

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.
	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.

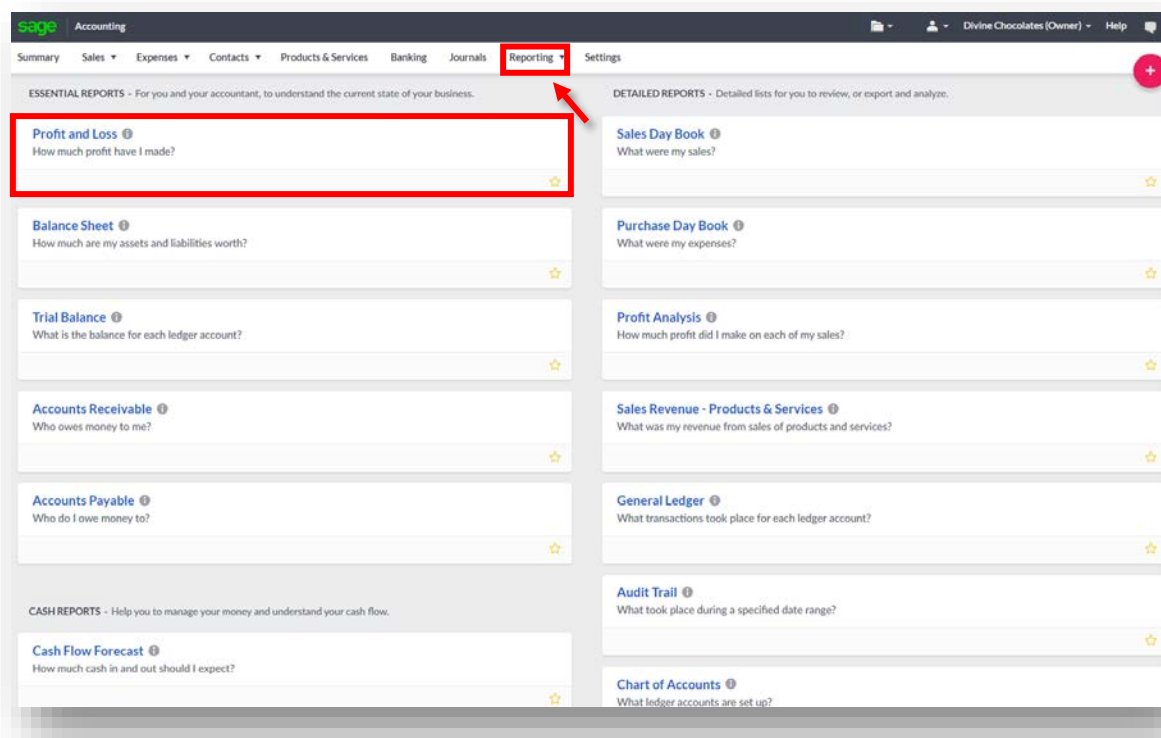
Divine Chocolates has had a successful first year in business for 2018. The year-end procedure in **Accounting** is a simple process. At the end of your fiscal year, Christina can easily produce the reports needed for her year-end accounts for her accountant.

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**.

1. **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.

- 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**.

Profit and Loss Report ⓘ
This report shows your business income and expense, giving the profit for your chosen date range.
We are working on improvements - try the [BETA](#) version.

Period: This Year From: 01/01/2018 To: 12/31/2018 Calculate Export

Sales		
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
	Total Sales	\$6,833.94
Direct Expenses		
	Total Direct Expenses	\$0.00
	GROSS PROFIT / LOSS	\$6,833.94
Expenses		
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
	Total Expenses	\$5,538.88
	NET PROFIT / LOSS	\$1,295.06

- 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.

