

Chapter 15: Year End Balances

You can enter opening balances and add periodic stock/adjustment journals in order to produce a meaningful balance sheet.

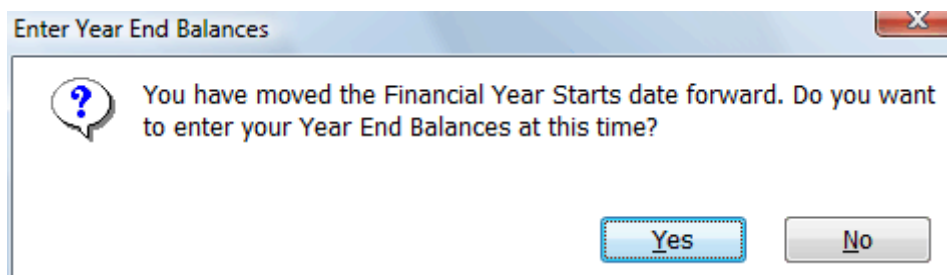
BankLink Practice calculates year-end or closing balances using the opening balances you have entered, plus movement on the accounts for the financial year.

To move the Financial Year Starts date forward:

- 1 Open the client file
- 2 Click **Other Functions, Client Details (Alt+O, D)**
BankLink Practice displays the **Client Details** window
- 3 Click in the **Financial Year Starts** field (**Alt+F**)
- 4 Enter the start date of the new financial year
- 5 Click **OK (Alt+O)**



If opening balances have been entered, advancing the **Financial Year Starts date** causes BankLink Practice to display the this window:



To run the year-end balances process, click **Yes (Alt+Y)**

You can also run the year-end balances process by clicking **Data Entry, Year End Balances (Alt+D, Y)**.

BankLink Practice displays the first stage of the Year end Balances Wizard; there are six stages in all:

- Stage 1: Welcome to the Year End Balances Wizard
- Stage 2: Adjust Year End Balances
- Stage 3: Print Year End Reports
- Stage 4: Add Opening Balances for the New Financial Year
- Stage 4: (Alternative View) Overwrite Existing Balances
- Stage 5: Allocate Current Year's Earnings
- Stage 6: Finished

Stage 1: Welcome to the Year End Balances Wizard



This window welcomes you to the Year End Balances Wizard. If you continue through this Wizard, you can:

- Adjust closing balances
- Allocate current year earnings to retained profit and loss account(s)
- Add opening balances for the new financial year



In some circumstances, warning messages may appear:



You cannot use the wizard at this time because:

1) There are Uncoded or Invalidly Coded Entries in the Financial Year (01/04/07 - 31/03/08)

To proceed with the Year End Balances process ensure that:

- All your entries are coded
- Control accounts are assigned for all GST classes
- Contra codes are entered for all bank accounts



In rare circumstances, other warning messages may appear. If you see a warning other than these contact BankLink Support for further assistance.

- To continue click **Next**

BankLink displays the **Adjust Year End Balances** window

Stage 2: Adjust Year End Balances

Account	Description	Current Balance	Adjusted Balance	Adjustment	Rep
230	Sales	1493711.31 Cr	1493711.31 Cr		Incr
250	Opening Stock	0.00 Dr	0.00 Dr		Op
260	Closing Stock	0.00 Cr	0.00 Cr		Incr
270	Purchases	136451.96 Dr	136451.96 Dr		Pur
290	Repairs & Maintenance	0.00 Dr	0.00 Dr		Exp
300	Accountancy Fees	0.00 Dr	0.00 Dr		Exp
301	Administration Fees	0.00 Dr	0.00 Dr		Exp
302	Advertising	2038.42 Dr	2038.42 Dr		Exp
308	Bad Debts Written Off	0.00 Dr	0.00 Dr		Exp



Accounts marked with * are non-posting - you cannot enter adjustments against them.

BankLink Practice displays the year-end balances in the current balance column of this window. These balances are calculated using the opening balances you have entered, plus movement on the accounts during the financial year.

