

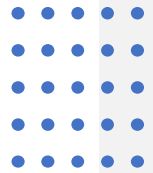
Entrepreneur tips:

Budget and Basic accounting

Agenda

- **Start up**
- **Budget/Forecast**
- **Basic accounting**
- **Value added tax VAT/MVA**
- **Year end**
- **Communication with the Government**

START UP



AS – Limited Liability Company

- An independent legal entity
- A separate tax entity
- Your personal economy is not involved
- More recognized in the market/to customers
- Obligated to prepare and submit tax papers and annual accounts
- [Altinn - Starting and registering a private limited company \(AS\)](#)

AS – Limited Liability Company

- Minimum start-up of NOK 30,000
- The deposit must be confirmed by the bank, and auditor or a lawyer
- Fee to Brønnøysund for registering the company can be covered by the share capital
- Auditors: obligated, but you can choose not to have one

AS – Limited Liability Company

- Small limited companies can choose not to be audited
 - Turnover less than NOK 6 million
 - Total balance sheet less than NOK 23 million
 - Total work performed - less than 10 full-time equivalents



BUDGET/FORECAST

Budget

- Revenue
- Cost of sale
- Operating cost
 - Salary
 - Rent including electricity
 - Office cost
 - Travel expenses and representation
 - Marketing/Advertising
- Finance
 - Interests on founding

Budget

PROFIT & LOSS 2022

	January	February	March	YTD	%
REVENUE FROM SALES	100 000	120 000	150 000	370 000	
COST OF SALES	42 000	47 000	57 000	146 000	39 %
GROSS PROFIT	58 000	73 000	93 000	224 000	0
	58,0 %	60,8 %	62,0 %	60,5 %	
STAFF SALARY	40 000	40 000	40 000	120 000	32,4%
PREMISES	7 500	7 300	7 300	22 100	6,0%
OFFICE COSTS	5 000	5 000	5 000	15 000	4,1%
FEES				0	0,0%
TELEPHONE, PORTO	1 200	1 200	1 200	3 600	1,0%
CAR EXPENSES				0	0,0%
TRAVEL EXPENSES			4 000	4 000	1,1%
ADVERTISING, REPRESENTATION		8 000		8 000	2,2%
INSURANCE	2 000	2 000	2 000	6 000	1,6%
TOTAL EXPENSES	55 700	63 500	59 500	178 700	48,3%
INTERESTS	1 000	1 000	1 000	3 000	
PROFIT	1 300	8 500	32 500	42 300	11,4%
Tax (22%)	286	1 870	7 150	9 306	
NET PROFIT AFTER TAX	1 014	6 630	25 350	32 994	

Budget

- Cash flow
 - Based on budget, what kind of cash do you need?
 - Different due date with customers and suppliers
 - Financing?

Forecast/Prognosis

- After a few months
 - Look over your budget and compare with your actuals
 - Make new forecast based on actuals/new information



BASIC ACCOUNTING



Basic Accounting

- Why keep accounts?
- A company's accounts are the basis for
 - The company, it's existence
 - Tax
 - VAT/Mva
 - Social taxes
 - Potential new investors
 - Bank/other financeinstitution

Basic accounting

- What does bookkeeping mean?
 - To record purchases, sales and other events in a system
- All businesses are required by the law to keep accounts
 - The accounts should be organized after Norwegian standard chart of accounts
 - All economic events has to be documented
 - Revenue/cost has to be recorded when it is earned/incurred

Basic Accounting

- Your accounts should be updated on an ongoing basis
 - If cash transactions: daily
 - If registered in the VAT register: every other month
 - Regardless: at least every four months
 - Less than 600 transactions: yearly

Basic Accounting

- Any business with more than 600 transactions a year must have
 - General ledger
 - Specification of VAT
 - Specification over all transactions on each customer and supplier
 - Specification on all private withdrawal

Basic Accounting

- Journal entry of incoming invoices (purchase)

JE no:	Date	Description	6900 Phone		2400 Acc. Payable		1920 Bank	
			Debit	Credit	Debit	Credit	Debit	Credit
38	10.11.2022	Telenor, Oct 22	845			845		
54	24.11.2022	Payment Telenor			845			845

Basic Accounting

- Journal entry of outgoing invoices (sales)

JE no:	Date	Description	3000 Sales		1500 Acc. Receivable		1920 Bank		
			Debit	Credit	Debit	Credit	Debit	Credit	
10001	31.10.2022	Sale		15 000	15 000				
51	15.11.2022	Settlement customer				15 000	15 000		



VAT – VALUE ADDED TAX

Merverdiavgift (MVA)/Value added tax (VAT)

- Is a tax to the Government on revenue and withdrawal of goods and services
 - All revenue and withdrawal of goods and services are subject to value added tax

Merverdiavgift (MVA)/Value added tax (VAT)

- Exceptions:
 - Health services
 - Art and culture
 - Social services
 - Teaching
 - Sale and rental of real estate
 - Financial services (banking)

- If your business is under one of these categories, you cannot deduct any VAT on purchase either

Merverdiavgift (MVA)/Value added tax (VAT)

- Sales of certain goods and services are exempt from VAT:
 - Sales abroad
 - Sale of books to end user
 - Sale of newspapers
 - Sale of used cars

