclaimed on purchases and other inputs (including acquisitions from the EU)	4	£2,282.71
Net VAT to be paid to Customs or reclaimed by you (difference between boxes 3 and 4)	5	£583.96
Total value of sales and all other outputs excluding any VAT	6	£14,333
Total value of purchases and all other inputs excluding any VAT	7	£12,824
Total value of intra-community dispatches of goods and related costs, excluding any VAT, from Northern Ireland to EU Member States	8	£0
Total value of intra-community acquisitions of goods and related costs, excluding any VAT, made in Northern Ireland from EU Member States	9	£0

Important deadlines

File by 07-11-2023 Pay by 07-11-2023

Calculation details

Scheme **Standard Scheme**
 Calculation Basis **Invoice**
 Fuel Scale Charge **None**

[Help](#)

When a VAT return is filed, it will be locked and boxes 1-9 will no longer change if transactions are adjusted within that VAT period. You can mark a return as filed by selecting 'mark as filed'.

Overview Contacts Work Bills My Money Banking Taxes Accounting

VAT Return for period 09 23

Export Edit details **Mark as filed**

Preview Full Report

Set up MTD VAT filing for this client

If you would like to file VAT returns for this client through FreeAgent your practice must be set up for MTD, which you can do by connecting with HMRC [from the settings pages on your Practice Dashboard](#).

Once your practice is connected you will be able to enable MTD filing for your client [through their profile on your Practice Dashboard](#).

VAT Period Ending 30-09-2023

VAT Return

01-07-2023 to 30-09-2023

VAT due on sales and other outputs	1	£2,866.67
VAT due on intra-community acquisitions of goods made in Northern Ireland from EU Member States	2	£0.00
Total VAT due (the sum of boxes 1 and 2)	3	£2,866.67
VAT reclaimed on purchases and other inputs (including acquisitions from the EU)	4	£2,282.71
Net VAT to be paid to Customs or reclaimed by you	5	£583.96

VAT period

Unfiled

Start 01-07-2023 End 30-09-2023

Important deadlines

File by 07-11-2023 Pay by 07-11-2023

Calculation details

Scheme **Standard Scheme**
 Calculation Basis **Invoice**
 Fuel Scale Charge **None**

[Help](#)

The Full Report view shows you exactly how the boxes for this VAT return are made up.

Hi, Ben - You are currently viewing the Sherlock RUFIC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

VAT Return for period 09 23 [Export](#) [Mark as unfilled](#)

Preview **Full Report**

Sales

Date	Description	Category	Box 1	Box 6	Box 8
			1 £2,866.67	6 £14,333.33	8 £0.00
01-07-2023	Kukari	Club Shop sales	2,842.00	14,210.00	
31-08-2023	Sales	Club Shop sales	1,666.67	8,333.33	
15-09-2023	Schools	Club Shop sales	1,200.00	6,000.00	
01-07-2023	Invoice receipt against 2022-22	Invoice Receipt	3,000.00	15,000.00	
01-07-2023	Invoice receipt against 2022-23	Invoice Receipt	3,000.00	15,000.00	
01-07-2023	Credit Note refund against 2022-33	Original item has been deleted	-2,842.00	-14,210.00	
01-07-2023	Invoice receipt against 2022-22	Original item has been deleted	-6,000.00	-30,000.00	

Purchases

Loading

VAT period

Marked as filed

Start: 01-07-2023 End: 30-09-2023

Important deadlines

File by: 07-11-2023 Pay by: 07-11-2023

Calculation details

Scheme: **Standard Scheme**

Calculation Basis: **Invoice**

Fuel Scale Charge: **None**

[Help](#)

Each line item is a blue link that you can select to view the original transaction responsible for the posting on the return.

If a VAT return is filed and locked and you adjust the VAT on a transaction, for example from 20% to 0%, box 4 will not change to reflect the adjustment, as HMRC states that changes should be corrected and shown on the next open VAT return.

FreeAgent will also handle any missing transactions added late, or any duplicate transactions being deleted, by showing those corrections on the next open VAT return.

Making adjustments

There may be manual adjustments that you need to make to a VAT return. To do this, navigate to the relevant open VAT Return that you'd like to adjust. In either the preview or the Full report view of the open VAT return, select 'Edit Details' at the top-right of the screen.

VAT Return for period 12 23

Export Edit details Mark as filed

Preview Full Report

Set up MTD VAT filing for this client
 If you would like to file VAT returns for this client through FreeAgent your practice must be set up for MTD, which you can do by connecting with HMRC from the settings pages on your Practice Dashboard.
 Once your practice is connected you will be able to enable MTD filing for your client through their profile on your Practice Dashboard.

VAT Period Ending 31-12-2023

VAT Return
 01-10-2023 to 31-12-2023

VAT due on sales and other outputs	1	£20,139.50
VAT due on intra-community acquisitions of goods made in Northern Ireland from EU Member States	2	£0.00
Total VAT due (the sum of boxes 1 and 2)	3	£20,139.50
VAT reclaimed on purchases and other inputs (including acquisitions from the EU)	4	-£0.17
Net VAT to be paid to Customs or reclaimed by you (difference between boxes 3 and 4)	5	£20,139.67
	6	£105,790

VAT period
 Unfiled
 Start 01-10-2023 End 31-12-2023

Important deadlines
 File by 07-02-2024 Pay by 07-02-2024

Calculation details
 Scheme Standard Scheme
 Calculation Basis Invoice
 Fuel Scale Charge None

Help

This is where boxes 6, 7, 8 and 9 can be adjusted using positive or negative transactions to increase or decrease the values.

Overview Contacts Work Bills My Money Banking Taxes Accounting Sherlock RUFUC

Edit VAT Return Details

VAT Return Details

Period Ends On 31-12-2023

Accounting Basis Invoice

Are you on a flat rate scheme? ☒ No ☐ Yes

Adjustments

Adjustment to Box 6 £ 0.00

Adjustment to Box 7 £ 0.00

Adjustment to Box 8 £ 0.00

Adjustment to Box 9 £ 0.00

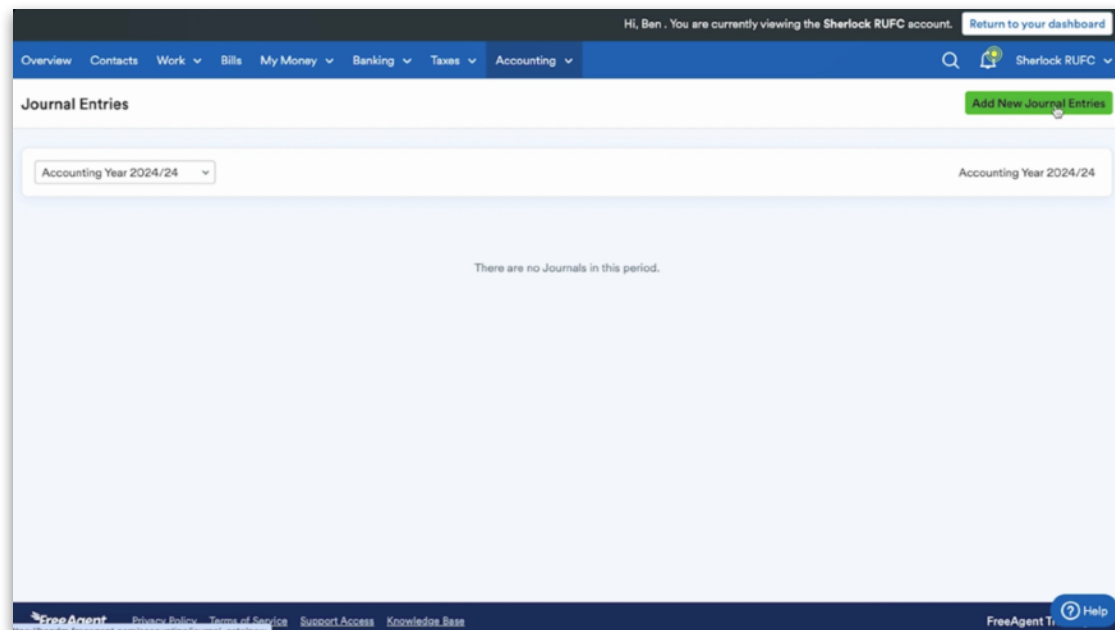
Please enter the amount you wish to adjust box 6, 7, 8, or 9 by on this VAT return.
[Find out more](#)

Fuel Scale Charge

CO2 Band -- None --

Help

Boxes 1 and 4 require a journal to show an adjustment. To do this, navigate to the 'Journals' area of your client's account via the 'Accounting' tab and select 'Add New Journal Entries'.



You'll need to date this journal to reflect the adjustment within the open VAT period. Dating the adjustment inside a VAT locked period will lead to an error message, as adjustments to boxes 1 and 4 cannot be posted in a VAT locked period.