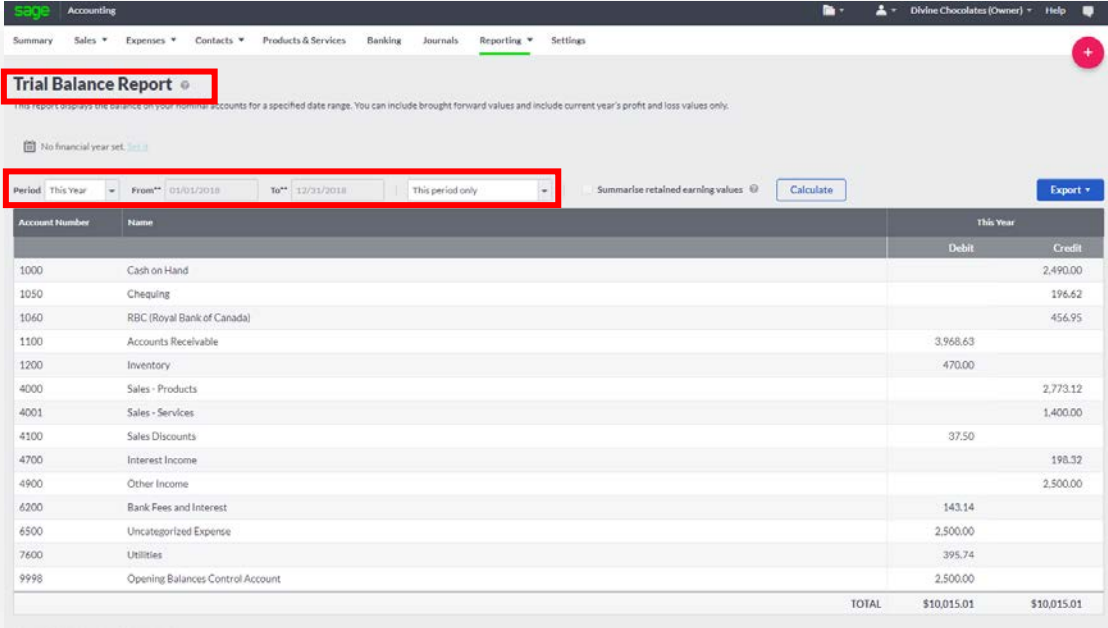
Balance Sheet Report ⓘ
The balance sheet shows what you own, your assets, and what you owe, your liabilities.

No financial year set. [Set it](#)

To: 12/27/2018 Calculate Export

ASSETS		
Current Assets		
1000 - Cash on Hand		-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
	Total Current Assets	\$1,295.06
Fixed Assets		
	Total Fixed Assets	\$0.00
	TOTAL ASSETS	\$1,295.06
LIABILITIES		
Current Liabilities		
2300 - GST/HST Collected and Collectible		171.84
2301 - GST/HST Input Tax Credits		-118.10
2350 - GST/HST Payable		-53.74
	Total Current Liabilities	\$0.00
Future Liabilities		
	Total Future Liabilities	\$0.00
	TOTAL LIABILITIES	\$0.00
EQUITY		
Net Profit / Loss		1,295.06
	TOTAL EQUITY	\$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.*

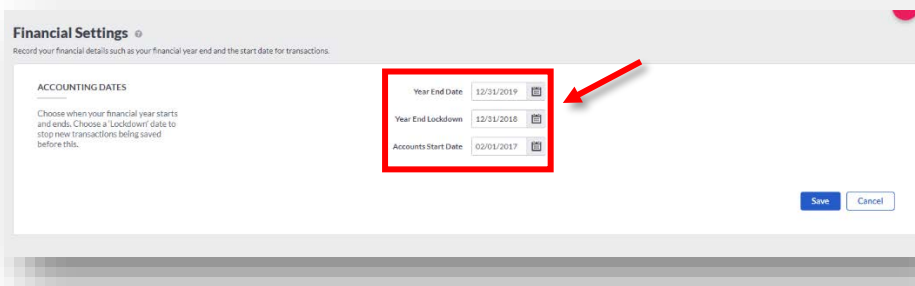


Account Number	Name	This Year	
		Debit	Credit
1000	Cash on Hand		2,490.00
1050	Chequing		196.62
1060	RBC (Royal Bank of Canada)		456.95
1100	Accounts Receivable	3,968.63	
1200	Inventory	470.00	
4000	Sales - Products		2,773.12
4001	Sales - Services		1,400.00
4100	Sales Discounts	37.50	
4700	Interest Income		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
TOTAL		\$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!



Financial Settings

Record your financial details such as your financial year end and the start date for transactions.

ACCOUNTING DATES

Choose when your financial year starts and ends. Choose a 'Lockdown' date to stop new transactions being saved before this.

Year End Date	12/31/2019
Year End Lockdown	12/31/2018
Accounts Start Date	02/01/2017

Save Cancel

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



End of Lesson

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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