If the year-end balances are not what you expected you might have:

- Entered incorrect opening balances
 - Entered the correct opening balances but failed to add or incorrectly added your balance sheet adjustments throughout the year, for example debtors, creditors, depreciation, stock on hand etc.
- 1 For each account code, check the current balance column to see the calculated year-end balance



Maximise the window to see more information.

- 2 If a year-end balance is incorrect for an account code, enter the correct balance - adjusted balances are blue



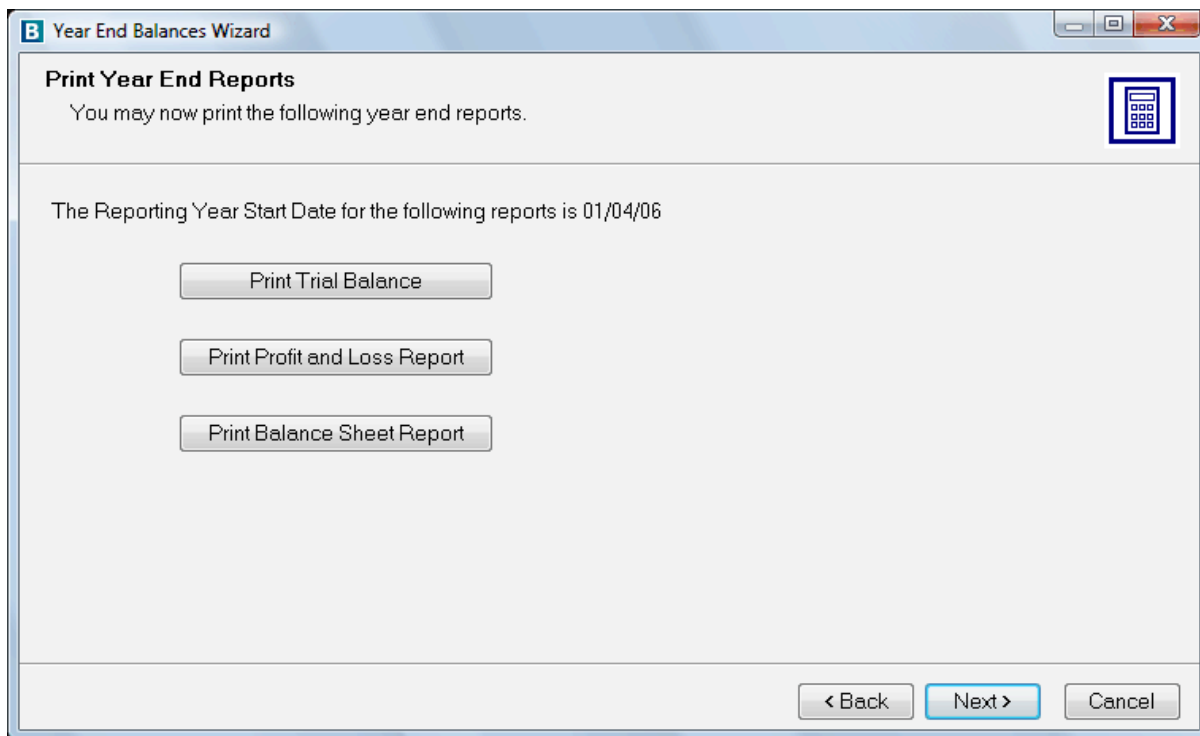
In order to continue, the account totals in the adjusted balance column must balance - assign the remaining using the = key.

Year End Adjustments

Amounts entered in the adjustment column are used to automatically create Year End Adjustments journals. These journals are added on the last day of the financial year.

- To continue click **Next**
BankLink Practice displays the **Print Year End Reports** window

Stage 3: Print Year End Reports



You confirmed your year-end balances in the previous window. If you adjusted these balances you have affected the trial balance, profit and loss and balance sheet reports. BankLink Practice now gives you the option to produce year-end reports based on these adjusted balances. See Chapter 13 for more information on each of these reports.

1 Select from:

- **Print Trial Balance**
- **Print Profit and Loss Report**
- **Print Balance Sheet Report**

2 To continue click **Next**

BankLink Practice displays the **Add Opening Balances for the New Financial Year** window

Stage 4: Add Opening Balances for the New Financial Year

You may now move your year-end balances forward to be automatically added as your opening balances for the new financial year.



