ZAZEN TAX

Month-End Close

About fifty minutes to read and adapt, five working days to run. A close that takes two weeks produces numbers nobody can act on, because the month they describe is cold.

Month .... **Close owner** .... **Day five date** ....

The discipline is one day, one layer: cash, then revenue, then costs, then the balance sheet, then the pack. Each day's work assumes the previous day is closed and does not reopen it.

1. Day one: bank and cash — about 10 minutes

- [ ] **Every bank account reconciled to the ledger**
  Including the accounts nobody looks at. Unreconciled cash is where fraud and error both live.
- [ ] **The facility, interest and charges posted**
  Drawn balance agreed to the lender's statement.
- [ ] **Cards and expenses captured, receipts chased today**
  A receipt chased on day one arrives; chased on day twelve it never does.

2. Day two: revenue and debtors — about 10 minutes

- [ ] **Every invoice for the month raised**
  Unbilled work is not revenue awareness, it is a collection delay you chose.
- [ ] **Revenue recognised per the written policy**
  Deferred and accrued income moved. The policy does the deciding, not the month's mood.
- [ ] **Debtor ledger reconciled to the control account**
  Aged, and the chase list updated while the month is warm.

3. Day three: costs and payroll — about 10 minutes

- [ ] **Supplier ledger reconciled, accruals posted**
  Everything received but not invoiced, accrued. The profit number is only real if the costs are.
- [ ] **Prepayments released on schedule**
  The insurance and the software annuals, spread, not lumped.
- [ ] **Payroll journal posted and reconciled to the payroll reports**
  PAYE and pension control accounts clearing to zero on payment. A control account that never clears is a finding waiting for an auditor.

4. Day four: the balance sheet — about 10 minutes

- [ ] **Every balance sheet account reconciled to something outside the ledger**
  A statement, a schedule, a contract. An account reconciled to nothing is where the surprises live.
- [ ] **VAT control reconciles to the return**
  The return, the ledger and the payment all telling one story.
- [ ] **Fixed assets and depreciation posted**
  Additions capitalised on the stated policy, disposals removed.

5. Day five: the pack — about 10 minutes

- [ ] **P&L against budget, with the variance bridge**
  Volume, price, delivery, fixed: which movements explain the gap, each with an owner.

- [ ] **KPI dashboard and cash position refreshed**
  The 13 week cash flow re-anchored on the real closing balance.
- [ ] **Commentary written today, close list reviewed**
  What happened, why, what we are doing. Then ten minutes on the close itself: what was late and what gets fixed in the process, not in next month's heroics.

> **THE CLOSE IS A PROCESS, NOT AN EVENT**
> Day five is only possible because of what happens during the month: invoices raised weekly, receipts chased at once, ledgers kept reconciled. A five day close is a symptom of a healthy month, and a two week close is a symptom too.

Zazen Tax

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