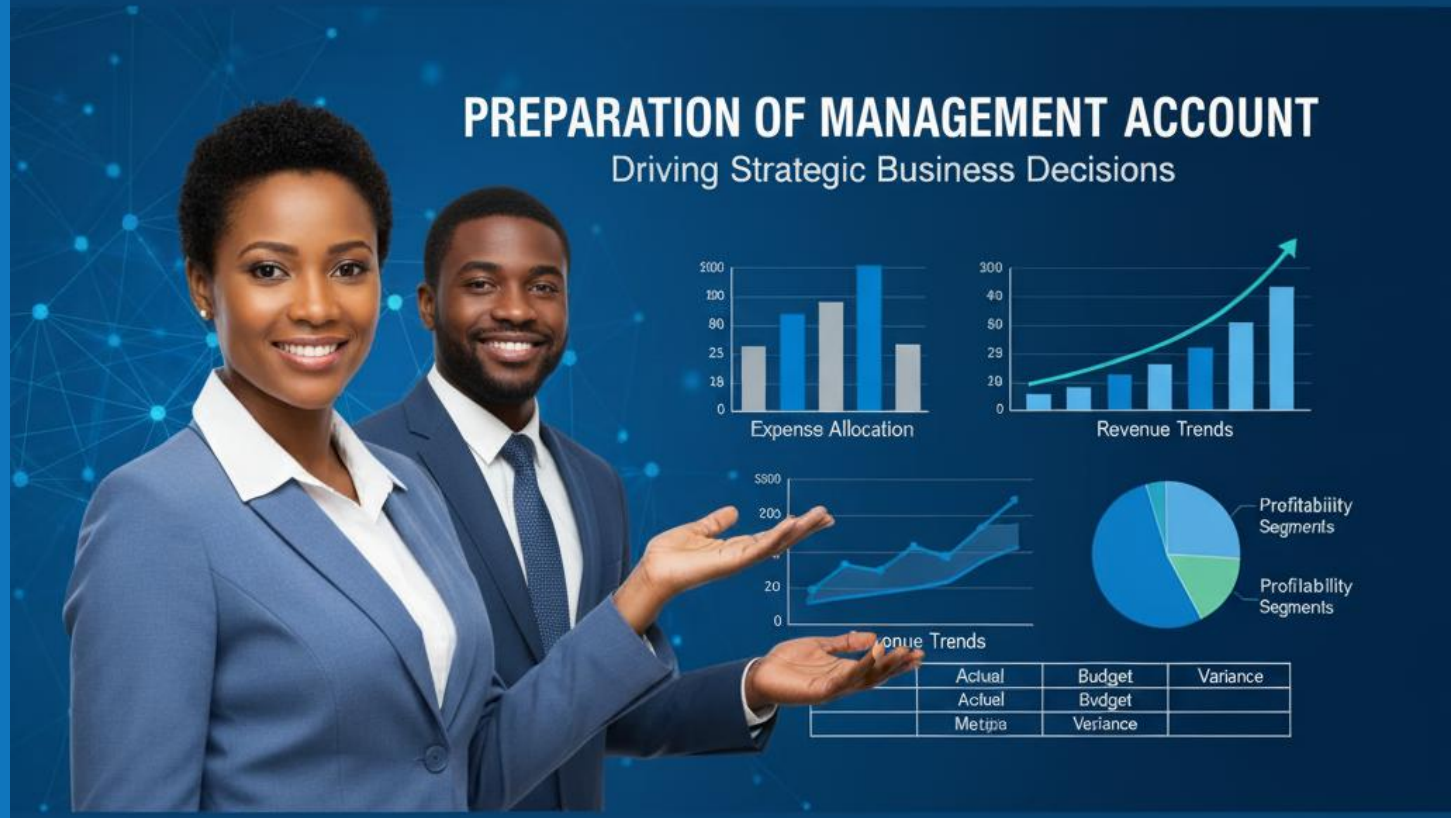


ACCOUNTING YARD

CLASS RULES

Use your Name on Zoom

Everyone Contributes

Be on mute at all times except when unmuted

Make use of a Chat box to Ask questions while a concept is being explained

We are all learning, no question is a bad question

ACCOUNTING YARD

CLASS RULES

- Join with a laptop and Have MS Excel on it
- Choose a spot at home with Minimal Distraction
- Join with a Good internet connection and have a backup plan
- All recordings would be shared with participants

