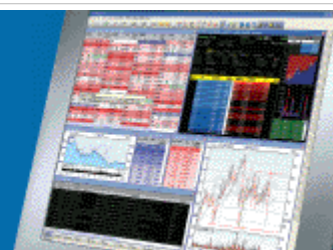


ShareScope Training Zone

Your guide to getting the best out of ShareScope



Tutorial 40 – Transactions View

Consider ShareScope's **Portfolio** and **Transactions** views as two sides of the same page. The Portfolio view, on the front, is a list of the instruments that you have added to the portfolio. The Transactions view, on the back, is a record of your purchases and sales of each instrument, and of dividends received.

If your investments are not held in a tax-free wrapper (like an ISA or SIPP) the Transactions view will also help you manage your capital gains tax liability through the tax year and help you complete your tax return.

There are a large number of transaction-related columns you can add to the Transactions view. This may seem confusing but they all serve a specific purpose. In this tutorial we will look at these in detail.

If you have a numerical keypad on your keyboard you can quickly switch from the Portfolio view to Transactions by pressing the **+** (plus) key. Press the **-** (minus) key or **F11** to return to the Portfolio view.

To add a column to the Transactions view, right-click in the existing column headings and choose from the three column submenus: **General**, **Price** and **Transaction**.

KEY CONCEPT

When you make multiple purchases of an instrument it is likely that the unit cost will be different on each date. For example, you may buy 100 shares at 10p, 100 shares at 11p and 100 shares at 12p.

This has implications for how you calculate your profit. Profit is, of course, the difference between the price you paid for the shares and the price you receive for them.

When you calculate profit for Capital Gains Tax purposes, you are required to use a **pooled** (average) cost. In our simple example above, the pooled cost of a share is 11p.

An alternative method for calculating profit is to use the **first in, first out** costing method (or **FIFO**). Again, using our example, if you were to sell 50 shares you would use the cost of the first 50 shares purchased (10p). If you were to sell 150 shares, your cost would be $(100 \times 10p) + (50 \times 11p)$.

These are simple examples; normally purchase and sales charges would be included in the calculation.

Cost and Value columns

We've added seven new cost and value columns to complement the existing **Cost/Value** and **Value** columns. They can all be found on the **Add Transaction column** menu.

NOTE: the existing **Cost/Value** column has been renamed **Cost/Value (Average)**. This column can sometimes give inaccurate values so we recommend that you substitute this column with one of the new columns below.

Date	EPIC	Transaction type	Num. shares	Book cost (Pooled)	Book cost (FIFO)	Total book cost (Pooled)	Total book cost (FIFO)	Cost / Value (Pooled)	Cost / Value (FIFO)	Cost / Value (Average)	Value	Dividend
16/3/09	SSE	Buy	200	£2,178.95	£2,178.95	£2,178.95	£2,178.95	£2,178.95	£2,178.95	£2,178.95		
19/8/09	SSE	Dividend	200					£92.40	£92.40	£92.40		£92.40
17/2/10	SSE	Dividend	200					£42.00	£42.00	£42.00		£42.00
28/7/10	SSE	Dividend	200					£98.00	£98.00	£98.00		£98.00
26/1/11	SSE	Dividend	200					£44.80	£44.80	£44.80		£44.80
10/2/11	SSE	Buy	200	£2,020.95	£2,020.95	£4,199.90	£4,199.90	£2,020.95	£2,020.95	£2,020.95		
31/5/11	SSE	Sell	100	£1,049.97	£1,089.47	£3,149.93	£3,110.43	£1,367.05	£1,367.05	£1,367.05		
21/6/11	SSE	Latest	300	£3,149.93	£3,110.43	£3,149.93	£3,110.43	£3,149.93	£3,110.43	£3,157.39	£4,158.00	£277.20

Column	Description
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Book cost (Pooled)	This column displays the costs allocated to each transaction. The costs will include charges if recorded. For sale transactions, the cost is the original cost of the shares (including charges) based on a pooled price – as used in CGT calculations. The Latest line for each instrument will show the costs associated with your current holdings only. If you haven't sold any of your holdings then the figure will be a total of all costs. If you have sold all your holdings, the value will be zero.
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Book cost (FIFO)	This column displays the same as above but in this case costs are calculated on a FIFO basis.
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Total book cost (Pooled)	This column is similar to Book cost (Pooled) but shows cumulative costs (i.e. the cumulative cost for the most recent transaction will be the same as the cost on the Latest line).
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Total book cost (FIFO)	This column displays the same as above but in this case costs are calculated on a FIFO basis.
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Cost/Value (Pooled)	This column displays the cost of buy transactions and the value of sales transactions. The value of dividends received is also displayed. It enables you to view costs and values in the same column. The Latest line for each instrument will show the costs associated with your current holdings on a pooled basis. If you haven't sold any of your holdings then the figure will be a total of all costs. If you have sold all your holdings, the value will be zero.
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Cost/Value (FIFO)	This column displays the same as above but in this case costs are calculated on a FIFO basis.
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Value	Displays the value of current holdings based on the current share price in the Latest line only.
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Value on any date	Enables you to display the value of your holdings on a specific date (e.g. the start of the tax year) or to show the price change between two dates (e.g. the start of the year and the current day).
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Dividend	This column displays the value of any dividends received. The Latest line will give a total value.
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Performance Columns

In ShareScope you can display the realised profit/loss from your transactions and the unrealised (potential) profit/loss on current holdings.

