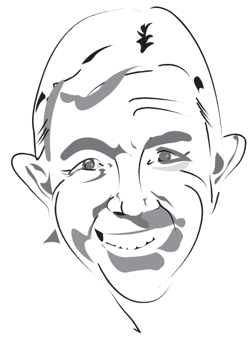
When's your year end?



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Balance sheets and financial matters are not always our strong points, in the same way that accountants cut lousy crown-preps. On the other hand, why are apparently humble columns of figures such a mystery to otherwise reasonably intelligent people?

What seems so extraordinary about money is that it isn't real. Well, it is of course real in the sense that you can see it, hold it, smell it (sometimes) and definitely hear it as it jangles into the practice till. 'Hear' in the metaphorical sense of course, since the swishing sound of swiped plastic and clatter of keyed-in expiry-dates can be just as satisfying. Yet even in that accepted transition from cash to card the reality has actually evaporated. Where is the £27.63 really? It isn't in the patient's pocket, they can't show it to you or hand it over, you can't see it and bite in the reassuring way that a wild-west cattle hustler could in order to check the veracity of the deal for 40,000 head of munching Friesians.

The mystical £27.63 exists because we all believe it exists, just like a covert fib we all perpetrate so as to stay 'in the know'. It's a sort of survival conspiracy because if at any point we all started asking for cash or gold or gems instead of pounds and pence and euros and cents, we'd all be doomed. It's the fiscal equivalent of the King's new clothes and we dare not be childlike enough to ask the obvious question. And the obvious question is one that we would love to ask when we visit 'our accountant'. Rather like the slightly homely and endearing possessive term used in north country soap-operas ('our Michael's late again tonight': 'that'll be our Sarah now'...) 'our accountant' is a spirit guide through the mysteries that are 'the' accounts, no such cosy familiarity here you notice, suddenly back to the cold reality of the definite article.

The fact of the matter is that even our collusion in the pretence of 'real money' takes a back seat in the roller-coaster ride that forms the unreal annual reckoning of our worth. Let's suppose that you've had 'a good year'. You confidently send off to 'your accountant' all the relevant papers, statements, invoices, receipts, pay slips and so forth that you can find lying around in the practice, the office at home, the glove compartment of the car and the McVitie's 1953 replica Festival of Britain biscuit tin under the bed. Immediate further infusions of proof of purchase or duplicate dockets are requested then a veil of silence falls for several weeks until the draft accounts are ready for your inspection.

Whether viewed in the security of the practice or the plush and slightly unnervingly quiet industry of the accountant's office suite, they have the ability to intimidate even as they rest apparently benignly on the table in front of you. "So, not a bad year then?" you venture, smiling at the financial one poised with pencil and eraser across from you. "Well," a sharp intake of pecuniary breath rapidly passes the veneers you so skilfully placed in the 2000/2001 Financial Year, "that depends how you look at it."

Now, from where you've looked at it, it seemed fairly OK. At the said 'year-end' you had a number of pounds with several zeros behind them on the black side of the account, a dental team fully paid and pensions-provided for, and National Insurance contributions as large as a politician's money belt. Yes, it seemed, fairly OK. The set of draft folios is turned around and the rubber skilfully flicks the pages like a flat pebble skimming a deceptively tranquil pond.

No. The problem is that the depreciation value of the leftover continuancy payment from the previous balance sheet's equity ratio has tipped out of favour with the annuity rebound in the liquidity balance. And that's just for starters. With the current economic climate pointing towards an ascending reposition in interest rates, the chances of relocating the debt quotient (debt quotient – but there's money in the bank!) is, well, slim. You slump back in your seat a shadow of your former, optimistic self. "So what you're saying is..." Actually, of course, you have no idea what he or she is saying other than that things, which to you looked great, to them are runes of impending doom.

Now, the only happiness to glean from this apparent morass of depressive material is that when it happens the other way around there can be wonderful surprises. As far as anyone can judge, the previous twelvemonth has been an unmitigated financial disaster. Overdrawn, investments on the floor, credit at an all time low it seems as if retreat to a lowly crofter's cottage and diet of cabbage gruel is the best that you can possibly hope to salvage. Nope. By shifting the on-going deficit combination relief into the next year and marking-off the loss into a capital trading debtors account you can attract a tariff rebate based on the turnover shortfall allowance. Net result, a decent profit and a bonus payable into a guaranteed-return, tax-free ISA with no penalty for early withdrawal.

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Accept it. It's a mystery but, somehow, whatever the bottom line says, asterisked and starred and hung around with sub-clauses, riders and provisions as it is, life still goes on. Just keep in mind that the £27.63 is as real as we all want it to be. And we do all want it to be, especially 'our' accountant. So, tell me, when's your year-end?

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