Code	Additional information	Debit	Credit
907 - Director Loan Account	Ben Morley		120.00
818 - VAT Reclaimed		20.00	
274 - Mobile Phone		100.00	
		120.00	120.00

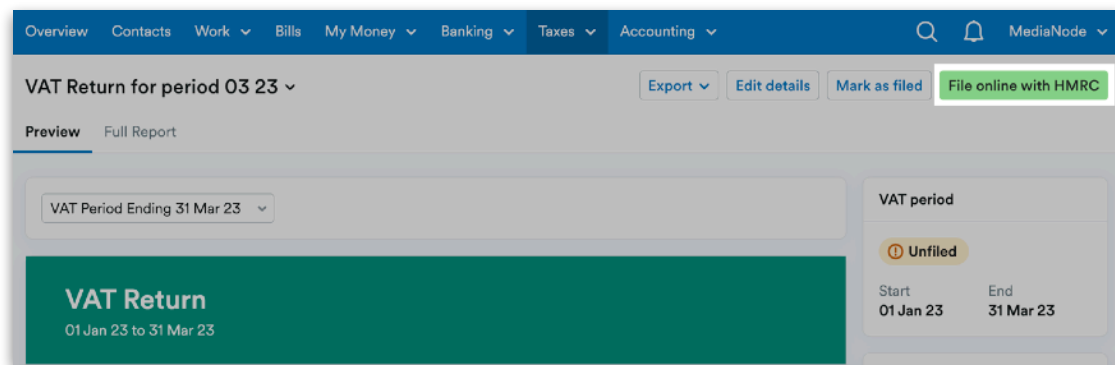
Difference: 0.00

The nominal codes required to adjust boxes 1 and 4 are '819 - VAT Charged' and '818 - VAT Reclaimed'. VAT requires its own line entry inside a journal. You can search for these codes by typing the code description or actual nominal code.

Filing a VAT return

Submitting a VAT return to HMRC on behalf of a client is a straightforward process once you've connected your agent services account to your Practice Dashboard.

Once you're connected to HMRC for MTD and the VAT period has ended, ensure that your client's transactions have been fully explained and check the full report view. Then, select 'File online with HMRC' to complete the submission process.



Tax Timeline updates

The Tax Timeline is visible to any users that have level 7 access or above. The Tax Timeline panel on the Overview screen is a calendar overview of the important tax dates and payments for businesses based on the accounting dates and VAT return dates in the VAT settings.

Items on the Tax Timeline will automatically update when something has been filed, marked as filed or paid off. You can also complete an item directly from the Tax Timeline.

To file a tax return from the Tax Timeline, select the three dots to the right of the item and then select 'File Online with HMRC' from the drop-down menu. This will take you straight to the submission page without having to navigate multiple pages.

The screenshot shows the 'Tax Timeline' tab selected in a software interface. It displays a list of tax-related events with their due dates and descriptions. A dropdown menu is open for the 'Income Tax 22/23' entry, showing options to 'Mark as filed' and 'File online with HMRC'.

Profit And Loss	Tax Timeline
31 DEC 23	Corporation Tax, year ending 31 Dec 22 Submission Due Due in 7 months
31 JAN 24	Income Tax 22/23 Return Due Due in 8 months
31 JAN 24	Balancing Payment 22/23 Income tax and Class 4 NI due on ir Due in over 1 year
30 SEP 24	Accounting Period Ending 31 Dec 23 Companies House Accounts Due Due in over 1 year
01 OCT 24	Corporation Tax, year ending 31 Dec 23 Payment Due £3,733.12 Due in over 1 year

Dropdown menu for 'Income Tax 22/23':

- Mark as filed
- File online with HMRC

Alternatively, if you're filing the tax return outside of FreeAgent, you can mark it as filed on the Tax Timeline by selecting the three dots to the right of the item and selecting 'Mark as Filed' from the drop-down menu.

The screenshot shows the 'Tax Timeline' tab in the software. It lists several tax-related items with their due dates and descriptions. A dropdown menu is open for the 'Income Tax 22/23' item, showing two options: 'Mark as filed' and 'File online with HMRC'.

Item	Due Date	Description	Due In
31 DEC 23	Corporation Tax, year ending 31 Dec 22	Submission Due	Due in 7 months
31 JAN 24	Income Tax 22/23	Return Due	Due in 8 months
31 JAN 24	Balancing Payment 22/23	Income tax and Class 4 NI due on income for 22/23	
30 SEP 24	Accounting Period Ending 31 Dec 23	Companies House Accounts Due	Due in over 1 year
01 OCT 24	Corporation Tax, year ending 31 Dec 23	Payment Due	£3,733.12 Due in over 1 year

If you need to make any changes, you can mark it as unfilled by selecting the three dots to the right of the item and selecting 'Mark as Unfiled' from the drop down menu.

The screenshot shows the 'Tax Timeline' tab in the software. The 'Income Tax 22/23' item is now marked as 'Marked as filed' in green text. A dropdown menu is open for the 'Balancing Payment 22/23' item, showing the option 'Mark as unfilled'.

Item	Due Date	Description	Due In
31 DEC 23	Corporation Tax, year ending 31 Dec 22	Submission Due	Due in 7 months
31 JAN 24	Income Tax 22/23	Return Due	Marked as filed
31 JAN 24	Balancing Payment 22/23	Income tax and Class 4 NI due on income for 22/23	
30 SEP 24	Accounting Period Ending 31 Dec 23	Companies House Accounts Due	Due in over 1 year
01 OCT 24	Corporation Tax, year ending 31 Dec 23	Payment Due	£3,733.12 Due in over 1 year

To mark a tax liability as paid, select the three dots to the right of the item and select 'Mark as paid' from the drop-down menu.

Profit And Loss		Tax Timeline	
07 AUG 23	VAT Return 06 23 Submission Due	Due in 2 months	
30 SEP 23	Accounting Period Ending 31 Dec 22 Companies House Accounts Due	Due in 4 months	
01 OCT 23	Corporation Tax, year ending 31 Dec 22 Payment Due	£2,155.62 Due in 4 months	⋮
31 DEC 23	Corporation Tax, year ending 31 Dec 22 Submission Due	Due in 7 months	Mark as paid
31 JAN 24	Income Tax 22/23 Return Due	Due in 8 months	⋮

You can filter the Tax Timeline to view all items, upcoming items or paid/filed items using the drop-down menu at the top-right of the panel. This can help you get a more focused view of the tax obligations for you and the business and prioritise upcoming tasks.

Profit And Loss

Tax Timeline

13 Tax Timeline Items

22

JUL 23

2 Payslips

PAYE/NI Payment Due

Due in about 2 months

07

AUG 23

VAT Return 06 23

Payment Due

£1,527.78

Due in 2 months

07

AUG 23

VAT Return 06 23

Submission Due

Due in 2 months

30

SEP 23

Accounting Period Ending 31 Dec 22

Companies House Accounts Due

Due in 4 months

✓ All items

Upcoming

Paid/Filed

You can also customise the item categories displayed on the Tax Timeline by following these steps:

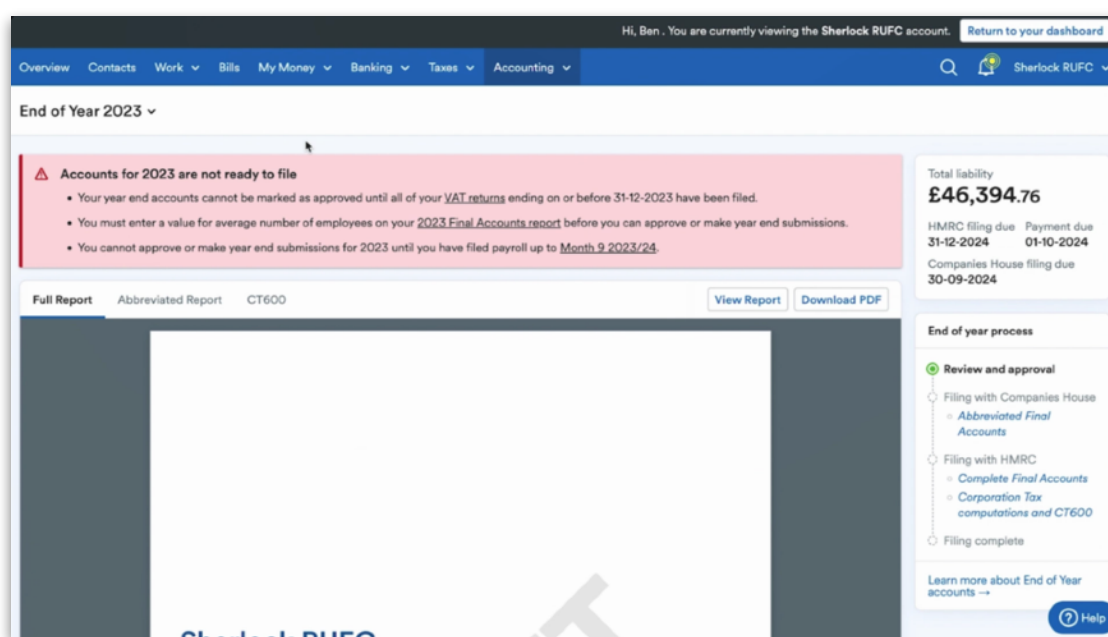
1. Click on your client's name from the drop-down menu in the top-right corner of the screen.
2. From the menu, select *Settings*.
3. In the settings menu, choose *Tax Timeline Settings*.
4. A list of tax items applicable to your client's licence type will appear. Next to each tax item, you will see a drop-down menu with the following options:
 - **Show with Tax Amounts:** Displays both the amount due and the due date for the return.
 - **Show without Tax Amounts:** Shows only the due date, without the amount due.
 - **Hide:** Removes the item from the Tax Timeline.

