



Construction Industry Solutions from Pegasus

Taking control of your contracts and costs





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We know your business

Pegasus has been developing market-leading business management solutions since 1982. Because we have an in-depth understanding of the market we can produce innovative software that offers real benefits to our customers' businesses.

More than 40,000 companies rely on our software today and, as part of Systems Union Group plc, one of Europe's largest and most successful software organisations, Pegasus is in the enviable position of being able to concentrate on what it does best: creating and delivering the software and services its customers demand. At Pegasus we never forget that our customers are our greatest asset. And that's why we have chosen to support them through a carefully selected nationwide network of dedicated specialists – Pegasus Certified Partners, who offer our customers a complete service, from pre-sales consultation and software demonstration to installation, training and after-sales support.

It shows in our Construction Industry Solutions

It has been estimated that the average construction project suffers 150% cost overruns and completes more than 175% late. Investing in the right software can help transform the hectic day-to-day running of a construction project into a manageable and more profitable proposition where projects are delivered on time and within budget.

Pegasus Construction Industry Solutions (CIS) can do just that. A truly integrated solution, Pegasus CIS provides an unparalleled level of control over contracts and subcontractors, having been specifically designed to give complete control over every aspect of contract management:

- **Contract Costing** — Cost Heads, Revenue Transactions, Cost Transactions, Actual/Budget Variance Reporting
- **Contract Purchasing** — Purchase Orders, Goods Received Notes, Purchase Invoices, Committed Costs
- **Contract Sales** — Payment Applications, Invoicing, Aged Debt, Retention
- **CIS Subcontractors** — Subcontractor CIS Management, Certificates, Payments, Vouchers, Month End returns, Self-billing, Authenticated VAT Receipts
- **Labour** — Timesheet: labour charging to contracts
- **Stock Control** — Monitor stock levels and movement, allocate stock to jobs
- **Integrated Accounting** — Links with Pegasus Opera II, Sage Line 50 and Sage MMS



Features and benefits

Gives full control over every aspect of contracts

- Profit – performance reporting and analysis
- Actual to Budget variance reporting
- Aged Retention
- Aged Debt
- Contract Revenue

Produces job performance and profit reports to any level

- Detailed monitoring of job financial performance
- Records direct costs as well as those from labour, purchases, stock and subcontractors
- Handles sales invoicing, payment applications, cash receipts and retention

Links to the most popular accounting systems in the UK

- Pegasus Opera II
- Pegasus Opera II Payroll
- Sage Line 50
- Sage MMS
- Sage Payroll

Suitable for small, medium and large volume installations

- Designed for efficient high volume data entry
- Data entry routines cater for a choice of simple or complex entries, most with alternative super-fast posting

Presents data in the way you want to see it

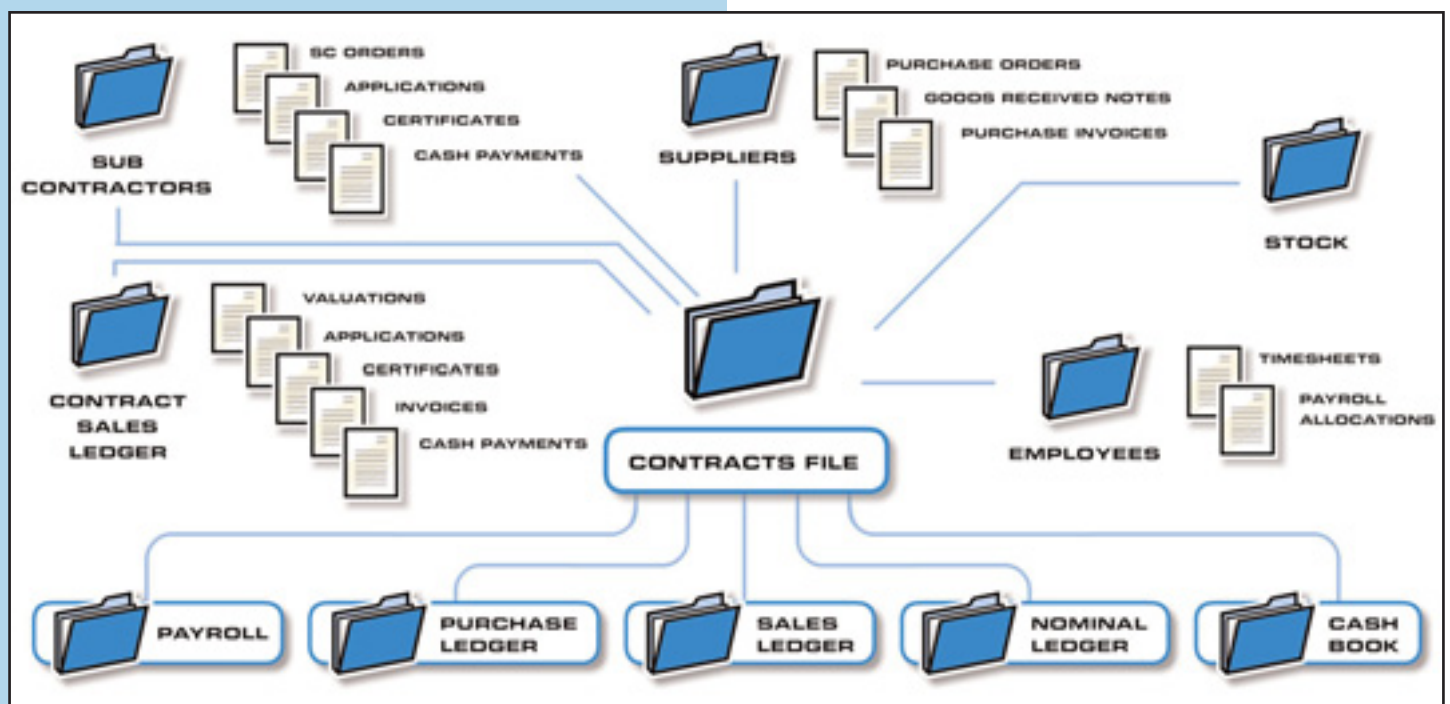
- Unequalled on-screen information retrieval capabilities
- Powerful and easy to use worksheet creation
- Single click integration with Microsoft® Word and Excel