ACCOUNTING YARD

WHO AM I



- **Accountant**
- **Teacher and Youtuber**
- **Decade Experience FA&A**
- **Head, Finance**
- **Planner and Analyst**
- AKA Mr Right , Prof

ACCOUNTING YARD

INTRODUCING THE COURSE

- Day 1 Introduce the course
- Day 2 & 3 – Excel Competence buildup
- Day4 to 6: Solve the case study
- Day 7: Build the dashboard
- Day 8: Recap

ACCOUNTING YARD

OBJECTIVE OF THE MODULE



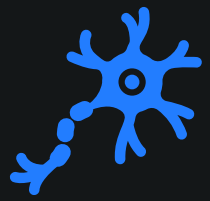
Understand what a Management Account(MA) is



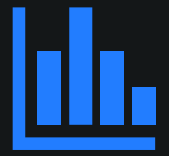
Data required to Prepare a MA



Steps you need to know to Prepare a MA



Component of a MA



Building a dashboard for the financials



Understanding MS Excel Functions and Features used in preparing a MA

ACCOUNTING YARD

WHO IS THE COURSE FOR



An Accountant in a startup



Financial Reporting Accountant



Finance Manager/ Financial Controller



Auditor



Senior Accountant

ACCOUNTING YARD

EXPECTATION FOR THE MODULE



Table of Content

- What is a management Account
- Content of a Management Account
- Data Required to Prepare a Management Account
- Steps In Preparing a Management Account
- Building the MS Excel Knowledge
- Case Study Deep Dive

ACCOUNTING YARD
SHARE, LEARN & HELP

UNDERSTAND WHAT A MANAGEMENT ACCOUNT IS



ACCOUNTING YARD

SHARE, LEARN & HELP

What is a Management Account?

is a detailed record of financial and non-financial information used by managers within an organization to support decision-making and improve operational performance

It is the final output for month end closing.

ACCOUNTING YARD

What is a Financial Statement?

are prepared in accordance with Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) to ensure consistency, comparability, and reliability of financial information across different entities.

They are crucial for decision-making, financial analysis, and transparency in financial reporting.

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Difference Between Financial Statement and Management Account?

S/N	Content of Mgt account (varies from one organisation to the other)		Content of Financial Statements
1	Dashboard		Dashboard not required
2	Statement of financial position Vs prior year (may also include comparison with budget)		Statement of financial position – current year and prior year.
3	Statement of profit or loss (OCI not required) Vs Budget		Statement of profit or loss and other comprehensive income **(SPLOCI)** for 2 accounting periods (except if a new company).
4	Statement of profit or loss Vs prior year		SPLOCI also presented side by side with prior year (except if a new company).
5	Statement of profit or loss – Month on month		SPLOCI covers annual accounting periods for current and prior year (disclosure required if less than 12-months).

ACCOUNTING YARD

Difference Between Financial Statement and Management Account?

S/N	Content of Mgt account (varies from one organisation to the other)		Content of Financial Statements
6	Alternative performance measures (APMs) like EBITDA, EBIT, EBIAT are freely used.		APMs are used restrictively and mostly not allowed on the face of the SPLOCI.
7	Further analysis is carried out on the figures to allow management make more sense of the numbers for internal use: - Ratio analysis - Budget variance analysis - Horizontal analysis - Vertical analysis		Financial statements are mainly for external reporting purpose to a wide range of users.
8	Notes to the account (including accounting policies are NOT necessary).		Notes with significant accounting policies and other explanatory info.
9	Data source: Mapped Trial balance, Sales and Production Report, Budget, Dashboard inputs, Data validation sheet etc.		Financial statements do not include data sources.

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Illustrating Difference Between Financial Statement and Management Account?

ACCOUNTING YARD



DCP-2022-Annual-Report-UPDATED.pdf



96,103,110

Intellicence Manufacturing Limited FInal Output.pdf

SEE ILLUSTRATIVE

ACCOUNTING YARD

Glider Consulting has a year end of 31 Dec . The business has the below information ast at September 2025 and needs to know what Revenue it would have to make in Q4 for it not to breach Interest Coverage Ratio. Assume the business does a Gross profit Margin of 20%. Interest Coverage Ratio is EBITDA / Finance Cost minimum Interest coverage of 2.

