



Profit & Loss Year-End Review

Finalising your financial year requires a thorough review of your **Profit & Loss (P&L) Report**. This ensures that every transaction is in the correct category, the timing of income and expenses is accurate, and your reported profit is "accountant-ready."

Use this checklist to identify, verify, and correct your data within SortMyBooks before your final year-end meeting.

How to Access Your Report

To begin your review, you need to pull the correct data view in SortMyBooks:

1. Navigate to the **Reports** tab on the main menu.
2. Select **Ledger Reports** and then click on **Profit & Loss**.
3. In the **Detail Box** on the left side of the screen, ensure you have selected **Include Sub-Nominals**. This allows you to see the breakdown of your accounts.
4. Select your **Date Range** (e.g., your full financial year).
5. Click **Apply** to generate the view.

1. Expense Integrity & Fixed Assets

Scan your expense categories for consistency and accuracy.

- **Monthly Consistency:** Review recurring costs like Rent, Insurance, and Utilities. Ensure you have 12 months of entries. If a month is missing or doubled, investigate the source transaction.
- **Asset Purchases:** High-value items (e.g., vehicles, specialised machinery, or high-end IT hardware) should **not** remain in your expense categories. These must be moved to the Balance Sheet as **Fixed Assets** via a Journal Entry to ensure correct depreciation. [How to enter Fixed Assets](#)
- **Reclassify Sundry:** Review significant balances in Sundry or Miscellaneous. Reclassify these to specific categories (e.g., Repairs or Travel) to provide clarity for your accountant.
- **Non-Deductibles:** Identify expenses that aren't tax-deductible, such as **Client Entertainment** or **Fines/Penalties**, and ensure they are coded to specific accounts for easy adjustment during tax filing.

2. Payroll & Wages Reconciliation

Your P&L must accurately reflect your total labour costs and statutory obligations.

- **Payroll Software Alignment:** Cross-reference your payroll totals in payroll software with your Wages & Salaries nominal codes in SortMyBooks. [The instructions on Year-End Wages Control](#).
- **Nominal Coding:** Verify that Employer PRSI and Net Wages are hitting the correct codes.



3. Accruals & Prepayments

To ensure your profit is recorded in the correct period, you must adjust for timing differences.

- **Prepayments:** If you paid an annual insurance premium in October, only the portion relating to the current year belongs in this P&L. The remaining months should be moved to the Balance Sheet as a Prepayment. Video: [How to enter Prepayments](#)
- **Accruals:** Record expenses you have incurred but haven't been invoiced for yet (e.g., December utilities arriving in January or your accountant's year-end fee). Video: [How to enter Accruals](#)

4. Income Recognition

- **Cut-off:** Ensure income is recorded when it was **earned**, not just when the cash was received. If you've finished a job but haven't invoiced, you may need to accrue that income.
- **Bad Debts:** Review your Aged Debtors. If an invoice is unlikely to be paid, write it off or provide for it to ensure your profit isn't artificially inflated.

5. Stock

- **Year-End Stock Take:** Conduct a physical count on the final day of your financial year. Update the **Closing Stock** value via a Journal Entry so your P&L reflects the true Cost of Goods Sold (COGS).

6. Director Loans

- **Director's Loan Account:** Review all transactions involving directors. Ensure personal expenses paid by the company are coded to the Loan Account on the Balance Sheet rather than P&L expenses.

7. Corporation Tax

- **Corporation Tax:** Do not post a final Corporation Tax figure until you have consulted with your accountant. However, ensure all preliminary tax payments made during the year are correctly recorded.

Note: If you identify a discrepancy, you can click directly into the figure in SortMyBooks to drill down into the individual transactions for a quick correction.



Year-End P&L Checklist

Category	Action Required	Checked?
Fixed Assets	Large purchases moved to the Balance Sheet.	<input type="checkbox"/>
Sundry/Misc	All significant balances reclassified or cleared.	<input type="checkbox"/>
Payroll	Reconciled SortMyBooks wages with payroll software reports.	<input type="checkbox"/>
Adjustments	Accruals and Prepayments were discussed with the accountant.	<input type="checkbox"/>
Stock-Take	Final inventory value journaled (Asset 13000 / COS 59000).	<input type="checkbox"/>
Director's Loans	All transactions involving directors were reviewed	<input type="checkbox"/>
Taxes	Corporation Tax provision confirmed by the accountant.	<input type="checkbox"/>