If opening balances have already been entered, either via the Year End Balances process or the Opening Balances window, an alternative Stage 4 window, **Overwrite Existing Balances**, displays.

1 Select from:

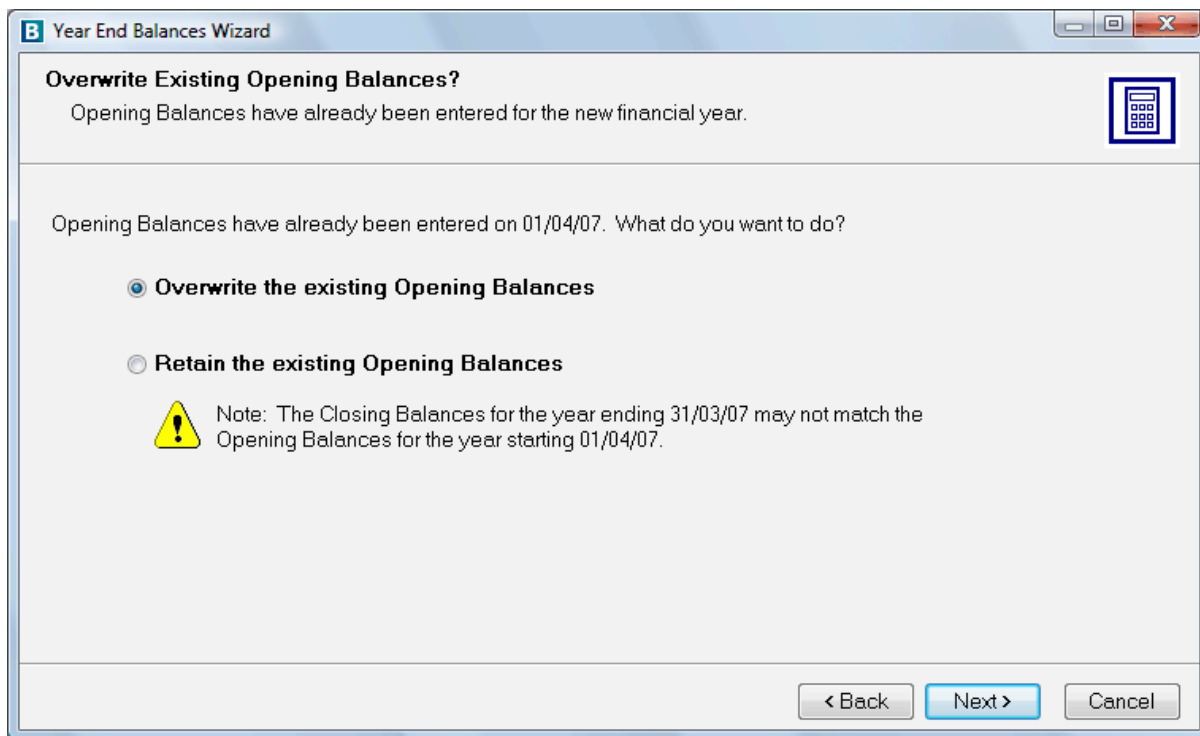
- **Yes, help me to add these now**
- **No, I will manually add my Opening Balances later**

2 To continue, click **Next**



If you select **Yes**, the Stage 5 **Allocate Current Year's Earnings** window displays. If you select **No**, Stage 5 is bypassed and the Stage 6 **Finished** window displays.

Stage 4: (Alternative View) Overwrite Existing Balances



- 1 Select from:
 - **Overwrite the existing Opening Balances**
 - **Retain the existing Opening Balances**

- 2 To continue click **Next**



If you choose to overwrite opening balances, the Stage 5 **Allocate Current Year's Earnings** window displays. If you choose to retain opening balances, Stage 5 is bypassed and the Stage 6 **Finished** window displays.

Stage 5: Allocate Current Year's Earnings

Year End Balances Wizard

Allocate Current Years Earnings
You must now allocate your Current Years Earnings to your Retained P&L account(s).