6. Reports and settings

In this section, we'll look at some of the reports available in FreeAgent and run through the settings you and your clients may wish to adjust.

End of Year

Under the 'Accounting' tab, the 'End of Year' area allows limited company directors to use FreeAgent to prepare a company's Final Accounts and CT600. You can then file them with Companies House and HMRC from this area.



Please note: while small business owners who do not use FreeAgent with an accountant will have full access to this functionality, your clients will not have full access to it. If they hold the user role of 'Director' in FreeAgent and have either full (level 8) or level 7 access to their account, they will be able to approve and sign their End of Year report but they won't be able to file Final Accounts to Companies House or their Corporation Tax return to HMRC. As the accountant, you will complete the filing process.

You'll find more information on this process in the separate Tax learning module. However, you may want to know about the benefit of enabling the approvals process even if you're not going to use FreeAgent to file your client's end-of-year accounts.

There are two options when enabling approvals. The first alerts your client of the end-of-year process beginning.

The screenshot shows the 'Enable approvals' dialog box in the Sherlock RUFU account interface. The first option, 'Enable approvals and send email notifications', is selected with a radio button. Below this, the 'Select recipients' section shows 'Ben Morley' selected with a checkmark. The 'Message' section contains a template email body: 'Hi [user_first_name], Your accounts for [accounting_year] have now been prepared and are ready for your review. Please log in to your account to view the report. Yours sincerely, [account_manager_name]'. A list of available tags is provided: [account_manager_name], [accounting_year], [accounting_year_end_date], [accounting_year_date_range], [company_name], [corporation_tax_liability], [tax_chargeable], [user_first_name], and [user_full_name]. The 'Accountant's report signed by' field is empty, and the date is set to 'Dated: 08-01-2024'. At the bottom are 'Enable and send' and 'Cancel' buttons.

If you don't want to alert your client, select the second option, which is 'Just enable approvals'. This will allow you to simply enter your name and select 'Enable Approvals'.

The screenshot shows the 'Enable approvals' dialog box with the second option, 'Just enable approvals', selected with a radio button. The 'Select recipients' section is empty. The 'Message' section is not visible. The 'Accountant's report signed by' field is empty, and the date is set to 'Dated: 08-01-2024'. At the bottom are 'Enable' and 'Cancel' buttons.

Doing this will add an account lock within your client's FreeAgent licence and will not allow the accounting period in question to be adjusted or added to.

Hi, Ben . You are currently viewing the Sherlock RUFC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

Account Locking

Active account locks

Locked by	Locked to
End Of Year 2022	31-12-2022

Add a manual account lock

Lock Accounts until

You can lock your accounts to any given date between 01-01-2023 and 30-12-2023.

[Save Changes](#) [Cancel](#)

How does account locking work?

Account locks can either be set manually by users or automatically as a result of an event in FreeAgent, like filing a tax return.

Once a lock is set you will not be able to change any data prior to this date. You can change or remove manually added locks, but not ones set automatically by FreeAgent.

A lock can only be set during filed VAT returns.

[More about Account Locking →](#)

FreeAgent [Privacy Policy](#) [Terms of Service](#) [Support Access](#) [Knowledge Base](#) [Help](#)

You can use the 'Mark as draft' option to remove the lock, but this is only available to Account Managers on your Practice Dashboard.

Hi, Ben . You are currently viewing the Sherlock RUFC account. [Return to your dashboard](#)

Overview Contacts Work Bills My Money Banking Taxes Accounting

End of Year 2022 [Mark as draft](#) [Approve and sign](#)

Accounts are now available to directors for approval

Full Report Abbreviated Report CT600 [View Report](#) [Download PDF](#)

Sherlock RUFC
Unaudited financial statements for the year ended 31 December 2022

Total liability
£56,311.25

HMRC filing due 31-12-2023 Payment due 01-10-2023
Companies House filing due 30-09-2023

End of year process

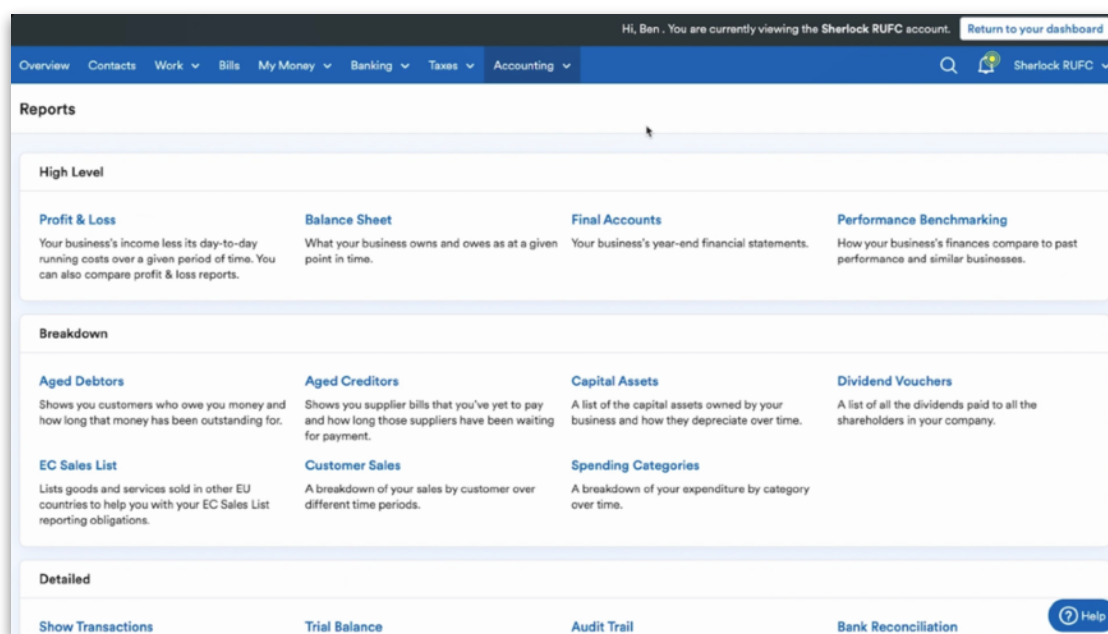
- Review and approval**
 - Filing with Companies House
 - Abbreviated Final Accounts
 - Filing with HMRC
 - Complete Final Accounts
 - Corporation Tax computations and CT600
 - Filing complete

[Learn more about End of Year accounts →](#)

[Help](#)

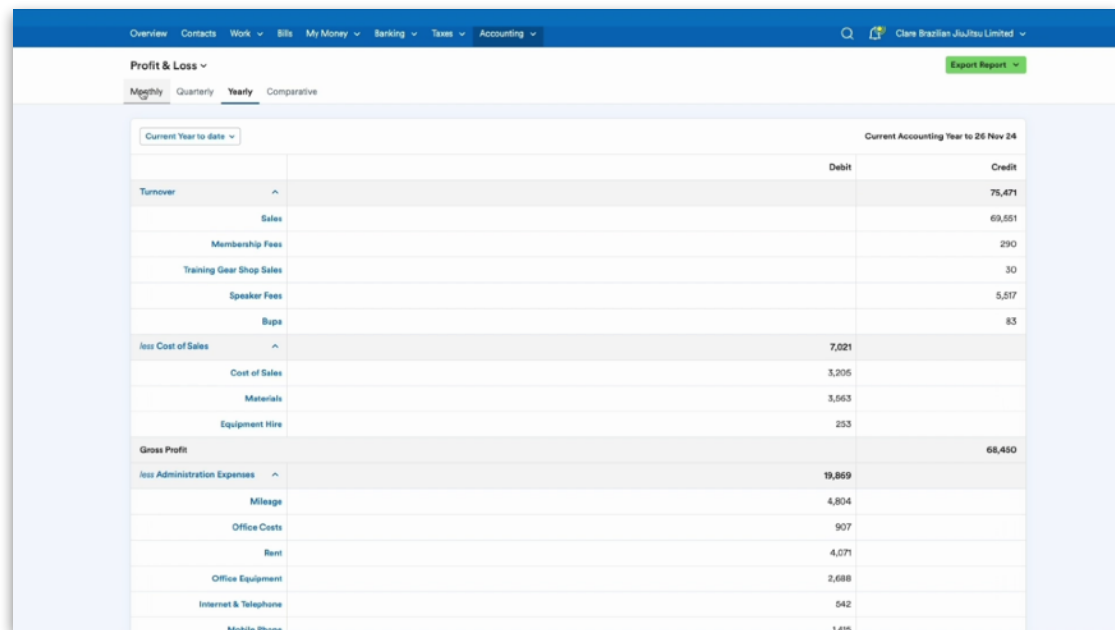
Reports

To access reports in FreeAgent, navigate to the 'Accounting' tab and select 'Reports'. This area includes a collection of essential reports on your client's business generated by the data in your client's FreeAgent account.