Most investors will be interested in their profit/loss on a FIFO basis so this is how ShareScope's profit/loss and return columns are calculated. If you wish to see your profit/loss based on a pooled cost basis, see the next section on **Tax-related Columns**. The following profit/loss columns using the FIFO costing method can be added from the **Add Transaction column** submenu:

NOTE: if you are using the existing **Return %** column, we recommend that you replace it with one of the new columns below.

Date	EPIC	Transaction type	Num. shares	Realised profit / loss	Realised return %	Unrealised profit / loss	Unrealised return %	Profit / loss	Total return %	Annual return %
16/3/09	SSE	Buy	200			£296.53	-36.4	£296.53	-36.4	
19/8/09	SSE	Dividend	200	£92.40	4.2			£92.40	4.2	
17/2/10	SSE	Dividend	200	£42.00	1.9			£42.00	1.9	
28/7/10	SSE	Dividend	200	£98.00	4.5			£98.00	4.5	
26/1/11	SSE	Dividend	200	£44.80	2.1			£44.80	2.1	
10/2/11	SSE	Buy	200			£751.05	37.2	£751.05	37.2	
31/5/11	SSE	Sell	100	£277.58	25.5			£277.58	25.5	
21/6/11	SSE	Latest	300	£554.78	13.2	£1,047.58	24.9	£1,602.35	38.2	26.0

Column	Cost method	Description
Realised Profit/Loss	FIFO	This column displays the realised profit/loss for each sale transaction based on a FIFO (first in, first out) basis. The Latest line will display the total including dividends. Where charges are recorded they are included in the costs.
Realised Return %	FIFO	This column shows the actual return from the shares that you have sold and from dividends received. Costs are allocated on a FIFO (first in, first out) basis. This column is designed as a replacement for the existing Return % column. It is important to note that the Latest line displays the total realised return as a percentage of your total investment in the instrument.
Unrealised Profit/loss	FIFO	This column displays the unrealised profit/loss for existing holdings based on a FIFO (first in, first out) basis. This is displayed on the Latest line only. Where charges are recorded they are included in the costs.
Unrealised Return %	FIFO	This shows the unrealised return on your current holdings if you sold them at the current closing price. It is important to note that the Latest line displays the total unrealised return as a percentage of your total investment in the instrument.
Profit/loss	FIFO	This column displays the realised profit/loss of sale transactions, the unrealised profit from current holdings, and the value of dividends. The Latest line totals all values. Profits are calculated on a FIFO basis.
Total return %	FIFO	This column combines your realised or unrealised return to provide a total % return on the Latest line . Realised and unrealised returns are expressed as a percentage of the total costs. Returns are calculated on a FIFO basis.
Annualised return %	FIFO	Annualised Return shows the average annual return for each holding. It combines realised and unrealised returns as well as dividends received and is displayed in the Latest line only. It averages the return over the period between the first purchase and the latest price date.

Tax-related Columns

In order to calculate your capital gains liability, ShareScope can also calculate your profit/loss using the average cost method. There are three columns you can add from the **Add Transaction column** submenu:

Column	Cost method	Description
CGT before losses	Pooled	This column displays the realised capital gain/loss for each sale transaction. Double-clicking on the value to display a Capital Gains Report for that share. This report will show you the taxable gains are calculated. The Latest line will display the unrealised (potential) capital gain/loss if you sold all current holdings at the current price.
CGT after losses	Pooled	Similar to the above, this column takes into account any capital losses realised in the same tax year. The Latest line will display the unrealised (potential) capital gain/loss if you sold all current holdings at the current price. Note that you can allocate losses from one tax year into another (see Losses carried forward below).
Annual book gain/loss	Pooled	This column displays the realised profit/loss per holding on an average cost basis. Effectively, it calculates your capital gain/loss. Where you have multiple sales of a holding in the same tax year, the annual book/gain loss will be displayed against the last transaction. Where you have transactions across multiple tax years, a value will be displayed for each tax year. Double-click on a value to display a Capital Gains report for that holding showing how the value was derived. The Latest line will display unrealised profit/loss if you sold all current holdings at the current price.

NOTE: ShareScope produces two reports to help you complete your tax return. The **Capital Gains Report** details your liabilities for the current tax year (you can view reports for previous years as well). This report does not include dividends. A separate Dividends Report will detail all dividends received in the current tax year (you can view reports for previous years as well). Both reports can be viewed by right-clicking in the Transactions view and selecting **Capital gains** or **Dividend report** from the menu.

Losses carried forward

For Capital Gains Tax purposes, any losses occurring in a tax year are offset against gains in the same tax year. Where the gains are below the threshold, any remaining losses are automatically carried forward by ShareScope to the next tax year.

When completing the Capital Gains section of your tax return, there may be other factors that impact on your overall loss amount for the year (for example, if you've sold any property in the same year).

If your losses carried forward amount is affected, you are able to manually adjust the figure in ShareScope so that the correct loss amount is carried forward to the next tax year.

Right click in the Transactions view, go to **Capital Gains** and select **Adjust losses**.

If losses are already recorded you will see the amount of the loss being carried forward beside the tax year it will be applied to. For example, if you incurred a loss in the 2009/2010 tax year of £1,050 which has been carried forward to the next tax year, then your Losses carried forward dialog will show 'Year 2010/2011 £1,050'.

If you'd calculated the actual loss to be carried forward to the 2010/2011 as a different amount, say £2,200, you need to type this into the Override box for the 2009/2010 tax year.

Remember if you have any trouble finding or using any of these features, please don't hesitate to call our Customer Support team on **020 7749 8504**. They will be delighted to help.