BankLink Practice has calculated the Current Years Earnings at \$1215647.83

Account	Description	Amount
639	Retained Profit and Loss	1215647.83 Cr

The account totals are balanced.

< Back Next > Cancel

The Wizard prompts you to allocate your current year earnings to your retained profit and loss account(s).

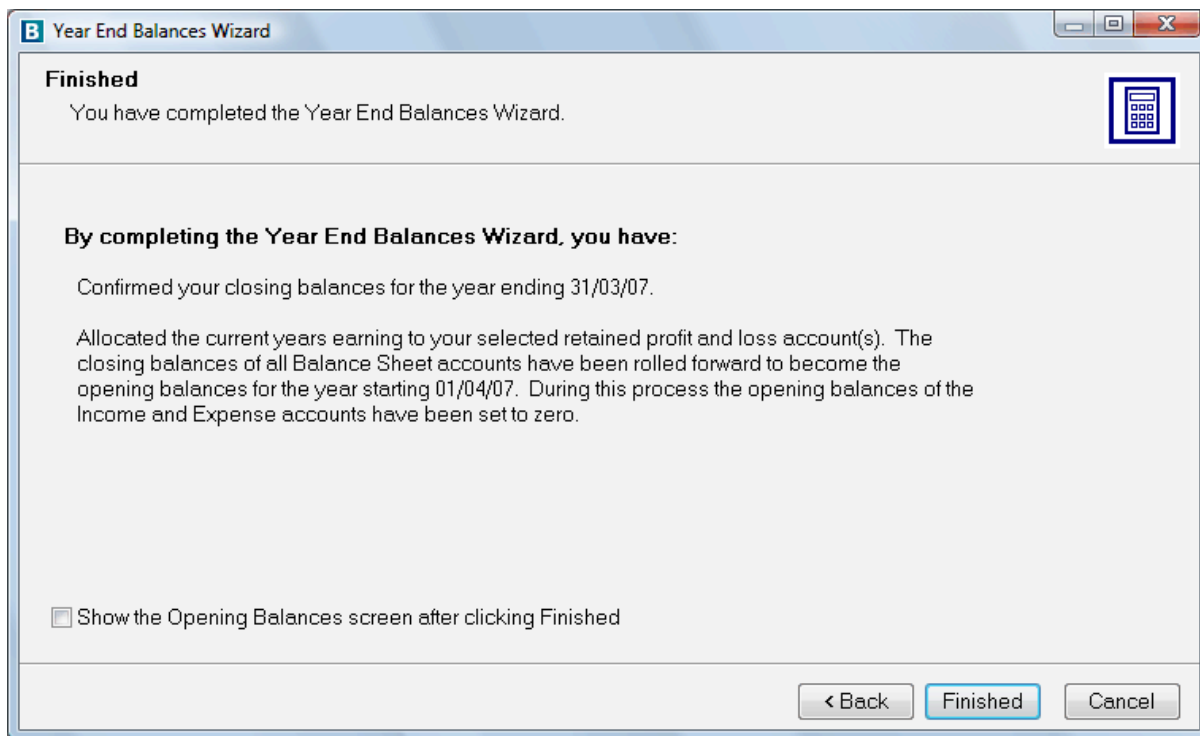
- 1 Click in the **Account** column and enter the required account code - you can use the chart look (**F2**) up to assist you
- 2 The total to be allocated is added to the **Amount** column. Edit this amount if required.
- 3 Click in the next **Account** column and repeat the process until the total current year earnings have been allocated.
- 4 To continue click **Next**

BankLink Practice displays the **Finished** window



You can use the % key in the Amount column to help allocate fixed percentages of the total current year earnings across multiple accounts, such as partners' current accounts.

Stage 6: Finished



The window confirms that you have completed the Year End Balances process - the window may look different if you used the alternative view in Stage 4.

- 1 Enable the **Show the Opening Balances screen after clicking Finished** check box if you want to review your opening balances after exiting this Wizard
- 2 Click **Finished** to complete the Year End Balances process and exit the Wizard