	Year to Date	Year to Date
	30-Sept	31-Dec
Gross margin	20%	
EBITDA	30,000,000	
Opex	15,000,000	18,000,000
Finannce Cost		20,000,000
Int Coverage Ratio		2x

QUESTION & ANSWER

ACCOUNTING YARD

SKILLSET REQUIRED TO PREPARE A MANAGEMENT ACCOUNT

ACCOUNTING YARD

SKILLSET REQUIRED TO PREPARE A MANAGEMENT ACCOUNT

- Good knowledge of the business
- Knowing how to map a trial balance
- Good knowledge on the use of MS Excel
- Knowing what a management account Constitute
- Good knowledge of financial reporting
- Understanding the link between trial Balance, FS Mapping, Notes and Primary 3 Statements

ACCOUNTING YARD
SHARE, LEARN & HELP

DATA REQUIRED FOR PREPARING MANAGEMENT ACCOUNT



DATA REQUIRED FOR PREPARING MANAGEMENT ACCOUNT

- Trial balance Current Period
- Trial balance Prior Period or period for comparative
- Budget (preferable Monthly)
- Report on Sales
- Critical Schedules and KPIS of interest to management

ACCOUNTING YARD

ANY QUESTION(S) ?



ACCOUNTING YARD

COMPONENT OF A MANAGEMENT ACCOUNT



ACCOUNTING YARD

COMPONENT OF A MANAGEMENT ACCOUNT

- Cover Page and Table of Content
- Data Source (TB ,Sales Report , Budget, Data Validation Sheet)
- FS Mapping Sheet
- Notes to the Account
- Primary 3 Statement (Year on year and Month on Month)
- Dashboard
- Schedule of Critical Balances

ACCOUNTING YARD

SEE ILLUSTRATIVE

ANY QUESTION(S)?



ACCOUNTING YARD

STEPS IN PREPARING MANAGEMENT ACCOUNT



ACCOUNTING YARD

7 STEPS IN PREPARING MANAGEMENT ACCOUNT

- Understand how to map the trial balance
- **Mapping the trial balance**
- Creating structure for the notes, income statement, and statement of financial position
- **Linking Trial balance to FS Mapping and to the Notes**
- Creating and linking the income statement and statement of financial position from the notes
- Creating the statement of cash flows
- Include Comparative in each statement to aid reviewing and analyzing the management account

ACCOUNTING YARD

WAYS TO GUIDE IN THE MAPPING OF THE TRIAL BALANCE



Using the structure of the chart of accounts



Mapping based on an existing Management Account or Financial statement



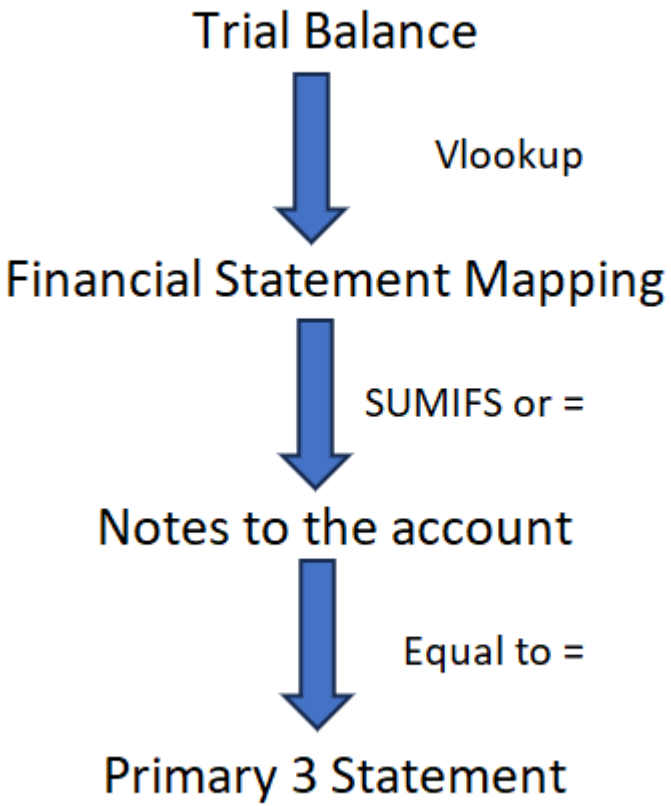
Liaising and seeking understanding from senior member of fnance or account department



