

Business One in Action - The values of my profit and loss accounts in the Profit and Loss Statement are zero; why?



Applies to:

SAP Business One, [Accounting](#), [Reporting](#)

Summary:

This article shows a scenario wherein the Profit and Loss Statement G/L Accounts have zero balances.

Author: Lorna Real, Senior Support Consultant, GSC, SAP Business One

Company: SAP

Created on: December 2009

Author Bio:

Lorna Real joined SAP in 2007 and is currently active as Senior Support Consultant for SAP Business One. She has worked as both technical and business consultant. She authored this article as a direct response to a partner enquiry during the Expert-on-Phone project, where she consulted on mainly Logistics and Finance related topics.

Table of Contents

The values of my profit & loss accounts in the Profit and Loss Statement are zero; why?	3
Related Contents	7
Copyright	8

The values of my profit & loss accounts in the Profit and Loss Statement are zero; why?

Solution:

Verify if the G/L Accounts were closed by manually creating a Journal Entry to make the balances zero during closing process. The manual Journal Entry (Type = JE) is taken into consideration by the system when calculating the final balance of the account for display in the report.

Recommendation:

When closing the accounts, the use of the 'Period End Closing' is recommended. This function creates a 'BC' type of transaction which the system automatically excludes when calculating the account balances in the Profit and Loss Statement.

Let us consider this scenario. The following G/L Accounts are from the Cost of Sales category totaling GBP 10,000. These accounts are closed using the Period-End Closing function.

The screenshot shows the 'Period-End Closing' dialog box in SAP. The 'For Closing Period' is set to 45, and the period is 2008-12. A table lists the following G/L accounts and their balances:

Appro...	Account Code	Account Name	Curr...	Balance (LC)	Balance (FC)	Balance (SC)
<input checked="" type="checkbox"/>	510000	Salaries & Wages	GBP	1,000.00	0.00	1,000.00
<input checked="" type="checkbox"/>	510010	Salaries & Wages	GBP	2,000.00	0.00	2,000.00
<input checked="" type="checkbox"/>	510020	Casual Wages	GBP	3,000.00	0.00	3,000.00
<input checked="" type="checkbox"/>	510050	Recruitment Expe	GBP	4,000.00	0.00	4,000.00
				10,000.00		10,000.00

The 'Execute' button is highlighted with a red box. Other buttons include 'Cancel', 'Create Auto. Remarks', and 'Save'.

In the above example, G/L Account 510000 has a balance of GBP 1,000 before the Period End Closing.

The account is closed by a 'BC' type entry, reducing its balance to GBP 0 shown as follows:

#	Posting Date	Trans. No.	Origin	Origin No.	Offset Account	Details	C/D (LC)	Cumulative Balanc...
1			OB					GBP 0.00
2	01.12.08	1136	JE	1136	161010		GBP 1,000.00	GBP 1,000.00
3	31.12.08	1137	BC	1137	340100	For Closing Period 45	GBP (1,000.00)	GBP 0.00

When running the Profit and Loss Statement with posting date from 01.12.08 to 31.12.08, values are still displayed for the Cost of Sales category, amounting to GBP 10,000. This is because the 'BC' type transactions are omitted.

Date Posting Date From 01.12.08 To 31.12.08

Display in Report:
 Accounts with Balance of Zero
 Foreign Name
 External Code
 Annual Report
 Quarterly Report
 Monthly Report
 Periodic Report

Template Chart of Accounts

Display in First Column
 Local Currency
 System Currency

Display in Second Column
 System Currency
 Foreign Currency
 Balance for Comparison

Add Journal Vouchers
 Ignore Adjustments
 Revaluation
 Expanded

OK Cancel

Profit and Loss Statement

Date From: 01.12.08 Date to: 01.12.08 Display Subtotals Level: 1

Account Name	Period	System Currency
Turnover		
Cost of sales	GBP (10,000.00)	GBP (10,000.00)
Gross Profit	GBP (10,000.00)	GBP (10,000.00)
Operating costs		
Operating Profit	GBP (10,000.00)	GBP (10,000.00)
Non-operating income and expenditure		
Profit After Financing Expenses	GBP (10,000.00)	GBP (10,000.00)
Taxation and Extraordinary Items		
Profit Period	GBP (10,000.00)	GBP (10,000.00)

OK

In the screenshot below, the G/L Account 510000 still shows a value of GBP 1,000.