These reports are very helpful for providing an understanding of specific details about your client's business. Here are some of the most commonly used reports.

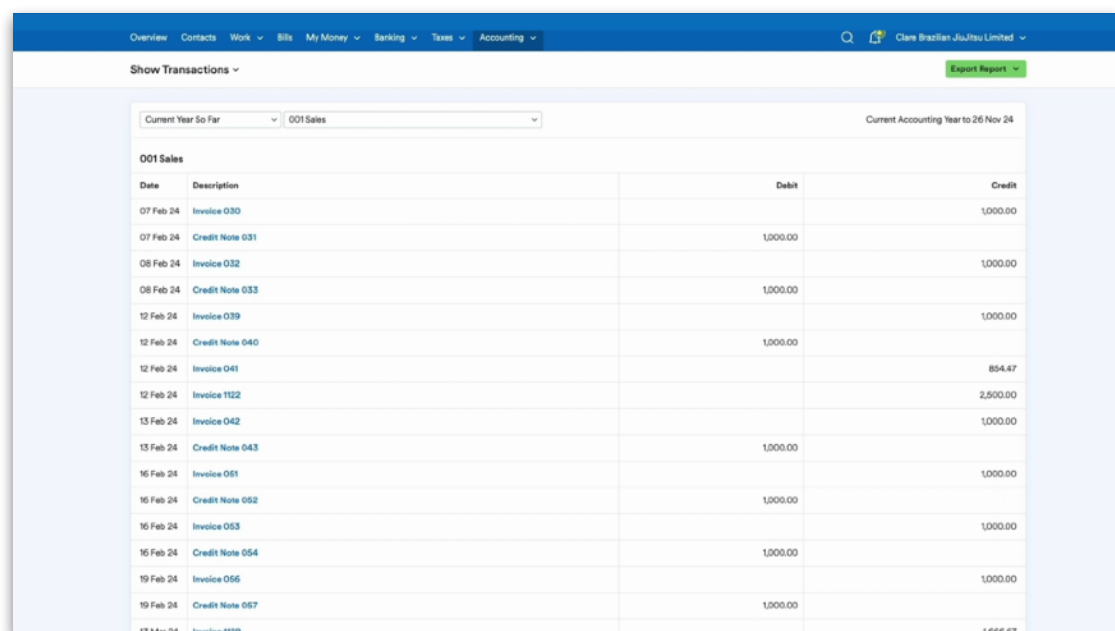
The **Profit & Loss** report can be viewed in different ways, including monthly, yearly or comparative. It's also possible to use a custom date range or a standard date range.



Current Year to date		Current Accounting Year to 26 Nov 24	
		Debit	Credit
Turnover			75,471
Sales			69,551
Membership Fees			290
Training Gear Shop Sales			30
Speaker Fees			5,517
Bupa			83
Less Cost of Sales		7,021	
Cost of Sales		3,205	
Materials		3,563	
Equipment Hire		253	
Gross Profit			68,450
Less Administration Expenses		19,869	
Mileage		4,804	
Office Costs		907	
Rent		4,071	
Office Equipment		2,688	
Internet & Telephone		042	
Mobile Phone		1,415	

The report can also be viewed as a PDF or CSV. All the items on the report are clickable links. Selecting one will show the credits and debits that make up the line item on the report.

The **Show Transactions** report displays all the transactions in each of the different account categories in FreeAgent. This list is also known as the nominal ledger or general ledger.



Current Year So Far		Current Accounting Year to 26 Nov 24	
		Debit	Credit
07 Feb 24	Invoice 030		1,000.00
07 Feb 24	Credit Note 031	1,000.00	
08 Feb 24	Invoice 032		1,000.00
08 Feb 24	Credit Note 033	1,000.00	
12 Feb 24	Invoice 039		1,000.00
12 Feb 24	Credit Note 040	1,000.00	
12 Feb 24	Invoice 041		854.47
12 Feb 24	Invoice 1122		2,500.00
13 Feb 24	Invoice 042		1,000.00
13 Feb 24	Credit Note 043	1,000.00	
16 Feb 24	Invoice 051		1,000.00
16 Feb 24	Credit Note 052	1,000.00	
16 Feb 24	Invoice 053		1,000.00
16 Feb 24	Credit Note 054	1,000.00	
19 Feb 24	Invoice 055		1,000.00
19 Feb 24	Credit Note 057	1,000.00	
13 Mar 24	Invoice 1129		1,666.67

Choose 'Select an Account' from the drop-down menu, select any account, click 'Apply', and all transactions for that nominal code or group of nominal codes will be pulled through for the specified date range.

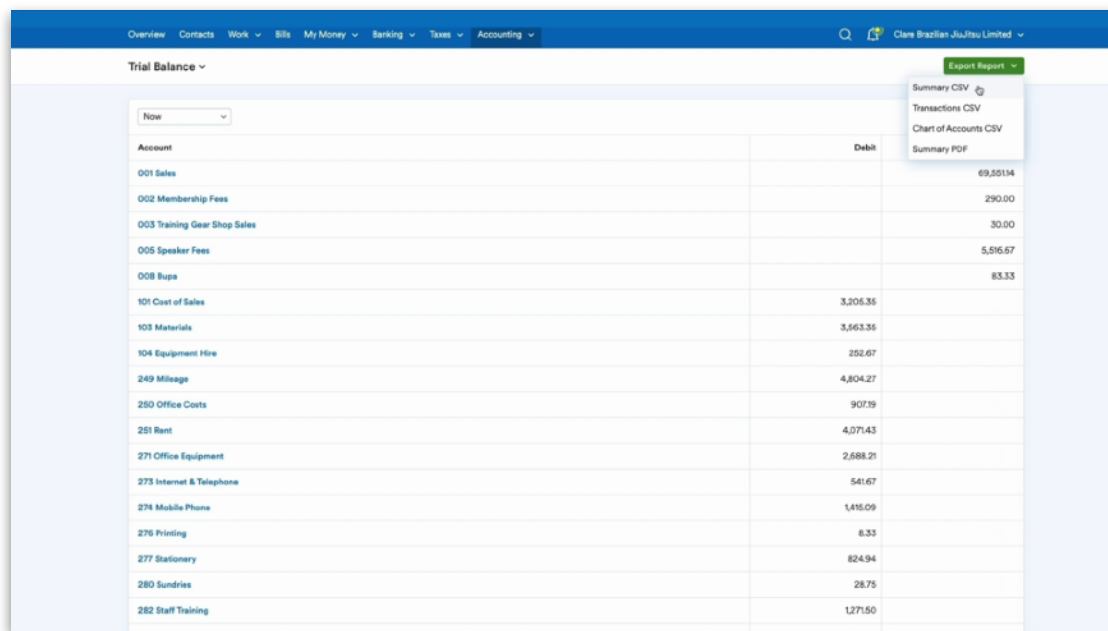
The **Audit Trail** shows you a list of many of the changes that have been made in the FreeAgent account.

Date	User	Item Type	Item	Action
26 Nov 24 - 15:12	Eoin McNamara - FreeAgent Training	Expense	McDonalds	Updated View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Screwfix/OTHER/E56.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Screwfix/OTHER/E56.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	HP Payment/OTHER/E400.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	B&Q/OTHER/E89.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Materials/OTHER/E85.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Costco/OTHER/E35.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Costco/OTHER/E355.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Invoice Dana White/OTHER/E3,300.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Trainline/OTHER/E17.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Bill Apple/OTHER/E650.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Invoice Bruce Buffer/OTHER/E2,000.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Tesco/OTHER/E199.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Trainline/OTHER/E17.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Tesco/OTHER/E178.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Invoice University of Edinburgh/OTHER/E2,400.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Bill Vanum/OTHER/E500.00	Deleted View History
26 Nov 24 - 15:09	Eoin McNamara - FreeAgent Training	Bank Transaction	Invoice Demetrios Johnson/OTHER/E3,600.00	Deleted View History

The **Trial Balance** can use a custom date range, when it will be a transactional report, or a standard date range. All the items on the report are clickable links. Selecting one will show the credits and debits that make up the line items on the report.