Reviewing each general ledger and finding what has been posted in it

ACCOUNTING YARD

LINKING OF TRIAL BALANCE TO 3 PRIMARY FINANCIAL STATEMENTS



ACCOUNTING YARD

LINKING OF TRIAL BALANCE TO 3 PRIMARY FINANCIAL STATEMENTS

Walkthrough a sample Management Account illustrating this

ACCOUNTING YARD

Trial Balance		FS Mapping	Note	IS
10010	Revenue- Coke Lrs	Revenue Soft Drinks	Revenue Soft Drinks	Revenue
10011	Revenue- Fanta Lrs	Revenue Soft Drinks		
10012	Revenue- Sprit Lrs	Revenue Soft Drinks		
10020	Revenue- Juice Mango	Revenue Juice	Revenue Juice	
10021	Revenue- Juice Pineapple	Revenue Juice		
10022	Revenue- Juice Orange	Revenue Juice		

EXAMPLE OF THE LINKING

ACCOUNTING YARD

TYPES OF NOTE STRUCTURE

TYPE	EXAMPLE
Classification	Revenue streams, Expense classes, Cost of sales category, Categories of cash and cash Equivalent
Movement Schedule	Property Plant and Equipment, Income tax Liability, Borrowing, Equity, Intangible

ACCOUNTING YARD
SHARE, LEARN & HELP

SEE ILLUSTRATIVE





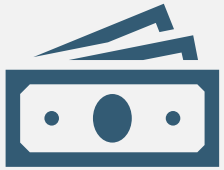
ANY QUESTION(S) ?

ACCOUNTING YARD

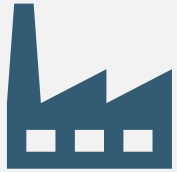
SHARE, LEARN & HELP



REAL ESTATE



QUICK SERVICE RESTAURANT(QSR)



MANUFACTURING

WHAT WOULD BE CRITICAL BALANCES FOR THIS INDUSTRIES/SECTOR

ACCOUNTING YARD

MS EXCEL FUNCTIONS AND FEATURES



ACCOUNTING YARD

EXCEL FUNCTIONS AND FEATURES

Functions and Features
Referencing- Absolute, relative and mixed
Data Validation
Date and Eomonth
Custom Format
Text
Vlookup and Xlookup
Name Range
SUMIF(S)

ACCOUNTING YARD

REVIEWING OF THE MANAGEMENT ACCOUNT



ACCOUNTING YARD



The review of the management Account starts from the trial balance and ensuring the trial balance is mapped correctly and are of the right value