In these cases, you can still deduct incoming VAT

Outgoing VAT/Incomming VAT

- Outgoing VAT:
 - On sales or withdrawal
- Incomming VAT:
 - On purchases

Outgoing VAT/Incomming VAT

- 4 different rates:
 - 25% - regular
 - 15% - sales of food and beverages
 - 12% - passenger transports and rental of accommodation
 - 11,11% - Sales of fish

Merverdiavgiftsregisteret/the VAT register

- You cannot claim or deduct VAT until you are registred in the VAT register
 - Terms of registration:
 - You are running a business that are registred in the Central Coordinating register of Legal Entities (Brønnøysund)
 - Sales and withdrawal of goods and services exceeds NOK 50,000 (excl. VAT) over the course of a period of 12 months
 - [Register, change or delete in the Value Added Tax Register \(VAT Register\) - The Norwegian Tax Administration \(skatteetaten.no\)](https://skatteetaten.no)

Merverdiavgiftsregisteret/the VAT register

- After registration
 - MVA behind your organization number
 - NO 987 654 321MVA
 - MVA/VAT has to be calculated and specified on all invoices, as long as the sales are not excepted or exemted

Merverdiavgiftsregisteret/the VAT register

- Terms and deadlines

- | | |
|---------------------|----------------|
| • Term 1 (Jan/Feb) | April 10th |
| • Term 2 (Mar/Apr) | June 10th |
| • Term 3 (May/June) | August 31st |
| • Term 4 (July/Aug) | October 10th |
| • Term 5 (Sept/Oct) | December 10 th |
| • Term 6 (Nov/Dec) | February 10th |

Merverdiavgiftsregisteret/the VAT register

MVA melding 5. termin 2022 September-Oktober

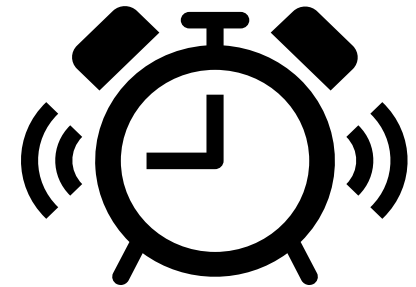
Kode	Beskrivelse	Grunnlag	Sats	Mva
3	Salg og uttak av varer og tjenester (høy sats)	200 000	25 %	50 000
6	Salg og uttak av varer og tjenester som er unntatt merverdiavgiftsloven	15 000	0 %	
52	Salg av varer og tjenester til utlandet som er fritatt for merverdiavgift	70 000	0 %	
1	Kjøp av varer og tjenester med fradragrett (høy sats)		25 % -	32 000
81	Kjøp av varer fra utlandet med fradragrett (høy sats)	50 000	25 %	12 500
81	Fradrag på kjøp av varer fra utlandet (høy sats)		25 % -	12 500
	Å betale			18 000

Merverdiavgiftsregisteret/the VAT register

- As long as you are registered in the VAT register, you **have to** deliver the VAT return at due date
- If you do not have any sales, you still have to submit the VAT return
 - Enter NOK 0,- in sales

Merverdiavgiftsregisteret/the VAT register

- Due date for delivering VAT return, is also due date for payment
- Consequences if you do not deliver on time
 - Interests
 - Fines
- After 14 days
 - Forced collection
 - Payment remarks
 - Petition for bankruptcy



Merverdiavgiftsregisteret/the VAT register

- Deregistration in the VAT register
 - Lower turnover than NOK 50,000 the last two calendar years

A-MELDING

The A-melding

- Any enterprise that has employees on payroll is obligated to deliver this every month
- Must be delivered by the 5th, even in months with no payments
 - Electronical delivery
 - No extension of due date
 - Compulsory fine in case of missing/incorrect reporting

YEAR END

Year End

- January 31st
 - Shareholder register statement (Aksjonærregister oppgave)
- May 31st
 - Tax papers
- July 31st
 - Annual accounts

Year End

- Shareholder register statement (Aksjonærregister oppgave)
 - Information on each share owner, sale/purchase of shares, share capital and dividend
 - From year 2, this will be prepared by the tax authorities but you must still submit
 - Has to be submitted every year, from and including the year of establishment to the year of termination

Year End

- Tax papers (Skattemelding)
 - Has to be prepared and submitted from and including the year of establishment to the year of termination
 - Has to be delivered electronically through an accounting system

Year End

- Annual accounts (årsregnskap)
 - Must be in Norwegian, and contain
 - Profit & Loss
 - Balance sheet
 - Notes
 - Determined no later than 6 months after year end, and submitted a month later at the latest
 - Companies established July 1st or later
 - Submit annual accounts for year of establishment or submit together with the following year



COMMUNICATION WITH THE GOVERNMENT

Communication with the Government

- Altinn/Skatteetaten
 - VAT reports
 - A-melding
 - Shareholder register statement
 - Tax papers
 - Annual accounts

These are all with due dates. Important to deliver on time!

*Reminder

*Interests

*Daily fines, up to a total of NOK 63,600

Communication with the Government

- Altinn/Skatteetaten
 - Samordnet registermelding
 - Register new entities or companies
 - Make changes in information for an existing entity

So, to sum it up;

- Make a good economical plan/budget
- Stick to your plan
- Follow up
- Keep everything in order from day one

Do not let unexpected cost and fines put you out of business

And if you need help or guidance – please ask for it

Thank you for your time



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