	Debit	Credit
001 Opening Balances		69,251.34
002 Membership Fees		290.00
003 Training Gear Shop Sales		30.00
005 Speaker Fees		5,516.67
008 Bupa		83.33
101 Cost of Sales	3,206.35	
103 Materials	3,563.35	
104 Equipment Hire	252.67	
249 Mileage	4,804.27	
250 Office Costs	907.39	
251 Rent	4,071.43	
271 Office Equipment	2,588.21	
273 Internet & Telephone	541.67	
274 Mobile Phone	1,415.09	
276 Printing	8.33	
277 Stationery	824.94	
280 Sundries	28.75	
282 Staff Training	1,271.50	

To export a CSV file of a report summary, which is the format accepted by all tax production software if you're not using FreeAgent for the end-of-year production process, select the 'Export' button in the top right. You'll also find the Chart of Accounts report inside the Export option.



Recent reporting updates

Over the past year, several updates have been made to FreeAgent's reporting features to improve the way you view and manage your financial data. Here are some of the key updates:

Profit & Loss Report

Gross Profit Line: The Profit & Loss report now includes a **Gross Profit** line, offering a clearer picture of your business's profitability.

Balance Sheet

Comparative Reporting: The Balance Sheet now allows for comparative analysis. To access this feature:

1. Navigate to the *Balance Sheet*
2. Select *Comparative*
3. Choose your *Comparison Type*: Yearly, Quarterly, or Custom Period.
4. Define *Period 1* (the period you want to compare) and *Period 2* (the period you want to compare it against).

Balance Sheet

Custom date Monthly Quarterly **Comparative**

Comparison type: Yearly Period 1: Accounting Period 2023/24 Period 2: Current Year to date

	Period 1: Accounting Period 2023/24	Period 2: Current Year to date	Difference	Percentage change
Capital Assets				
Computer Equipment Brought Forward	0	1,954	1,954	↑
Fixtures and Fittings Brought Forward	0	1,667	1,667	↑
Other Capital Asset Brought Forward	0	58,333	58,333	↑
Computer Equipment Purchase	1,954	26,190	24,236	1240% ↑
Fixtures and Fittings Purchase	1,667	0	-1,667	-100% ↓
Motor Vehicle Purchase	0	83,333	83,333	↑
Other Capital Asset Purchase	58,333	0	-58,333	-100% ↓
Computer Equipment Depreciation Brought Forward	0	-293	-293	↓
Fixtures and Fittings Depreciation Brought Forward	0	-333	-333	↓
Other Capital Asset Depreciation Brought Forward	0	-6,250	-6,250	↓
Computer Equipment Depreciation In Year	-293	-1,708	-1,415	-483% ↓
Fixtures and Fittings Depreciation In Year	-333	-333	0	0% ↓
Motor Vehicles Depreciation In Year	0	-1,944	-1,944	↓
Other Capital Asset Depreciation	-6,250	-6,250	0	0% ↓
Net Book Value	55,078	154,365	99,288	180% ↑
Current Assets	37,332	114,473	77,142	207% ↑

After completing these steps, you'll be able to view the **difference** and **percentage change** between the two periods in your Balance Sheet report.

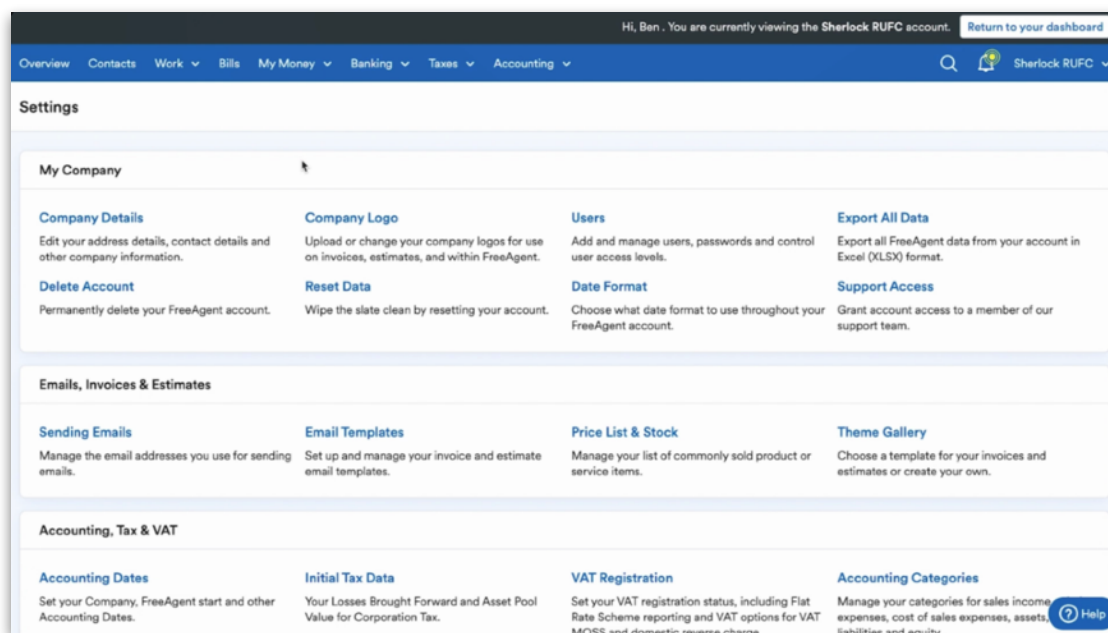
Expanded/Contracted Headers: The headers for Capital Assets and Owner's Equity have been updated to expand and contract, similar to the other report sections, for easier navigation.

To export your Balance Sheet report, click 'Export Report'. From the drop-down menu, select the format you prefer: CSV or PDF.

Settings

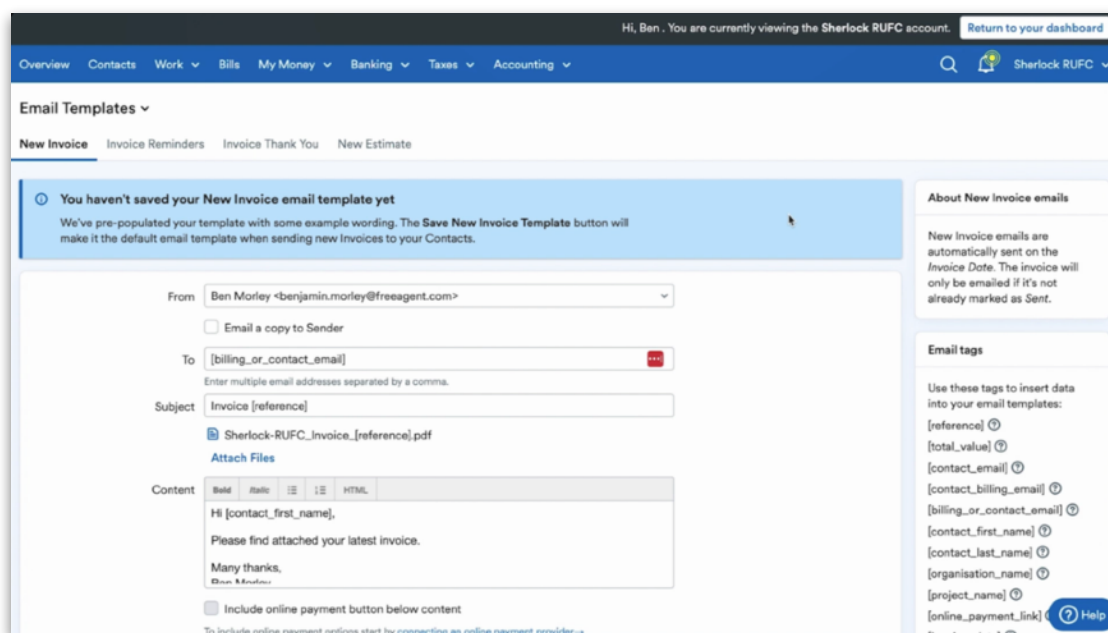
Next, let's take a look at some of the most commonly used settings that your client may want to make use of or that you may want to set up for them.

To access the 'Settings' area, select your client's business name in the top-right of their FreeAgent account and then select 'Settings'.