Reviewing the notes and the composition to reflect the business nature and need



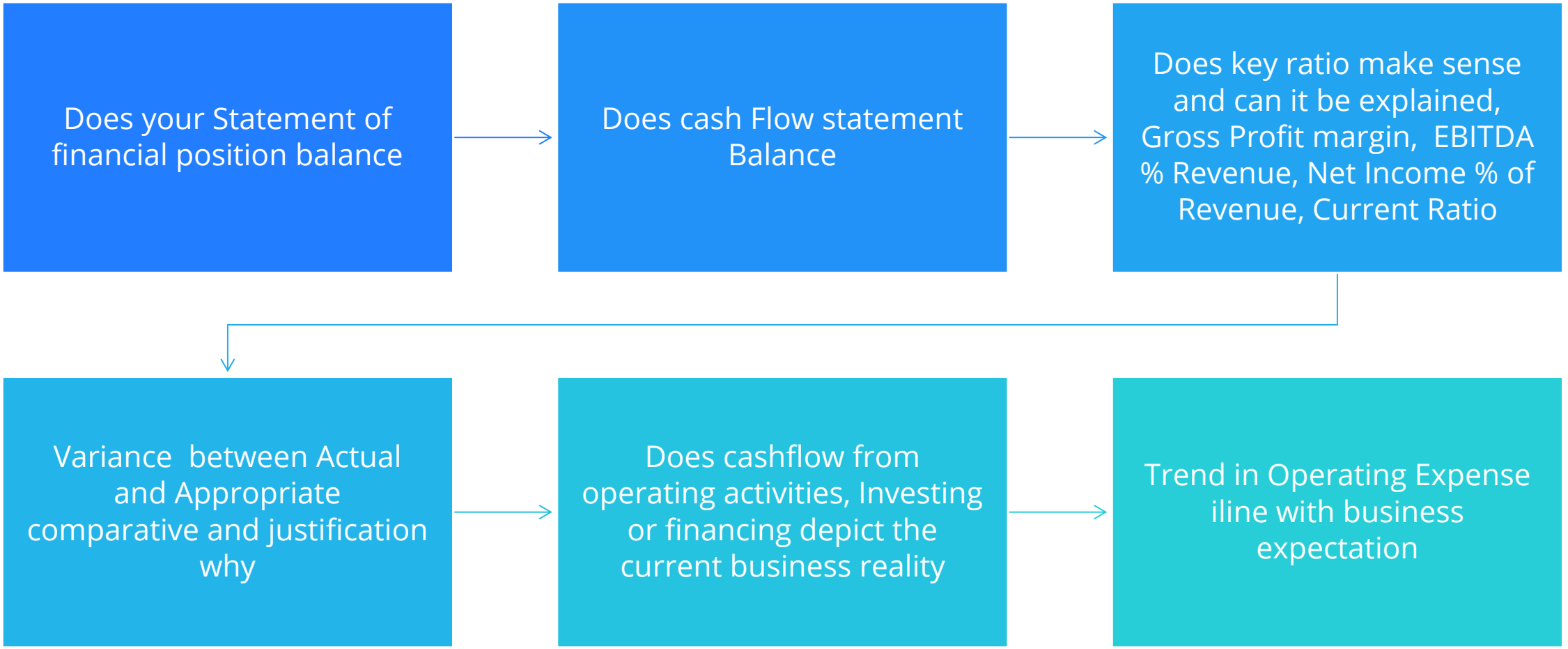
Computation of financial ratios for both horizontal and vertical analysis



Month on Month Notes , income statement and Statement of financial position can help identify spikes or deeps or usual trend in the relevant statement.

REVIEWING OF THE MANAGEMENT ACCOUNT

ACCOUNTING YARD



REVIEWING OF THE MANAGEMENT ACCOUNT

ACCOUNTING YARD



ANY QUESTION(S) ?

ACCOUNTING YARD



Deciding on An Appropriate Comparative

ACCOUNTING YARD

DECIDING ON AN APPROPRIATE COMPARATIVE THINGS TO CONSIDER

- What Users of the Management Account Require
- What is current phase of the business
- What is the Industry standard
- What is the current Economic Environment like

ACCOUNTING YARD

DECIDING ON AN APPROPRIATE COMPARATIVE EXAMPLES OF COMPARATIVE

- Current Month against Previous month Eg Apr 2023 vs March 2023
- Current Quarter Against Previous Quarter eg Q12023 vs Q1 2023
- Year to Date Against Previous Year to date eg YTD June 23 vs June 2022
- Current Month Against Current Month Budget
- Uear to Date Actual Against Year to date Budget

ACCOUNTING YARD



QUESTION & ANSWER

ACCOUNTING YARD


Class Exercise
ACCOUNTING
YARD

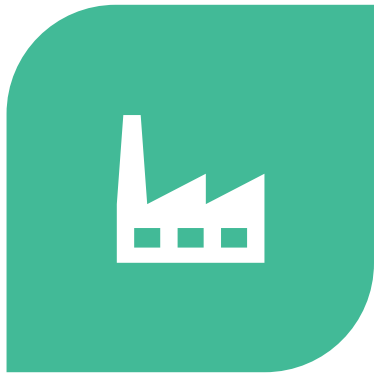
WHAT WOULD MAKE UP COST OF SALES FOR THIS BUSINESSES?



CONSULTING



FINANCIAL SERVICE



MANUFACTURING

ACCOUNTING YARD



TELECOMMUNICATION



EDUCATIONAL INSTITUTION



RETAIL BUSINESS

NAME 3 QUANTITATIVE AND QUALITATIVE KPI FOR THE LISTED INDUSTRY/SECTOR?

ACCOUNTING YARD

THANK YOU