Easy to use technology

Instant access to up-to-date information is an essential tool for any business, but in construction this can be critical to the effective management of contracts and jobs.

Pegasus CIS is a powerful and easy to use data analysis tool, designed to retrieve information held anywhere in the system easily and quickly. List views of subcontractors, jobs, purchase orders or indeed any data. In turn, this data can be sorted, filtered, grouped and totalled to be displayed in the format required. These views can then be linked to Microsoft® Excel for further manipulation and saved for future use.

Pegasus CIS: How it works



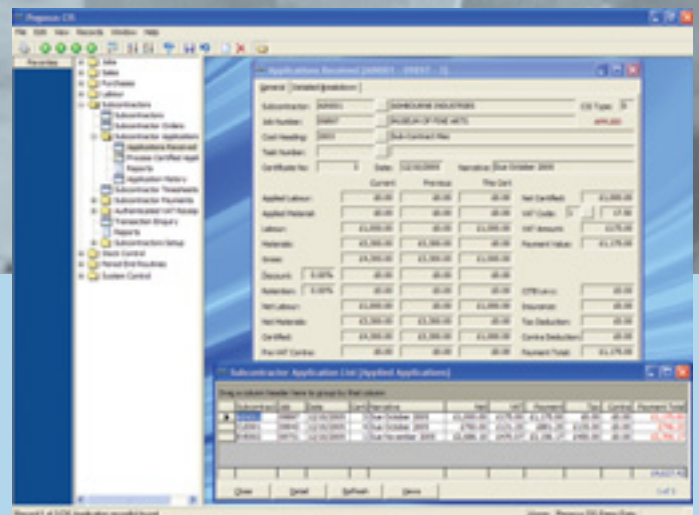
HM Revenue & Customs April 2007 legislation changes

Pegasus CIS conforms to the requirements and regulations of HM Revenue & Customs (HMRC) Construction Industry Scheme — both now and when legislation changes in April 2007.

What are the legislation changes?

- CIS Registration Cards and Certificates will no longer be used; contractors must verify that any new subcontractor is registered with HMRC.
- As part of the verification process, a higher rate tax deduction of 30% will be assigned to subcontractors if they cannot be matched to records on the HMRC system. Subcontractors will still be paid net or gross of tax, but HMRC will specify which as part of the verification process.
- Vouchers and Year End returns will be replaced with a CIS300 Monthly Return which can be filed online, on paper or as an electronic submission. This details payments and deductions made to all subcontractors. When there have been no payments made to subcontractors in a month, nil returns must be made. A declaration is signed that states the contractor has checked the employment status of each subcontractor, and payments have not been made under contracts of employment.
- Most subcontractors that are registered under the existing CIS rules will automatically be transferred over to the new system and will not need to re-register.
- A penalty will be charged for late CIS300 Monthly Returns and will be based on the number of subcontractors on the late return. This penalty repeats for each month that the return is late. A late submission of a nil return automatically attracts a £100 penalty. HMRC also state that where the return is received late, the contractor's own gross status as a subcontractor may be at risk.

Pegasus CIS will enable you to take advantage of new levels of control and reporting, preparing your business for a smooth transition to the new legislation.