Email Templates

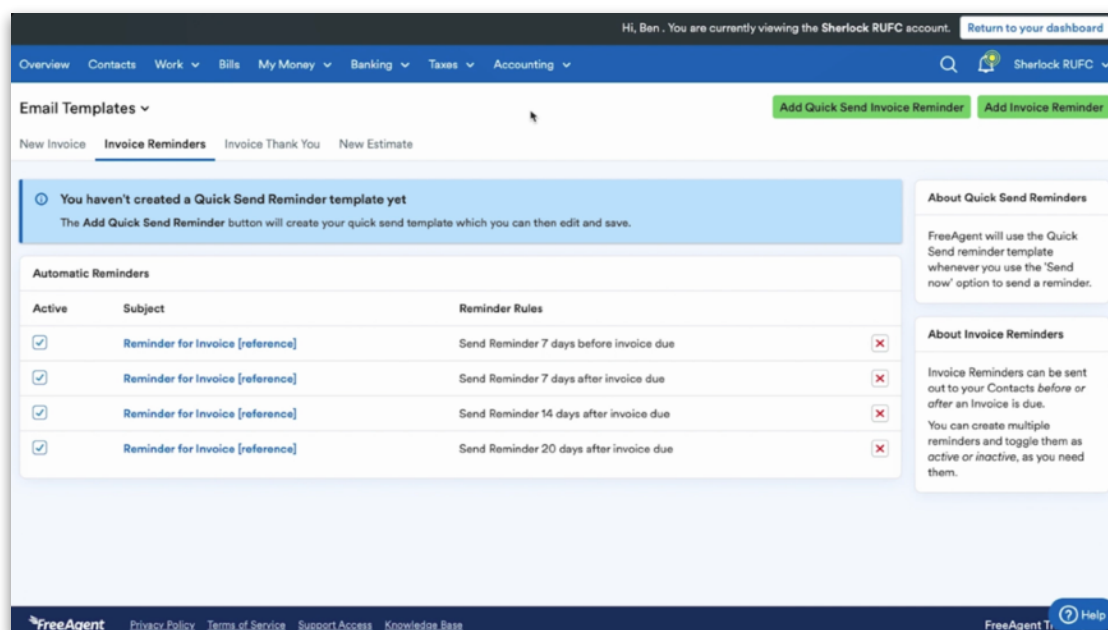
The 'Email Templates' area is where you or your client can set up generic email templates using the email tags on the right of the screen. These templates can then be used to send out invoices, payment reminders, estimates and thank you emails.



Invoice Reminders

Multiple payment reminders can be set up to be sent to your client's customers at different points of an unpaid invoice being open and then

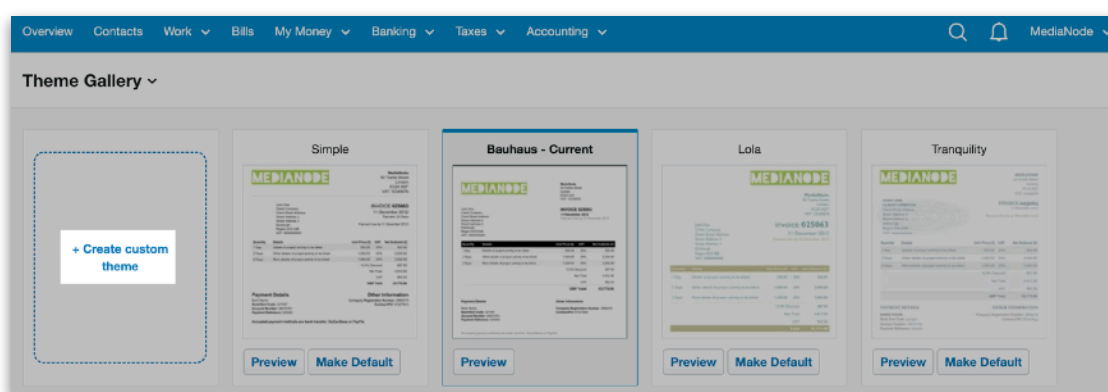
overdue. Each invoice reminder can have a different custom message allowing you or your client to tailor it to the status of the outstanding invoice.



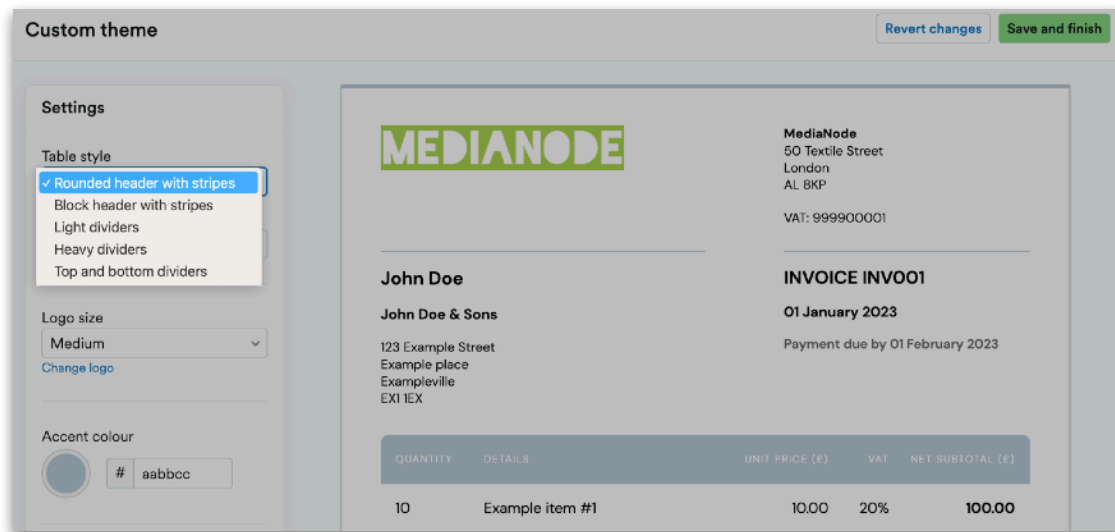
Theme customisation

To create a custom theme for invoices and estimates, select 'Settings' from the drop-down menu in the top-right corner, then select 'Theme Settings' from the 'Emails, Invoices & Estimates' section.

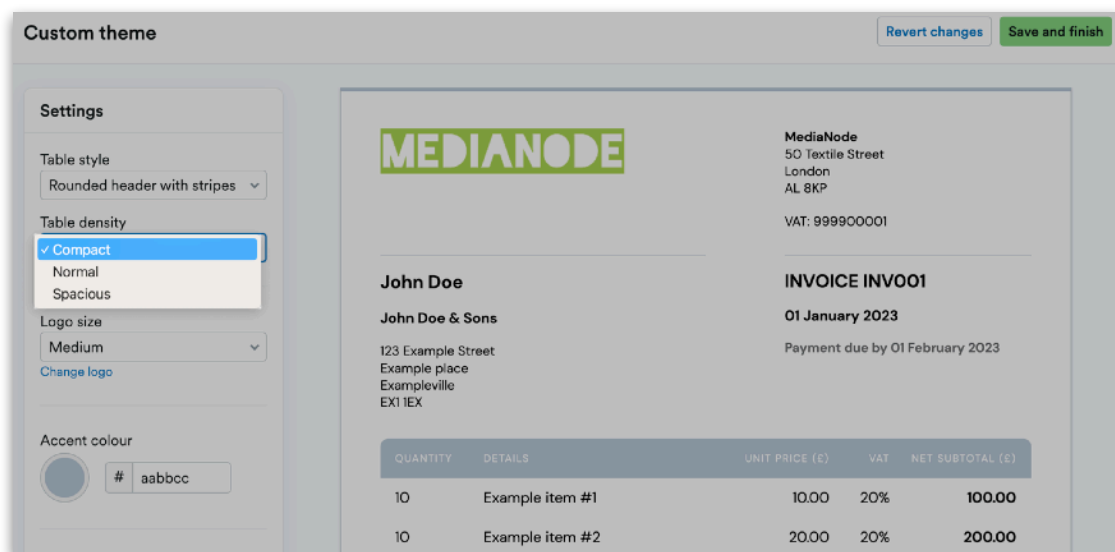
Next, select 'Create custom theme'.



Adjusting 'Table style' lets you choose whether you'd like the table rows split using dividers or using coloured accents on alternate rows.



Adjusting 'Table density' lets you choose how spacious or compact you'd like the table content to be.



Once you've added the business's logo, you can adjust the size by choosing from the different size options.

Custom theme [Revert changes](#) [Save and finish](#)

Settings

Table style
Rounded header with stripes

Table density
Compact

Logo size
Large [Change logo](#)

Preview:

MEDIANODE

John Doe
John Doe & Sons
123 Example Street
Example place
Exampleville
EX1 1EX

MediaNode
50 Textile Street
London
AL 8KP
VAT: 999900001

INVOICE INV001
01 January 2023
Payment due by 01 February 2023

You can adjust the accent colour of the invoice by selecting the circle below 'Accent colour'. You can either select a colour using the colour picker or by entering the RGB code.

Custom theme [Revert changes](#) [Save and finish](#)

Settings

Table style
Rounded header with stripes

Table density
Compact

Logo size
Large [Change logo](#)

Accent colour
 # aabbcc

Preview:

MEDIANODE

John Doe
John Doe & Sons
123 Example Street
Example place
Exampleville
EX1 1EX

MediaNode
50 Textile Street
London
AL 8KP
VAT: 999900001

INVOICE INV001
01 January 2023
Payment due by 01 February 2023

QUANTITY	DETAILS	UNIT PRICE (€)	VAT	NET SUBTOTAL (€)
10	Example item #1	10.00	20%	100.00
10	Example item #2	20.00	20%	200.00

You can select a different font for your heading and body content using the drop-down menus. You can choose from a library of 38 fonts.

