Sage Business Cloud Accounting: Financial Year End



Financial Year End

Learning Objectives

After completing this module, you should be able to:

- Run three reports for financial year-end for the current fiscal year
- Download/send reports to Accountant for year-end processing
- Change the dates within Financial Settings to prepare for a new fiscal year

NOTE Throughout the duration of the course, you will encounter important icons and visual conventions as part of your learning experience to guide learners through the chapters. Some of the cues are indicated here.

	Important Information / Important Note / Additional Information	Item where caution and attention is required or additional insight and information is provided.	
	Exercise	Your opportunity to practice a concept.	
	End of Exercise	Indicates the end of an exercise.	
\checkmark	Check Your Knowledge	Review questions at the end of a lesson to check your understanding and ability to implement concepts.	
÷	Summary	Overview of the most important items covered in a section or lesson.	
	End of Lesson	The end of the lesson.	



Divine Chocolates has had a successful first year in business for 2018. The year-end procedure in **Accounting** is a simple process. At the end of your fiscal year, Christina can easily produce the reports needed for her year-end accounts for her accountant.

First, she'll want to verify that all transactions up to and including the last day of the year have been entered into **Accounting**. Running any month-end procedures (for example, posting prepayments and accruals or depreciation) are posted as normal.

There are multiple reports in **Accounting** but for year-end, we recommend the **Profit** and Loss, Balance Sheet and Trial Balance.

Profit and Loss: This report is also called an income statement. It summarizes the income and expenses for each income or expense account on the Chart of Accounts, so Divine Chocolates can tell if they're operating at a profit or a loss. The P & L report will show Divine Chocolates how the business has performed over a specified period of time. It also shows the value of sales, expenses, and overheads and the resulting gross and net profit or loss for the year. It should be run from the first day of the fiscal year to the last.

mmary Sales • Expenses • Contacts • Products & Services Banking Journals Rep	orting • S	ettings
ESSENTIAL REPORTS - For you and your accountant, to understand the current state of your business.	K	DETAILED REPORTS - Detailed lists for you to review, or export and analyze.
Profit and Loss How much profit have I made?	_`	Sales Day Book What were my sales?
	-12	
Balance Sheet How much are my assets and liabilities worth?		Purchase Day Book What were my expenses?
Trial Balance ① What is the balance for each ledger account?		Profit Analysis How much profit did I make on each of my sales?
Accounts Receivable		Sales Revenue - Products & Services What was my revenue from sales of products and services?
Accounts Payable Who do I owe money to?		General Ledger What transactions took place for each ledger account?
CASH REPORTS - Help you to manage your money and understand your cash flow.		Audit Trail What took place during a specified date range?
Cash Flow Forecast @		
How much cash in and out should I expect?		Chart of Accounts What ledger accounts are set up?

• Navigate to **Reporting** within the menu bar and select **Profit and Loss**:

 Determine the period to run the report for. Christina wants to run her P & L for her current fiscal year. In the **Period** drop-down menu select **This Year.** Click **Calculate.**



Ge Accounting	🖿 + 🔹 + Divine Chocolates (Owne	r) - Help
mary Sales • Expenses • Contacts • Products & Services Banking Journals Reporting • Settings		
ofit and Loss Report 🐵		
report shows your business income and expense, giving the profit for your chosen date range.		
are working on improvements - try the BETA version.		-
d This Year - From* 01/01/2018 To* 12/31/2018 Calculate		Export
les 🚬		
00 - Sales - Pro-Nots	2,773.12	
01 - Sales - Services	1,400.00	(
100 - Sales Discounts	-37.50	(
700 - Interest Income	198.32	
200 - Other Income	2,500.00	0
	Total Sales	\$6,833.9
irect Expenses		
	Total Direct Expenses	\$0.
	GROSS PROFIT / LOSS	\$6,833.
penses		
00 - Bank Fees and Interest	143.14	
00 - Uncategorized Expense	2,500.00	í
00 - Utilities	395.74	
998 - Opening Balances Control Account	2,500.00	
	Total Expenses	\$5,538
	NET PROFIT / LOSS	\$1.295

- To export the report to send to Christina's accountant, navigate to **Export** to download, save and send the PDF.
- 2. Balance Sheet. The Balance Sheet report will show the worth of Divine Chocolates from the day Christina opened her business to the end of the fiscal year. *It includes company assets and liabilities.* This should be run up to the last date of the fiscal year.

ASSET 10	balance sheet shows what you own, your assets, and what you owe, your liabilities.		
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iquity		Total Future Liabilities	\$0
		TOTAL LIABILITIES	\$0
Net Profit / Loss 1,285.06	rquity		
	Net Profit / Loss	1,295.06	



3. **Trial Balance**. The trial balance report should be run from the first day of your fiscal year to the last. *This shows the balance on each ledger account* between these dates.

immary Sales *	Expenses * Contacts * Products & Services Banking Journals Reporting * Settings		•
rial Balance	Report		
	ance on your nominar accounts for a specified date range. You can include brought forward values and include current year's profit and loss values only.		
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No financial year se	Cana		
eriod This Year 📼	From** 01/01/2018 To** 12/31/2018 This period only + Summarise retained earning values @ Calculate		Export *
Locount Number	Name	This W	nar.
		Debit	Credit
1000	Cash on Hand	1	2,490.00
1050	Chequing		196.62
1060	RBC (Royal Bank of Canada)		456.95
1100	Accounts Receivable	3,968.63	
1200	Inventory	470.00	
4000	Sales - Products		2,773.12
4001	Sales - Services		1,400.00
4100	Sales Discounts	37.50	
4700	Interest Income		198.32
4900	Other Income		2,500.00
6200	Bank Fees and Interest	143.14	
6500	Uncategorized Expense	2,500.00	
7600	Utilities	395.74	
9998	Opening Balances Control Account	2,500.00	
	TOTA	\$10.015.01	\$10.015.01

Once the reports are run, to prepare for the new fiscal year, all Christina will need to do is change her year-end date within **Financial Settings**. These dates will be different for all companies depending on when their financial year starts and stops.

- Navigate to Settings and select Financial Settings.
- Divine Chocolates is beginning a new fiscal year. Enter the *last day* of the *new* financial year. Christina will change the **Year End Date** to 12/31/2019.
- Year End Lockdown. To prevent her or any future employees she hires from entering transactions in the previous year (2018) she'll want to set the Year End Lockdown. Enter 12/31/2018.

Divine Chocolates has successfully closed the books for the current year and is ready to begin a new fiscal year!



Check Your Knowledge



Answer the following questions about the material covered in this lesson.

Short Answer

Write a short answer to the question below.

1. What reports can be run for financial year end?

Mark the correct answer(s) to the question below.

- 2. Once Christina has completed her financial year end and closed the books, what does she need to do to begin the new fiscal year?
 - A. _____ Update all customer/vendor accounts
 - B. _____ Change the year-end date within Financial Settings
 - C. ____ Change the Accounts Start Date
 - D. _____ Change her Closing Balance Dates





Please note:

Every effort has been made to ensure that the information provided in this educational series is accurate, up-to-date, and complete, but no guarantee is made to that effect. URLs and additional resources 'Beyond the Classroom' are continuously changing. Because the software is customizable in a number of ways, the language used in this guide may be different from what you 'see' when you work with your company's data file(s).

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