

CROP REPORTING ON BUSINESS MANAGER

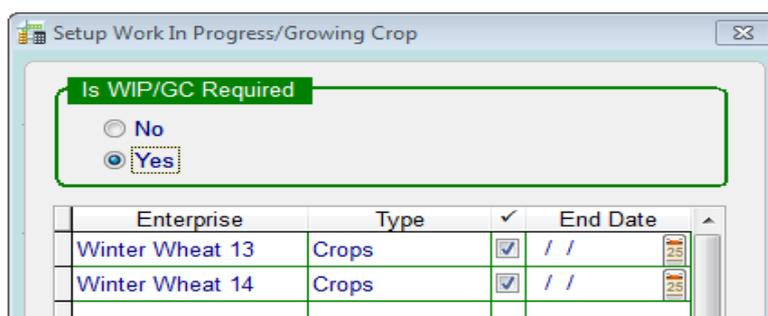
Overview

The below is intended as a guide for dealing with crops on Business Manager. It includes how to use the **automatic growing crop** value function, recording a harvest and the impact on the accounts over the life of the crop enterprise. (This can also be used for measuring the cost of work-in-progress for a commercial type enterprise)

1. Setting up growing crop valuations
2. How the growing crop valuation is calculated
3. The effect of purchases for growing crops on the accounts
4. Adjusting the growing crop valuation
5. Entering a price change and harvest
6. Entering crop sales
7. Dealing with a failed crop

1. Setting up Business Manager to use Growing Crop Valuation

The crop enterprise should be created in the normal way. To enable a growing crop valuation to be calculated click Set up | Enterprises | Work in Progress/Growing Crop and ensure that the 'Yes' option is selected and the required enterprise is ticked.



2. How the Growing Crop Valuation is calculated

The valuation is calculated by adding all the input costs entered against a crop enterprise where the growing crop feature has been enabled (see 1.) The value can be viewed by selecting Reports | Report Library | Valuations | Growing Crops

Detailed Growing Crops

	Opening Value	Closing Value	Change Value
Winter Wheat 14	0.00	4400.00	4400.00

3. Effect of Growing Crop Valuation on financial reports

As the costs are entered against the crop enterprise the value shows as an asset on the Balance Sheet, the profit and loss account is **unaffected**.

Balance Sheet (extract)

Current Assets

WIP/Growing Cro

WIP/Growing Cro

4,400.00

Profit & Loss Account (extract)

Sales

0

Val.Change

WIP/Growing Cro

WIP/Growing Cro

4,400

Total Output

4,400

Purchases

Crop Costs

Seeds

4,400

Gross Margin

0

Overhead Exp.

0

Profit / Loss

0

The total cost of crop inputs (£4 400 above) is offset by the increase in the growing crop value. This figure will increase as additional costs are entered against the enterprise.

4. Adjusting the Crop Growing Valuation

The value of the growing crop can be adjusted (e.g. increased to include cultivation costs) by entering a General Purpose Journal.

When using a journal we recommend that the same heading code is used with the crop enterprise being affected on one side of the journal and the general enterprise on the other.

The example below shows an increase in the growing crop valuation of £800. Note that the heading code used below of 'Crop Sundries' will be unaffected.

The screenshot shows a 'General Purpose Journal' window with the following details:

- Entry No. 5
- Entry Date: 30/06/14
- Buttons: Adjust Cashflow, Internal Transfer, Auto reverse

		Debit		Credit	
Alloc ~ Supp ~ Cust ~ Bank A/c	Description	Qty DR	Amount DR	Qty CR	Amount CR
Crop Sundries / Winter Wheat 14	To adjust the growing	0.000	800.00		
Crop Sundries / General 14	To adjust the growing			0.000	800.00

5. Entering a Harvest

Firstly enter a price for the harvested product. To enter this price click Stock | Produce | Main Crop Produce then drill into the required valuation. Click 'Price Change' and enter a price for the product, ensure this is dated **prior** to the date of the first harvest entry.

The screenshot shows the 'Crop Movements - Price Change' window with the following details:

- Entry No. [Redacted]
- Of: Winter Wheat 14 / Wheat
- Date: 01/08/14
- @: 125.000
- Description: Crop valued at cost of production
- Automatic Description: [Unchecked]

The harvest quantity can then be entered by clicking the 'Enter' button on the 'Harvests' line.

The screenshot shows the 'Crop Movements - Harvest' window with the following details:

- Entry No. [Redacted]
- Of: Winter Wheat 14 / Wheat
- Date: 19/08/14
- Quantity: 41.600
- Description: Harvest total
- Automatic Description: [Unchecked]

The effect on the financial reports will be to move the valuation on the Balance Sheet from the 'WIP/Growing Crop' to the 'Main Crop Produce'. The Profit and Loss account will still be unaffected as the reduction in the Growing Crop Value is offset by an increase in the 'Main Crop Produce'.

Profit & Loss Account (extract)

Balance Sheet (extract)

Sales	0
Val.Change	
Crop Produce	
Main Crop Produc	5,200
WIP/Growing Cro	
WIP/Growing Cro	-5,200
Val.Change:	<u>0</u>
Total Output	<u>0</u>
Purchases	
Crop Costs	
Seeds	0
Crop Sundries	0
Crop Costs:	<u>0</u>
Purchases:	<u>0</u>
Gross Margin	<u>0</u>
Overhead Exp.	0
Profit / Loss	<u><u>0</u></u>

Current Assets	
Crop Produce	
Main Crop Produc	5,200.00
WIP/Growing Cro	
WIP/Growing Cro	0.00

6. Selling the Crop

Enter a Sales Invoice / Cash Analysis receipt ensuring that the correct Subcode is used and the quantity sold is also entered.

Allocation		Description	Quantity	Price	Amount	VAT Rate	VAT Amount
Heading Code	SA Wheat	Description	Quantity 1	Price	Net	VAT	VAT Amount
Enterprise	Winter Wheat 14	Wheat sales	41.600	175.000	7280.00	Z	0.00
Subcode	Wheat		Quantity 2		Gross		
Running Cost			0.000		7280.00		

As the crop is sold the 'Main Crop Produce' is reduced to zero (normally – see 7.) and the profit is recognised in the accounts.

Profit & Loss Account (extract)

Sales	
Crops	
Wheat	7,280
Val.Change	
Crop Produce	
Main Crop Producc	-5,200
WIP/Growing Cro	
WIP/Growing Cro	0
Val.Change:	-5,200
Total Output	2,080
Purchases	
Crop Costs	
Seeds	0
Crop Sundries	0
Crop Costs:	0
Purchases:	0
Gross Margin	2,080

7. Failed Crops

If the value of the harvested crop is less than its growing crop value then a WIP/Growing Crop value will remain. To remove this value enter an 'End Date' against the enterprise in Set up | Enterprises | Work in Progress/Growing Crop. (see 1.)