



Foreign Currency Transactions Euro Account

Receipt into a euro bank account

A good example of this would be receiving BPS/Single Farm Payment in euro's.

The paperwork from the RPA tells you the exchange rate used. In 2016 the rate was an average of the European Central Bank rates set over the month of September. If you have no paperwork it is easy enough to find this online.

An example of converting this in 2016 would be as follows:

SFP Entitlement of €200,000 exchange rate used was €1 = £0.85228, therefore in your accounts you are recording a receipt of £170,456 ($€ 200,000 * £0.85228$)



Setup Euro Bank Account

Bank Setup

Account Name **Euro Account** Default bank account

General

Account Details

Account Name

Shortcut

Account Type

Account No.

Bank Sort Code

BACS ID

Default:

Last Cheque No.

Current Payslip No.

Finished

Delete New Edit Close Help

Setup a new supplier or customer if buying/selling from EU

Take care to ensure you select the correct country code and enter the correct vat number. Check HMRC guidance if in doubt.

Supplier / Customer Setup

Supplier Customer

General Account Information Notes

Name Eberle Hald GmbH Shortcut

Full Business Name on Invoice Eberle Hald GmbH

Address Ulmerstr

Town Stuttgart

County Germany

Postcode 701878

VAT Reg No DE 123456789

Payment Settings End of this Month

Days / Date 0

Contact Name Herr Smitt

Tel. No

Fax. No

Mobile Tel No.

E-Mail Address

Default Heading Code No Default Code Used

Default Payment Type No Default Type Used

Supplier Group Miscellaneous

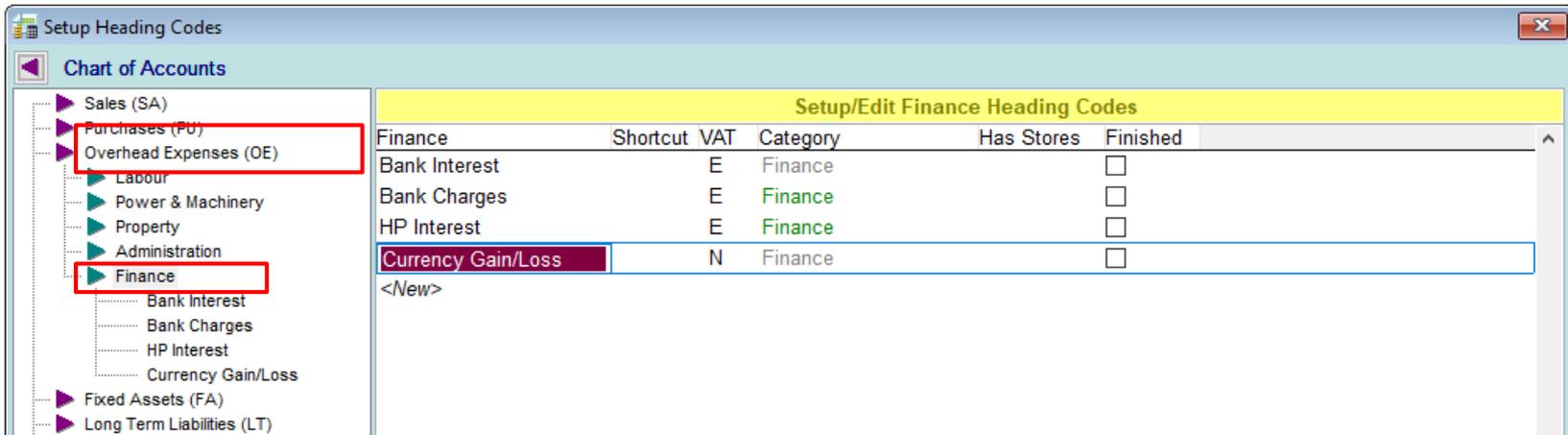
Linked to Customer Not linked

Finished

Report Delete Save Reject Close Help

Setup a new heading code for currency gain/loss

This can either be income or expenditure. I have seen a setup with a heading code for a gain in sales and another heading code for a loss in overheads, if in doubt ask your accountant for guidance.