Custom theme

[Revert changes](#)
[Save and finish](#)

Settings

Table style

Rounded header with stripes

Table density


Compact

Logo size

Large

[Change logo](#)

Accent colour




22e208

Heading font

DM Sans

Body font

DM Sans



MediaNode
50 Textile Street
London
AL 8KP

VAT: 999900001

John Doe

John Doe & Sons

123 Example Street
Example place
Exampleville
EX1 1EX

INVOICE INV001

01 January 2023

Payment due by 01 February 2023

QUANTITY	DETAILS	UNIT PRICE (£)	VAT	NET SUBTOTAL (£)
10	Example item #1	10.00	20%	100.00
10	Example item #2	20.00	20%	200.00
20:00 Hours	An example item that has a longer description	15.00	20%	300.00
Net Total				500.00
VAT				100.00
GBP Total				£600.00

Once you're happy with how your theme looks, select 'Save and finish'. To undo the changes and return to the default theme or your previously saved version, select 'Revert changes'.

Custom theme

[Revert changes](#)
[Save and finish](#)

Settings

Table style

Rounded header with stripes


Table density

Compact

Logo size

Large

[Change logo](#)



MediaNode
50 Textile Street
London
AL 8KP

VAT: 999900001

John Doe

John Doe & Sons

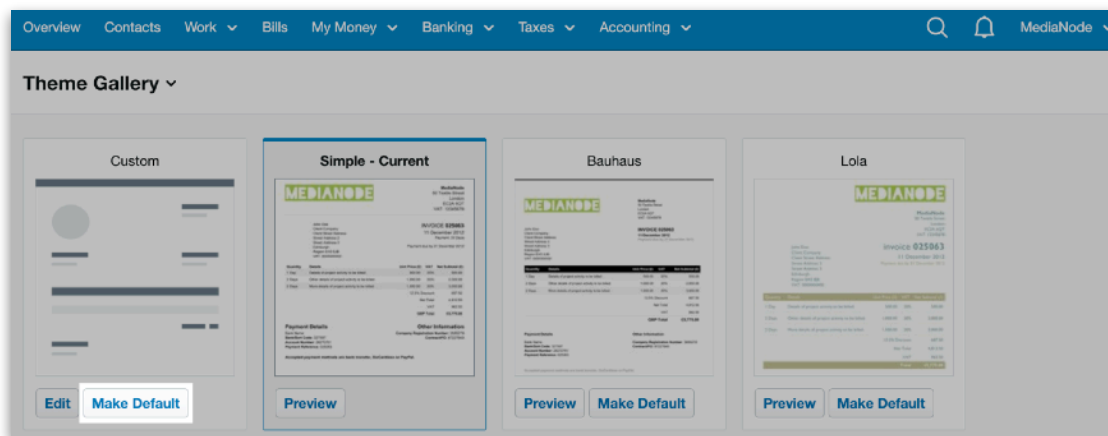
123 Example Street
Example place
Exampleville
EX1 1EX

INVOICE INV001

01 January 2023

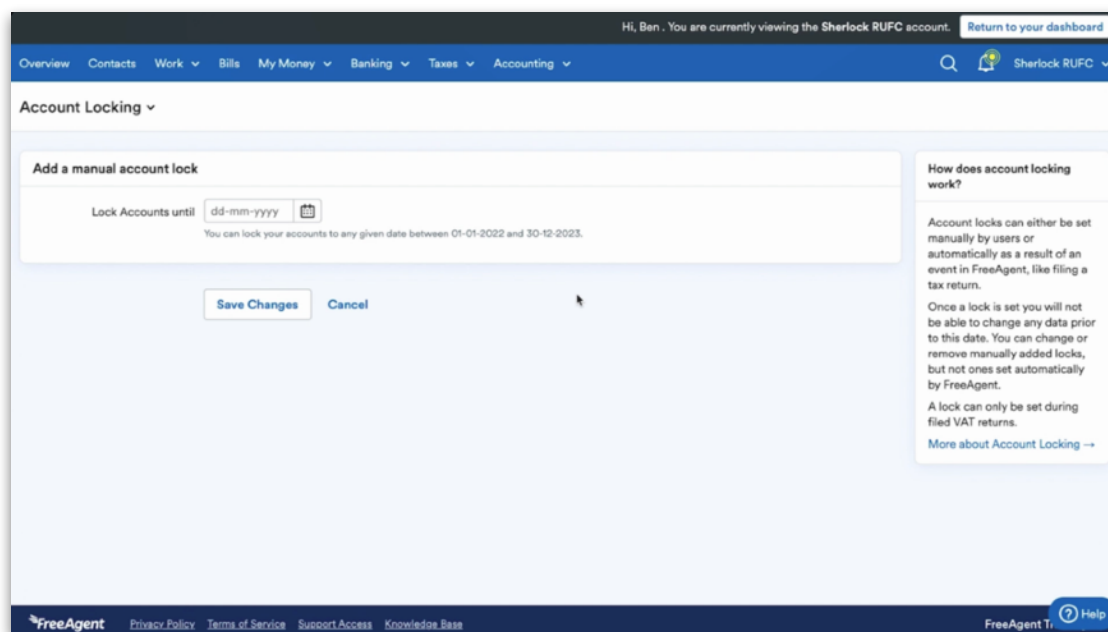
Payment due by 01 February 2023

You can apply a custom theme to all your current draft invoices and any future invoices and estimates that you create by navigating back to the Theme Gallery and selecting 'Make default' below the 'Custom' thumbnail. Alternatively, you can apply the theme to an individual invoice or estimate.



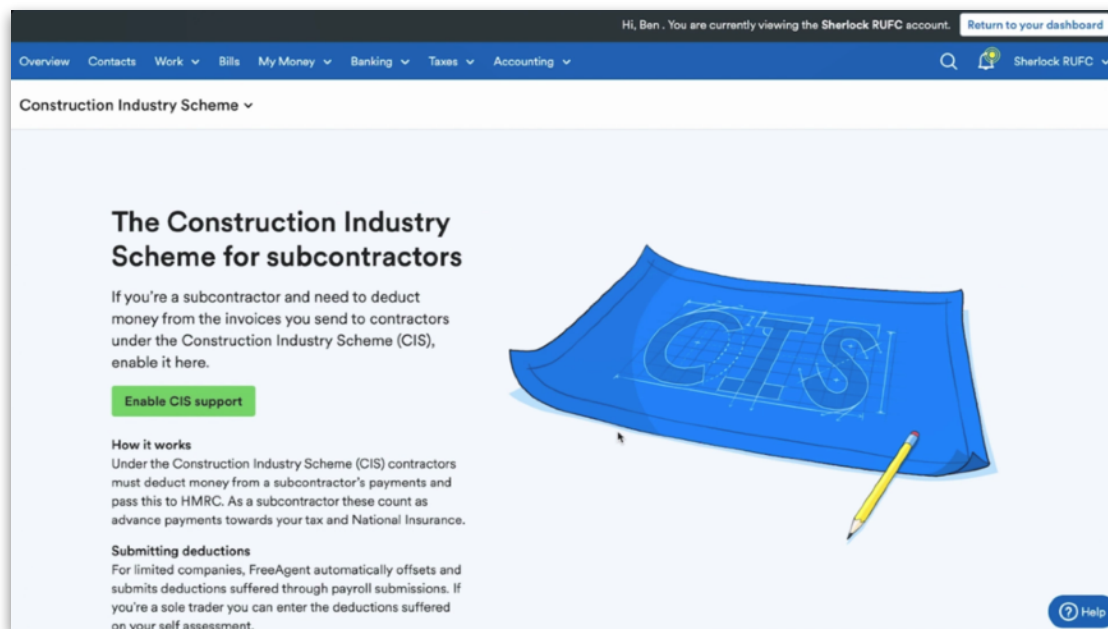
Account Locking

The account locking option allows you to apply account locks within your client's accounts, similar to the account lock applied when enabling the year end process. However, this account lock can be removed by your client if they have the user permission level 8.



Construction Industry Scheme

The Construction Industry Scheme option in 'Settings' is for Subcontractors and not Contractors. This option will allow the CIS deduction to be handled appropriately for sales invoices raised within your client's FreeAgent licence.

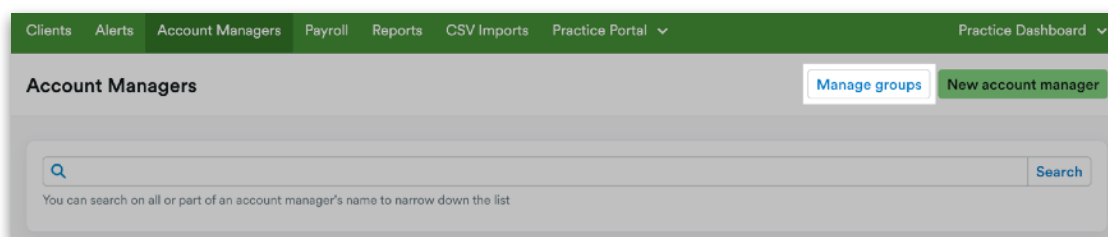


Please note that FreeAgent does not have the functionality to submit the CIS300 return for contractors and is aimed mostly at your subcontractor clients. However, we do have a method to handle the bookkeeping of the CIS deduction, which we can offer if required. See the Payroll module for more details.

