



## Year-End Review of the Simple Trial Balance

The **Trial Balance** is the "master list" of all accounts in your business. It ensures that your debits equal your credits and provides a comprehensive view of your financial standing before the year-end is finalised. This report is the primary tool for catching errors, clearing "junk" accounts, and preparing a clean dataset for your accountant.

**Important Note:** While the Trial Balance is your primary cleanup tool, always consult with your accountant before posting final reports.

### How to Access the Report

1. Navigate to the **Reports** tab.
2. Select **Ledger Reports** and click on **Simple Trial Balance**.
3. Select your **Date Range** (ensure it covers the full financial year).
4. Click **Apply** to generate the view.

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### 1. The "Zero Balance" Rule

- **Debits vs. Credits:** Scroll to the bottom of the report. The total of the **Debit** column must exactly match the total of the Credit column.
- **Suspense & Unallocated:** Scan the list for any "Suspense" or "Opening Balance Equity" accounts. These must be **€0.00** at year-end. If a balance exists, it means transactions were posted without a category and must be reclassified before closing.

### 2. Verifying Stock Logic

The Trial Balance allows you to see the "mirror effect" of your stock journals across the P&L and Balance Sheet simultaneously.

- **Asset Side:** Look at **Stock (Current Asset 13000)**. This should match your physical stock-take value.
- **P&L Side:** Check the **Opening Stock (58000)** and **Closing Stock (59000)** nominals.
- **The Check:** Verify that your journal entries correctly moved the opening stock to the P&L and recorded the new closing stock as an asset.

### 3. Payroll & Statutory Reconciliation

- **Payroll Software Alignment:** Compare the **Wages & Salaries** totals on your Trial Balance to the reports in your payroll software (CloudPay).
- **VAT on Cash vs. Accrual Basis:** If your business is registered for VAT on a **Cash Receipts**



**basis**, please note that your Trial Balance and other ledger reports will display VAT amounts on an **Accrual basis**. It is normal for these figures to differ from your VAT returns, as this report follows standard accounting rules that record VAT based on the invoice date rather than the payment date.

- **Liability Check:** Review your **PAYE** and **PRSI** balances. These should represent only what is owed for the final period. Negative balances or unusually high figures often indicate duplicate entries or missing payments.

#### 4. Spotting "Opposite" Balances

The Trial Balance highlights unusual entries immediately.

- **Expense Accounts:** These should typically have **Debit** balances. A credit balance in an expense account (like Rent or Heat) suggests an over-recorded refund or a reversed journal entry.
- **Bank Accounts:** A credit balance here indicates an overdraft or missing deposit entries.

#### 5. Director's Loan Account

- **Threshold Check:** Locate your Director's Loan Account in the liabilities section.
- **Accountant Alert:** If the Director's Loan Account shows a **Debit** balance (meaning the director owes the company), flag this to your accountant immediately. This can have significant tax implications, such as Benefit-in-Kind (BIK) or surcharges.

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### Trial Balance Final Review Checklist

Account Category	What to Verify	Checked?
Overall	Total Debits = Total Credits.	<input type="checkbox"/>
Suspense/Misc	Account balance is <b>€0.00</b> .	<input type="checkbox"/>
Stock (13000)	Matches physical stock-take value at cost.	<input type="checkbox"/>
Wages	Totals reconcile with payroll software annual reports.	<input type="checkbox"/>
Bank	Ledger balance matches your actual year-end statement.	<input type="checkbox"/>