The screenshot shows the 'Setup Heading Codes' window. On the left, the 'Chart of Accounts' tree is visible, with 'Overhead Expenses (OE)' and 'Finance' highlighted with red boxes. The main area displays a table titled 'Setup/Edit Finance Heading Codes' with the following data:

Finance	Shortcut	VAT	Category	Has Stores	Finished
Bank Interest		E	Finance		<input type="checkbox"/>
Bank Charges		E	Finance		<input type="checkbox"/>
HP Interest		E	Finance		<input type="checkbox"/>
Currency Gain/Loss		N	Finance		<input type="checkbox"/>
<New>					

Cash Analysis Receipt for subsidy received in euro's

It helps your accountant if you record the year the subsidy relates to along with the euros and exchange rate used in the description.

Cash Analysis Receipt

Entry Number: 1

Customer: RPA | Entry Date: 23/03/2017 | **Bank Account: Euro Accou** | Payment Type: Direct Credit | Reference: BPS | Amount: 170456.00

Allocation	Description	Quantity	Price	Amount	VAT Rate	VAT Amount
SPS/BPS/General 17	2016 BPS - €200,000 ex.rate 0.85228	0.000	0.000	170456.00	N	0.00

Items: New Copy Delete

Amount Left	VAT Return	Input VAT	Output VAT	170456.00	0.00
0.00	March 2017	0.00	0.00	Total Amount	170456.00

Limited edit allowed | This entry has been reconciled on statement no. 47

Daybook | New | Cancel | Use | Create | Close | Help

Receive euro bank statement

At the closing statement date 31 March 17 you will need to post on the interbank transfer dated 28th March and the bank interest received dated 31st March (convert the euros into gbp) as an IBT and a CA Receipt and then you are left with the exchange rate gain/loss. Use the Bank of England Spot Exchange Rates for the conversion value.

Bank Statement - Euro Account				
Sheet Number	47	Sort Code	00-11-33	
Date	31/03/2017	Account Number	00112233	
Page	1 OF 1			
Date	Details	Money Out (€)	Money In (€)	Balance (€)
	Statement Opening Balance			5,895.25
23 March 2017	RPA		200,000.00	205,895.25
28 March 2017	Transfer to Current Account	135,000.00		70,895.25
31 March 2017	Bank Interest		177.23	71,072.48
	Statement Closing Balance		EURO'S	71,072.48

Spot Exchange Rates Bank of England

Use the rate on the day you are reconciling the bank statement to:

British Pound to Euro Spot Exchange Rates for 2017 from the Bank of England

The data represent indicative middle market (mean of spot buying and selling) rates as observed by the Bank of England's Foreign Exchange Desk in the London interbank market around 4pm.

Click to View Historical British Pound Spot Exchange Rates:

1999	2002	2006	2009	2013	2016
2000	2003	2007	2010	2014	2017
2001	2004	2008	2011	2015	
	2005		2012		

Select Year: 2017

« Mar-2017 »

March - 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 1.1669	2 1.1672	3 1.1606	4
5	6 1.1562	7 1.1526	8 1.1527	9 1.1483	10 1.1417	11
12	13 1.1466	14 1.143	15 1.1497	16 1.1519	17 1.1516	18
19	20 1.15	21 1.1545	22 1.1551	23 1.1611	24 1.1559	25
26	27 1.1548	28 1.1535	29 1.1545	30 1.1636	31 1.1694	

Inter bank transfer

Convert €135,000 to £ using the Bank of England Spot Exchange rate on 28 March of 1.1535

Inter Bank Transfer

Entry No. 3

Entry Date: 28/03/17

FROM			
Bank	Payment Type	Reference	Amount
Euro Account	Direct Debit	1.1535	117035.11

TO			
Bank	Payment Type	Reference	Amount
Current Account	Direct Credit	1.1535	117035.11

Daybook | New | Close | Help

Interest received

Convert €177.23 to £ using the Bank of England Spot Exchange rate on 31 March of 1.1694 and post in a Cash Analysis Receipt. Remember to select the Euro Bank Account.