Contract Costing

Cost control is critical in any industry and effective cash management can make a serious difference to the profit on a job. Pegasus CIS Job Costing captures all contract information across every stage of a job and is immediately available for analysis.

Cost Heads

Each job can be divided into an unlimited number of Cost Heads, each of which can be linked to nominal accounts for automated journals. Each job Cost Head will hold separate information on budgets and costs to date, allowing actual to budget variance analysis and reporting. It is possible to set up original and revised budgets, and split these budgets across periods. All cost transactions are posted to a Job and a Cost Head. Cost Heads can represent cost categories such as labour or materials, each with an unlimited number of subheads. Alternatively, Cost Heads can represent job stages. This flexibility allows the costs to be tailored in a way that best suits the needs of your business.

Revenue Transactions

A detailed audit file is held for all revenue transactions on a job, whether this is from direct invoices or from invoices generated via the payment applications and certification routines. It is also possible to view and reprint any of the historic contract applications. If retention is held against an invoice or a contract it is possible to report on this and apply for the retention to be released on the correct date.

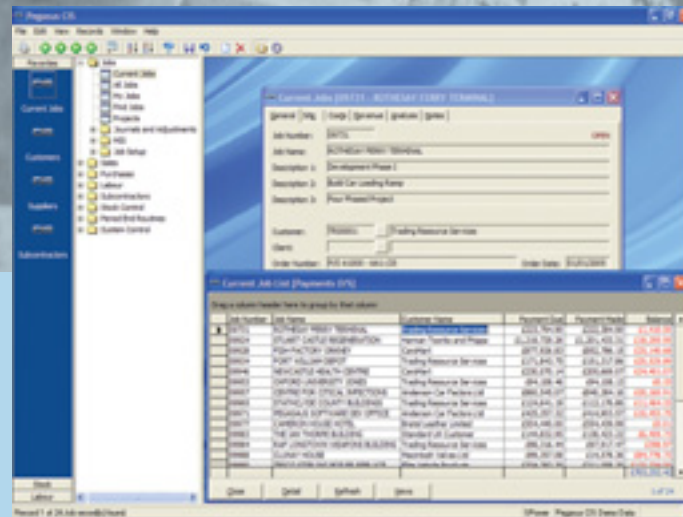
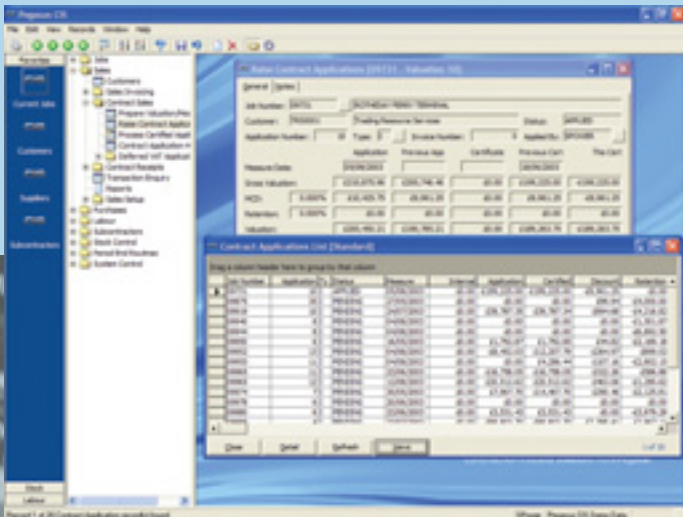
Cost Transactions

A detailed audit file is held for all costs posted to each job. This information can be displayed per Job or per Cost Head and can then be sorted, filtered and grouped, giving instant on screen analysis of all costs, which in turn can be linked to Microsoft® Excel for further analysis.

Posting Costs

Costs are posted to a job as detailed transactions with summary totals maintained at Job and Cost Head levels. Flexible on screen enquiries are available for all transactions and costs can be posted from the following sources:

- Time Recording
- Payroll
- Subcontractors Ledger
- Purchase Invoice Register
- Stock Control
- Internal Cost Allocations, Job Journals and Direct Costs



CIS Subcontractors

Comprehensive CIS Contractor Control

The Subcontractors Ledger combines the functionality of a Purchase Ledger with the regulatory requirements of the HMRC Construction Industry Scheme. Pegasus CIS stores full information on the CIS approved subcontractors, including details of their CIS Certificates, expiry dates and default Labour Rates to be used for Timesheet Only subcontractors.

Subcontractors are assigned to jobs via the Subcontractor's Orders file. One Subcontractor Order is raised per subcontractor/job combination and holds information such as order value, start and completion dates. It also holds default values for the discounts and retention percentages to be applied, together with a VAT code and Construction Industry Training Board Levy.

The default values are used in automatic processing of subcontractor payments, making this a much less time-consuming process.

