

Stock options

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Setting up the portfolio for stock options

To use the stock option functionality the portfolio must have some additional settings, navigate to the entity -> accounting -> portfolios and click the setup of the portfolio. You must enter the account that any profit or loss should be posted to for stock option sales/ expiry. Click **Save**.

Fx gains or losses	FX Gains & Losses 7409000	<input type="checkbox"/> Consolidate to P&L
Withholding taxes on dividends	Tax On Sales 3102000	
Negative bond interest	Bond Interest Received 6003000	
Stock options profit or loss	P&L on Options 6007001	

Pick multiple bank accounts

Buying accounts: Bank Accounts - General | EUR - 12345678 - EUR Beechwood and 1 other..

Selling accounts: Bank Accounts - General | GBP - 12345678 - Beechwood Barclays GBP Operating

Portfolio G/L Accounts

Quoted Investment G/L: 1200000 - Investments - Quoted Investments

Unquoted Investment G/L: 1200000 - Investments - Quoted Investments

Close Save

All actions relating to stock options are located on the clients accounting dashboard:

Posted batches | **Draft batches**

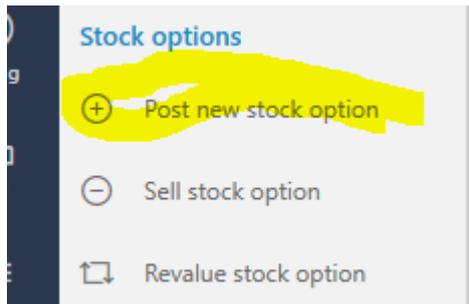
2 Portfolios	2 Investment Trades	Stock options
0 Account Tags	10 Bank Accounts	5 Loans

Reports

Post new stock option
Sell stock option
Revalue stock option

Posting a new stock option

To post a new stock option click the “Post new stock option” button



You will then see the following screen:

Post Stock Option trade

Investment

Portfolio*

Investment*

Stock option details

Trade date* Expiry date*

Option Type* Settled Currency*

Nominal*	Settled - GBP	Book - GBP
5		
Gross amount*	1,500.00	1,500.00

Payment Account

Journal

Date	Ledger	Source	DR	CR
18/08/2021	Investments - Quoted Investments	1500	1,500.00	
18/08/2021	Bank Accounts - General	-1500		1,500.00
18/08/2021	Investments - Quoted Investments	-1500		1,500.00
18/08/2021	P&L On Sale Of Quoted Investment	1500	1,500.00	

Keep posting

Undo Post

1) Pick the portfolio

4) Pick the investment that the stock option is for

3) Enter the following:

Trade date: the value date of the trade
Expiry date: the date the option expires
Option Type: CALL/ PUT
Settled Currency: the currency the purchase was made in

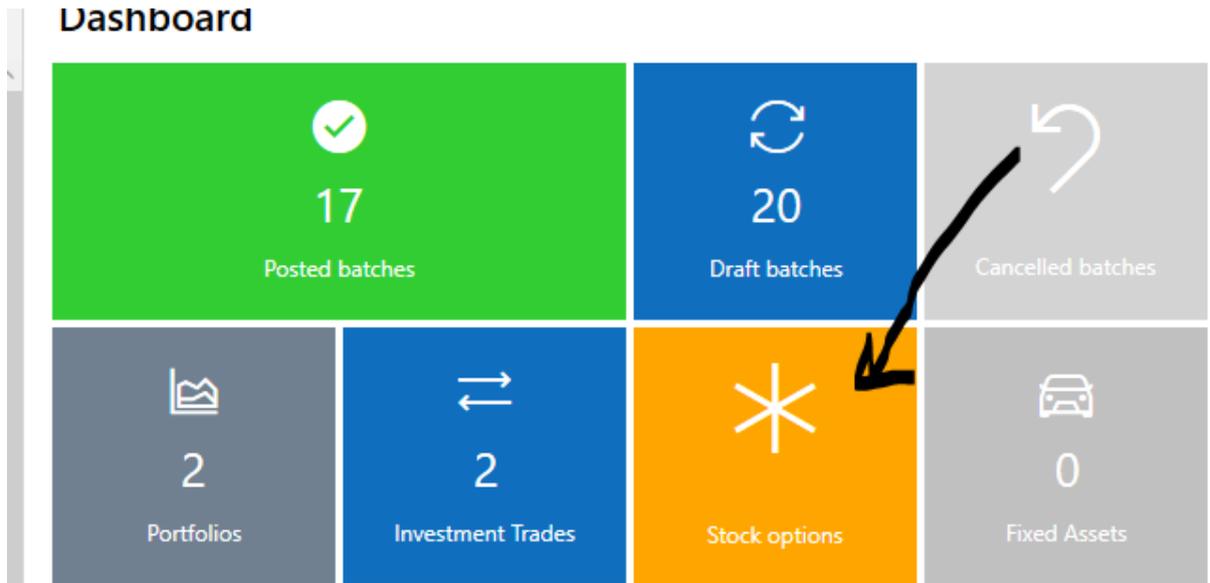
2) Enter the following:

Nominal: The quantity the stock option is for
Gross amount: the amount paid for the stock option
Payment account: the ledger used to pay for the option e.g., the bank account.

