

ACCOUNTS PREPARATION FOR THE UNINCORPORATED BUSINESS

This document lists procedures which are relevant on most assignments where the accountant assists the proprietor of an unincorporated business to prepare the financial statements.

This document covers those areas most commonly encountered on such assignments. However, it does not deal with all aspects of every assignment. Its purpose is to assist in the direction and documentation of procedures and to act as a basis for a firm to draw up a work programme suitable for its own needs. Some space has therefore been left in each section for a firm to insert details of additional procedures which may be required on a particular engagement or may be necessary due to the structure or working methods of the firm.

For professional advice on any of the matters referred to above, please contact the ICAS Practice Review Service.

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FIXED ASSETS

Section
G

| | | | |
|------------------|--------------|----------|------|
| Client: | Prepared by: | Initials | Date |
| Accounting Date: | Reviewed by: | | |

| | Schedule Ref/ Comments | Initials |
|--|---------------------------|----------|
| 1. For businesses preparing accounts on the cash basis, any tax adjustments should be recorded in Section M. | | |
| 2. Prepare a copy of the client's fixed assets register or a schedule of movements during the year of cost, depreciation and net book amounts for each fixed asset category. | | |
| 3. Prepare supporting schedules for: | | |
| a) additions during the year making reference to supporting invoices for major items. | | |
| b) disposals during the year making reference to supporting documentation for major items. | | |
| c) profit/loss on disposals in year. | | |
| d) depreciation charge for the year and confirm reasonableness. | | |
| 4. Prepare schedules showing assets held under finance leases or hire purchase agreements. Review lease and hire purchase agreements and ensure that both the assets and the related obligations have been properly calculated, accounted for and disclosed. | | |
| 5. Prepare schedules showing revaluations of assets in the year. | | |
| 6. Check schedule of repairs and renewals in Section O and consider whether any items should be capitalised. | | |
| 7. Consider whether there are any indications of any impairment in the value of any assets tangible or intangible and whether an impairment review is therefore necessary. | | |
| Additional Work | | |