Cash Analysis Receipt

Entry Number: 2

Customer: Bank of Scotland

Entry Date: 31/03/2017

Bank Account: Euro Account

Payment Type: Direct Credit

Reference:

Amount: 151.56

Transaction Type: Normal transaction VAT On Items Refund transaction VAT Separate

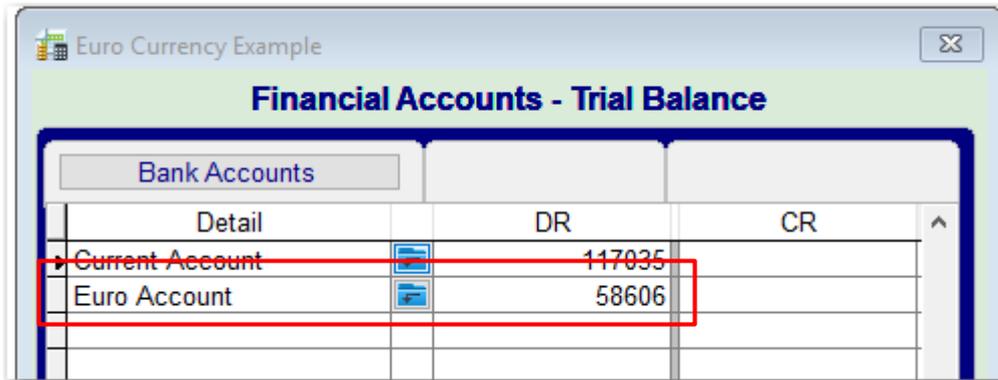
Allocation	Description	Quantity	Price	Amount	VAT Rate	VAT Amount
Bank Interest/General 17	Euro A/c interest - €177.23 ex.rate 1.1694	0.000	0.000	151.56 E		0.00

Exchange rate gain or loss.

Start by converting the closing statement balance on the euro bank statement into £ using the Bank of England Spot Exchange rate on 31 March of 1.1694.

$$€71,072.48 / 1.1694 = £60,776.88.$$

Look at your bank figure to the same date. £58,605.53 (drilldown from below to get pence)



Bank Accounts		DR	CR
Detail			
Current Account		117035	
Euro Account		58606	

Exchange rate gain or loss.

31 March 2017	
£ value in accounts	58,605.53
€ value (71,072.48)	60,776.88
Gain on exchange	2,171.35
Ex.rate 31.3.17	1.1694

← This is the closing statement balance in £ for March 17

Cash Analysis

Entry Number: 4

Cash Analysis Receipt

Normal transaction Refund transaction VAT On Items VAT Separate

Customer	Entry Date	Bank Account	Payment Type	Reference	Amount
Bank of Scotland	31/03/2017	Euro Acco	Other	Ex Gain	2171.35

Allocation	Description	Quantity	Price	Amount	VAT Rate	VAT Amount
Heading Code: Currency Gain/Loss (OE)	Description	Quantity 1	Price	Net	VAT	VAT Amount
Enterprise: General 17	31.3.17 Euro Account exchange rate gain.	0.000	0.000	2171.35	N	0.00
Subcode:	€71,072.48 @ 1.1694	Quantity 2		Gross		
Running Cost:		0.000		2171.35		

Bank Reconciliation

Bank Reconciliation

Euro Account

Reconciled Unreconciled

Statement No.
 Opening Closing

No.	Type	Chq / Batch / Ref	Entry Date	Receipts (DR)	Pmts. (CR)	Batch Total	Rec?	Statement Date	Period	Supplier/Customer	Total
1	? Direct Cred	BPS	23/03/17	170456.00	0.00	0.00	<input checked="" type="checkbox"/>	31/03/17	March 17	RPA	170456.00
3	? I B Transfer	1.1535	28/03/17	0.00	117035.1	0.00	<input checked="" type="checkbox"/>	31/03/17	March 17		117035.11
2	? Direct Cred		31/03/17	151.56	0.00	0.00	<input checked="" type="checkbox"/>	31/03/17	March 17	Bank of Scotland	151.56
4	? Other Rece	Ex Gain	31/03/17	2171.35	0.00	0.00	<input checked="" type="checkbox"/>	31/03/17	March 17	Bank of Scotland	2171.35