Once all information has been completed a preview of the journal that will be posted will be displayed. You will notice two future dated transactions for the expiry of the option, in the event the option is not sold before this date a loss will be posted. If the option is sold prior to this date the expiry journal will be automatically reversed or if the stock option is revalued it will be automatically amended.

Viewing existing stock options

To view stock options held for the client click the Stock Options tile on the accounting dashboard:



The following screen will be displayed, you must choose a portfolio and whether you wish to show or hide nil balances.

Stock options

Portfolio: Portfolio 2 Hide nil balances: Refresh

Trade date	Description	Nominal	Purchase book amount	Current value	Expiry
01/05/2021	CALL (Buy) VOD VODAFONE GROUP PLC ORD USD0.20 20/21 01/05/2021 -> 01/05/2021	10.00	5.00	0.00	01/05/2021
17/08/2021	CALL (Buy) Apple Inc. 17/08/2021 -> 20/08/2021	500.00	15,000.00	0.00	20/08/2021

Close

Click this icon to view the associated movements on the portfolio for this stock option.

Stock option transactions

Date	Type	Book Currency	Book Amount	Narrative
17/08/2021	Buy	GBP	15,000.00	Buy stock option for Apple Inc.
18/08/2021	Sell	GBP	-15,000.00	Option sold

Close

Within the stock option transactions screen, you can undo any transactions by clicking the undo icon.

Revaluing stock options

To assist with year-end revaluations the stock options revaluation process allows you to revalue all the stock options in bulk. Click the 'Revalue stock option' button. Enter the revaluation date e.g., 31/12/20, the portfolio and click **Load balances**.

Revalue stock options

Revaluation date: 18/08/2021 Portfolio: Default Portfolio

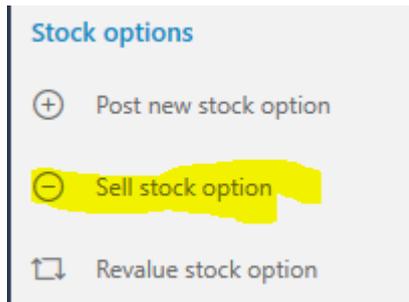
Purchase date	Type	Investment	Nominal	Book value	New value
01/01/2021	CALL (Buy)	VOD VODAFONE GROUP PLC ORD USD0.20 20/21	5.00	1,000.00	<input type="text"/>
01/01/2021	CALL (Buy)	Apple Inc.	1.00	50.00	<input type="text"/>

The screen will then display all stock options held at this date and the book values of them, the right-hand column **new value** allows you to enter the new market value of this option. When you have entered any items, you wish to revalue click **Save**.

This will post revaluation entries against those stock options and adjust the expiry journal to match the new revalued amount. In the event the stock option has been sold after your revaluation the P&L on sale will be automatically recalculated.

Selling stock options

To sell a stock option click the Sell Stock Option icon:



The following screen will be displayed.

Sell stock option for Beechwood Limited

Investment

Trade date* 18/08/2021

Portfolio* Portfolio 2

Stock option* CALL (Buy) | Apple Inc. | 17/08/2021 -> 20/08/2021

Stock option details

Settled Currency* GBP

	Settled - GBP	Book - GBP
Gross amount*	5000	5000

Payment Account Bank Accounts - General (Bank Accounts - General | GBP - 1234...)

Journal

Date	Ledger	Source	DR	CR
18/08/2021	Investments - Quoted Investments	-15000.00		15,000.00
18/08/2021	Sundry Income	10000.00	10,000.00	
18/08/2021	Bank Accounts - General	5000	5,000.00	

Keep posting

Undo Post

You must enter the following:

- Trade date:** the date the option was sold
- Portfolio:** the portfolio the option is held in
- Stock option:** the stock option you are selling

You must enter the following:

- Settled currency:** the currency the payment was received in
- Gross amount:** the amount received in settled and book
- Payment account:** the ledger the payment was received e.g., Bank account

A preview of the journal will be displayed, and the P&L will be calculated automatically. The loss on Expiry will automatically be reversed as this option has been sold. Click **Post**.