CIS Certificates

CIS Certificates are processed in a register, enabling incomplete certificates to be included in management reports. Each certificate records current and cumulative values of net, gross, discounts and retentions, together with details of tax retained against your net paid subcontractors. Labour and material content is recorded separately, conforming to HMRC regulations.

When certificates are approved and updated, a cost entry is raised against the job and the cumulative value is updated on the Subcontractor's Order. A separate posting routine is provided for subcontractor invoices/timesheets, which allows invoices to be split over one or more jobs.

CIS Payments

Approved certificates can be selected for payment by due date from the Pending Payments file. Those payments selected for processing are posted to a payments batch that automatically updates the Tax and VAT liabilities in the Nominal Ledger. Subcontractor payments can be made by cheque or BACS.

Payment Certificates are produced for approved payments and can be sent to the subcontractor with the payment.

Pegasus CIS provides full Construction Industry Scheme reporting for monthly vouchers and annual returns: you simply print the relevant report.



Contract Purchasing

Purchasing requirements for each contract can be controlled and monitored by raising purchase orders (PO) to a supplier. Each PO may have an unlimited number of items attached to it. Each item includes a description (free text or lookup), material group (for costing and analysis), quantity originally ordered and price. PO items can be sorted by criteria such as due date, supplier and job, making it easy to monitor what is outstanding against a job and when it is due to be delivered.

GRN and Purchase Invoices

As goods are received and invoiced, PO details are updated on an item-by-item basis, maintaining an accurate picture of committed costs against the job. The Purchase Invoice Register also allows the user to allocate costs directly to the Nominal Ledger, as well as to the jobs.

Contract Sales

The Contract Sales Ledger seamlessly links to the accounts Sales Ledger to access trading terms and to post sales invoices. Contract Sales maintains details of the current Applications (through valuation, application and certified values) as well as a history of all previous Applications.

Each Payment Application controls current and cumulative Revenue Values, Retention and Main Contractor Discount. Applications can be classed as Interim, Final and Agreed Final Measure (AFM).

Payments Received

Cash received can be entered in batches and allocated to one or more Applications. For Applications, VAT can be taken into account at time of payment. For standard invoicing, VAT is recorded at the date of invoice.

If your company is registered as CIS4 and is paid net of tax, you can configure Pegasus CIS to automatically handle the withholding of tax from your customers as part of the payment receipt process. The retained tax is then posted to the relevant account in the Nominal Ledger.

Aged Debt

A complete audit trail of each Application and Payment is maintained, providing detailed aged debt analysis and reporting against jobs. Knowing when payments are due is critical to the successful management of cash flow within any organisation, whether these are from invoices or retentions that become due.



Labour

Flexible labour charging to contracts

Employees and their pay rates are entered in your Payroll solution and are accessible to Pegasus CIS so that timesheets can be processed. Timesheets are posted to the individual jobs, as well as to the Payroll, so that payslips can be produced. It is possible to post these costs to the job as a net, gross or charge out rate, all with an optional overhead recovery percentage.

For those customers that want the 'on costs' from their Payroll, such as Employers' NI and pension, to be apportioned back to the jobs after the Payroll run, it is a simple matter of running the Payroll Import. These costs can be automatically apportioned to the correct jobs based on the values that came from each of the timesheet entries.

Remote timesheets are supported, which can be entered by site managers and transferred to the payroll department for checking and amending, prior to posting to the jobs and Payroll.

The data entry screens are optimised for quick and easy data input, especially important for customers with a high volume of transactions.

Stock Control

Flexible Stock Control Solution

Linked to the Contract Purchasing module, Pegasus CIS Stock Control provides a powerful way to monitor stock levels and to allocate or issue stock through to jobs. Stock movements are recorded in an audit trail, and the costs are posted against each of the jobs. The stock system is multi-location, and can be broken down into multiple categories and groups.

Where a full stock control system is not required, it is possible to use Pegasus CIS as a way of raising purchase orders for stock descriptions that can be ordered, delivered and invoiced. There may be no actual stock transactions, but the costs will be posted to the jobs.

Integrated Accounting

Pegasus Opera II

All job-related data is entered into the Pegasus CIS system, which updates the other areas of the system such as the Purchase and Sales Ledgers with invoices, cash receipts and payments.

Pegasus CIS also makes direct postings into the Nominal Ledger for all other Job Cost Revenue Transactions — Overhead Recovery and WIP Transactions are handled effortlessly. Timesheets can be posted from Pegasus CIS directly into the Opera II Payroll.

Sage Line 50 and Sage MMS

Pegasus CIS integrates with Sage Line 50/MMS financial ledgers and Payroll by posting transactions into the Sales, Purchase and Nominal Ledgers, and Cashbook and Payroll.

Pegasus CIS is a truly integrated solution to manage the finances of today's busy construction companies.



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