Profit and Loss Statement

Date From: 01.12.08 Date to: 31.12.08 Display Subtotals Level: 5

Account Name	Period	System Currency
Cost of sales		
500002 - Materials Expense		
Total 500002 - Materials Expense		
506000 - Labour Expense		
510000 - Salaries & Wages - basic	GBP (1,000.00)	GBP (1,000.00)
510010 - Salaries & Wages - overtime	GBP (2,000.00)	GBP (2,000.00)
510020 - Casual Wages	GBP (3,000.00)	GBP (3,000.00)
510050 - Recruitment Expenses	GBP (4,000.00)	GBP (4,000.00)
Total 506000 - Labour Expense	GBP (10,000.00)	GBP (10,000.00)

OK

For other financial reports such as Trial Balance or Balance Sheet, an option is available to add the closing transactions in the calculation of balances.

The screenshot shows the 'Trial Balance - Selection Criteria' dialog box. The 'Add Closing Balances' checkbox is highlighted with a red box. The dialog includes various selection criteria and options for displaying the report.

Trial Balance - Selection Criteria

BP G/L Accounts 1

From: [] To: []

Customer Group: All

Supplier Group: All

Properties: Ignore

#	x	Account
1		Assets
130		Liabilities
186		Capital and Reserves
200		Turnover
222		Cost of sales
274		Operating costs
373		Non-operating income and expenditure
388		Taxation and Extraordinary Items

Date: Posting Date From: 01.01.09 To: 31.12.09

Display in Report:

- Hide Zero Balanced Acct
- Hide Acct with No Postings
- Foreign Names
- External Code
- Opening Balance for Period
- Foreign Currency
- System Currency
- Local and System Currency

Template: Chart of Accounts

- Show Details per Control Account
- Annual Report
- Quarterly Report
- Monthly Report
- Periodic Report

Add Journal Vouchers

Ignore Adjustments

Add Closing Balances

Revaluation

Related Contents

- [SAP Business One in Action Catalog Page](#)
- For more information, visit the [Business One homepage](#).

Copyright

© Copyright 2009 SAP AG. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP AG. The information contained herein may be changed without prior notice.

Some software products marketed by SAP AG and its distributors contain proprietary software components of other software vendors.

Microsoft, Windows, Excel, Outlook, and PowerPoint are registered trademarks of Microsoft Corporation.

IBM, DB2, DB2 Universal Database, System i, System i5, System p, System p5, System x, System z, System z10, System z9, z10, z9, iSeries, pSeries, xSeries, zSeries, eServer, z/VM, z/OS, i5/OS, S/390, OS/390, OS/400, AS/400, S/390 Parallel Enterprise Server, PowerVM, Power Architecture, POWER6+, POWER6, POWER5+, POWER5, POWER, OpenPower, PowerPC, BatchPipes, BladeCenter, System Storage, GPFS, HACMP, RETAIN, DB2 Connect, RACF, Redbooks, OS/2, Parallel Sysplex, MVS/ESA, AIX, Intelligent Miner, WebSphere, Netfinity, Tivoli and Informix are trademarks or registered trademarks of IBM Corporation.

Linux is the registered trademark of Linus Torvalds in the U.S. and other countries.

Adobe, the Adobe logo, Acrobat, PostScript, and Reader are either trademarks or registered trademarks of Adobe Systems Incorporated in the United States and/or other countries.

Oracle is a registered trademark of Oracle Corporation.

UNIX, X/Open, OSF/1, and Motif are registered trademarks of the Open Group.

Citrix, ICA, Program Neighborhood, MetaFrame, WinFrame, VideoFrame, and MultiWin are trademarks or registered trademarks of Citrix Systems, Inc.

HTML, XML, XHTML and W3C are trademarks or registered trademarks of W3C®, World Wide Web Consortium, Massachusetts Institute of Technology.

Java is a registered trademark of Sun Microsystems, Inc.

JavaScript is a registered trademark of Sun Microsystems, Inc., used under license for technology invented and implemented by Netscape.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects S.A. in the United States and in other countries. Business Objects is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.