ZAZEN TAX

Year-End for Hospitality

About an hour, best started a month before the year end, because half of this list is only fixable while the year is still open. The theme throughout: hospitality's balance sheet is full of other people's money, and the year end is where that gets proven.

Company .... **Year end** .... **Accountant** ....

The accountant's job is faster and cheaper when the counts are real, the tronc reconciles and the deferred income is honest. The last section is the reliefs, because the ones below expire with the year and no amount of January regret revives them.

1. The counts   about 10 minutes

- [ ] **Full stock count on the year-end date, wet and dry**
  Valued at cost in the Stock Count Workbook. This number moves profit pound for pound, and auditors and inspectors both know it.
- [ ] **Cash counted and reconciled everywhere it lives**
  Tills, safe, petty cash, the float nobody mentions. The cash-up sheets are the year's evidence.
- [ ] **Equipment register agreed to what exists**
  Disposals out, the new combi in. Capital allowances follow this list.

2. The money that is not yours   about 10 minutes

- [ ] **Tronc reconciled: received equals allocated, all twelve months**
  The Tips Act records, complete and requestable. Undistributed tips at year end are a liability and a compliance failure at once.
- [ ] **Gift vouchers listed as deferred income**
  Sold but unredeemed vouchers are not revenue yet. Multi-purpose voucher VAT waits for redemption too.
- [ ] **Function deposits held, listed by event**
  Deposits for next year's weddings are liabilities. Retained no-show deposits carried VAT when kept.

3. Accruals and prepayments   about 10 minutes

- [ ] **Utilities and rent accrued to the year-end date**
  Hospitality's energy bills are big enough for a missing accrual to move the result visibly.
- [ ] **Supplier deliveries received but not invoiced, accrued**
  The delivery-note habit from the weekly close pays for itself here.
- [ ] **Insurance and licences prepaid, spread**
  The premises licence fee and the annual policies belong to the months they cover.

4. The reliefs that expire   about 15 minutes

- [ ] **Capital allowances claimed on the year's kit**
  The annual investment allowance covers the kitchen fit-out in full for almost every venue; integral features have their own rate. Bring purchases forward a month and the relief lands a year earlier.
- [ ] **The £150 a head annual function exemption used properly**
  All staff invited, £150 including VAT per head across the year's events. A penny over and the whole lot is taxable, not the excess.
- [ ] **Trivial benefits under £50 logged**
  The birthday bottle counts if the rules were kept: not cash, not a reward for work, under £50.

- [ ] **Bad debts and unusable stock written off in-year**
  The function that never paid and the cellar's mistake both reduce profit only if dealt with before the year closes.

5. The file for the accountant about 15 minutes

- [ ] **The year of weekly closes, in one folder**
  Fifty-two GP weeks, cash-ups and rota variances: the management story that makes the accounts quick.
- [ ] **PAYE, pension and tronc PAYE reconciled to the ledger**
  Three schemes, one payroll ledger, no orphan balances.
- [ ] **VAT returns tied to the till's channel split**
  The eat-in and takeaway coding proven, quarter by quarter.
- [ ] **The questions list, written while you remember**
  The odd month, the insurance claim, the March GP dip: answered in a sentence now, an email chain in November.

Zazen Tax

Accountants for hospitality. zazentax.com/contact

General information, not advice for your circumstances. Rates and thresholds are 2026/27 for the UK and change from time to time. Licensing items are England and Wales.