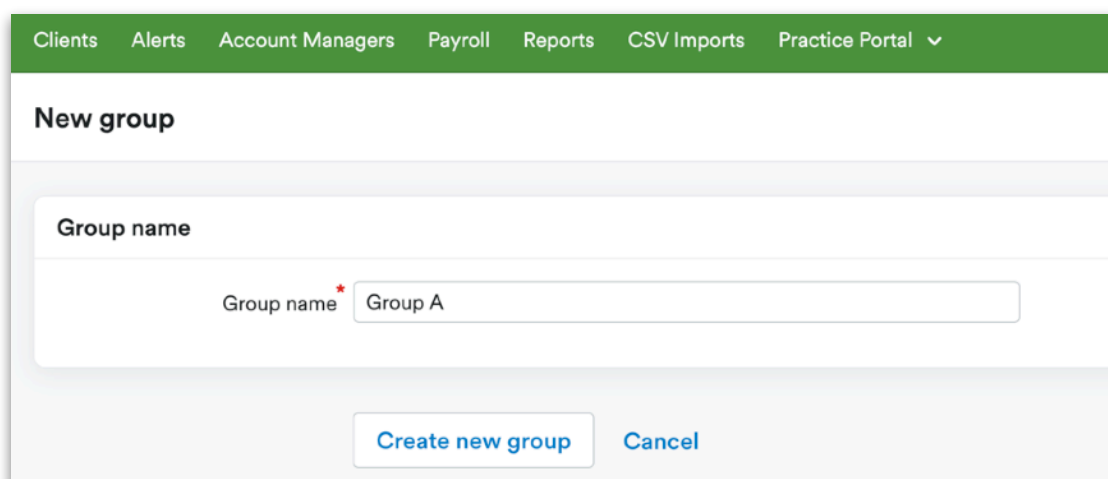
Other features and functionality

Account manager groups

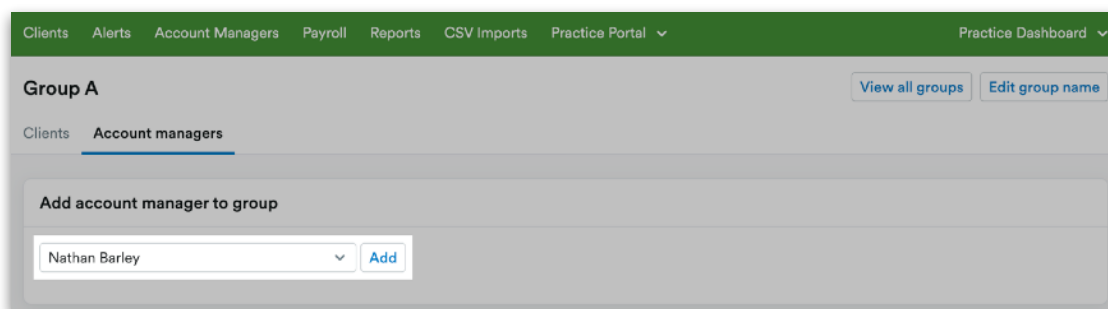
You can now add account managers and clients to a group on your Practice Dashboard. To create a group, navigate to either the Account Managers or Clients area within the Practice Dashboard, then select 'Manage groups'.



Select 'Add new group', enter a suitable name and then select 'Create new group'.



You'll then be able to add clients to the group. Select a client from the drop-down menu and then select 'Add'.

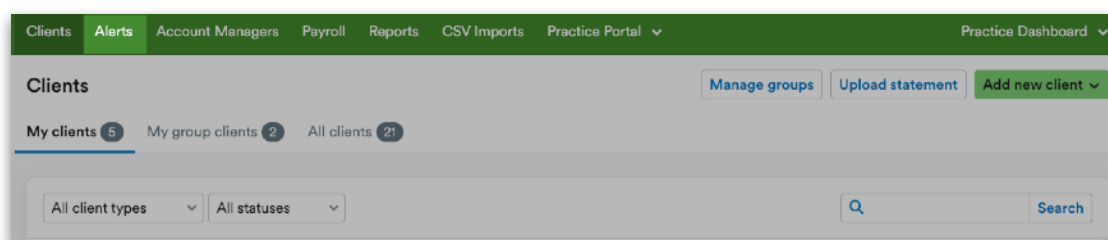


To add additional account managers to the group, move to the Account Managers tab, select an account manager from the drop-down menu and then select 'Add'.

'All alerts' tab

Senior account managers can now navigate to the Alerts area and see alert notifications for any of the practice's clients. They can now also choose to export alert rule notifications for all clients or just their own.

Within the Alerts area on the Practice Dashboard, you'll now see three tabs at the top-left: 'My client alerts', 'My group alerts' and 'All alerts'. Here, you can now manage alerts for your whole practice.



Non-senior account managers will still only be able to see the 'My client alerts' and 'My group alerts'.

Support for UK Property pages

As of the 2022/23 tax year, FreeAgent supports the UK Property (SA105) pages as part of the Self Assessment tax return for unincorporated landlords, sole traders and limited company directors.

To navigate to the Self Assessment return, select 'Taxes', then 'Self Assessment', and select the relevant year. Under 'Your Tax Return', you'll see the extra tab for 'UK Property'.

The screenshot shows the 'Self Assessment for Tax Year 2022/23 - Nathan Barley' page. At the top, a navigation bar includes 'Overview', 'Property', 'Contacts', 'Work', 'Bills', 'Expenses', 'Banking', 'Taxes', and 'Accounting'. The main header displays 'Total tax and Class 4 NIC due' as **£1,877.00**. Below this, a green banner indicates the 'Main Return' period from '06 Apr 22 to 05 Apr 23'. A status message says 'Ready - All required fields are complete'. The 'Personal Details' section includes fields for Name (Nathan Barley), Tax rates (Scottish income tax rates), Unique Taxpayer Reference (1000000219), and Phone Number. On the right, a sidebar shows 'Self Assessment 2022/23' as 'Unfiled' with a deadline of '31 Jan 24'. Below this, the 'Your Tax Return' section lists tabs: 'Main Return', 'Employment', 'Self Employment', 'UK Property' (highlighted), and 'Tax Adjustments'. A 'Your Tax Breakdown' button is also visible.

Here, you can add all the information you need to be able to submit Self Assessment with anything due from the property pages. For unincorporated landlords, some of the information will be auto-populated based on the data entered in the account.

The screenshot shows the 'UK Property' section for the 'Self Assessment 2023/24' tax year. The header indicates the period '06 Apr 23 to 05 Apr 24'. A question asks 'Do you need to fill out the UK Property section?' with 'Yes' and 'No' buttons. Below this, a note states 'Unincorporated landlords should use this form to report their business profits'. A link provides guidance: 'For help and guidance on filling out the UK Property page, see the Knowledge Base, or read the HMRC notes'. The 'UK property details' section includes a table with one row: '1' in the first column and '3' in the second column, with the label 'Number of properties rented out'.

For more details on Self Assessment submissions, see the [Knowledge Base](#).

Need more help?

What we've covered in these modules should give you the confidence to complete the accreditation exam and the tools to manage your client's accounts within FreeAgent.

There are various resources that will help you on your FreeAgent journey. If you run into issues or have any specific questions about you or your clients' data in FreeAgent, click the 'Help' button in the bottom-right corner when you're logged into FreeAgent.

Then, Ruby the robot will either suggest some answers from our Accountant Knowledge Base or connect you with our Practice support team via live chat if it's during office hours, or to leave a message.

You may be asked to provide a support code when contacting us. This code is used to identify who you are and locate your Practice Dashboard, so that the Practice support team can assist you further.

This support code can be found by navigating to your Practice Dashboard and selecting 'Practice Support' from within the dark banner at the bottom of the page.

We hope these learning modules have been helpful, and please don't hesitate to get in touch with your account manager if you have any questions.

Support for you and your clients

FreeAgent offers you and your clients a wide range of support, including:

- bespoke practice training for you and your colleagues
- 'Getting Started' webinars for you, your staff and your clients to help them understand the FreeAgent basics
- a searchable online Knowledge Base
- telephone and online support for you and your staff from our dedicated Practice Support team
- telephone and online support for your clients from FreeAgent's customer support team
- a co-branded onboarding email journey to help clients get started and understand the basics of the software

Security measures at FreeAgent mean our Practice Support team will only communicate with account managers who are listed on your Practice's dashboard. Make sure that you add your staff members so they can receive support when they need it.

For more information on how to use FreeAgent, visit our Knowledge Base online. You'll find step-by-step instructions on how to complete a wide range of actions in FreeAgent, from basic functions right through to more complex accounting procedures.

[Knowledge Base](#)

[Accountants' Knowledge Base](#)

Practice Support team

You can also contact our dedicated Practice Support team via email or telephone, 9am - 5pm on Monday to Thursday and 9am - 4pm on Friday.

Email: practicesupport@freeagent.com

Telephone: 0800 025 3800

Please have your [account manager ID](#) ready when contacting the Practice Support team.