



Suggested layouts for financial statements in National 5 and Higher Accounting courses

The following suggested layouts may be used when presenting financial statements in the Accounting courses for National 5 and Higher.

Please note that SQA will also accept other suitable layouts which conform to the general principles of *FRS 102 — The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

| Sole Trader | | |
|---|--------|---------------|
| Income Statement for the year ended 31 December Year 2 | | |
| | £ | £ |
| Sales Revenue | | 160,000 |
| Less Sales Returns | | 10,000 |
| Net Sales | | 150,000 |
| <u>Cost of Sales</u> | | |
| Opening Inventory | | 12,000 |
| Add Purchases | 68,000 | |
| Less Purchases Returns | 2,000 | |
| | | 78,000 |
| Add Carriage Inwards | | 3,000 |
| | | 81,000 |
| Less Closing Inventory | | 15,000 |
| Gross Profit | | 66,000 |
| <u>Less Expenses</u> | | |
| Rent and Rates | | 1,400 |
| Heat and Light | | 1,600 |
| Wages and Salaries | | 8,800 |
| Discount Allowed | | 3,000 |
| Loan Finance Cost | | 1,200 |
| Van Expenses | | 900 |
| Van Depreciation | | 2,000 |
| | | 18,900 |
| | | 65,100 |
| <u>Add Other Income</u> | | |
| Rent Received | | 1000 |
| Decrease in Bad Debt Provision | | 2,000 |
| Profit for the Year | | 67,100 |

| Sole Trader | | | |
|---|-------------|---------------------|------------|
| Statement of Financial Position as at 31 December Year 2 | | | |
| | £ | £ | £ |
| <u>Non-Current Assets</u> | Cost | Depreciation | NBV |
| Property | 55,000 | 5,000 | 50,000 |
| Van | 12,000 | 2,000 | 10,000 |
| | | | 60,000 |
| <u>Current Assets</u> | | | |
| Closing Inventory | | 15,000 | |
| Trade Receivables — BDP | | 32,000 | |
| Electricity Receivable | | 4,000 | |
| Bank | | 6,500 | |
| Cash | | 500 | |
| | | 58,000 | |
| <u>Current Liabilities</u> | | | |
| Trade Payables | 6,000 | | |
| Wages Payable | 5,600 | 11,600 | |
| Working Equity | | | 46,400 |
| Net Assets Employed | | | 106,400 |
| <u>Less: Non-Current Liabilities</u> | | | |
| Bank Loan | | | 8,300 |
| Net Assets | | | 98,100 |
| <u>Equity</u> | | | |
| Opening Balance | | | 36,000 |
| Add Profit for Year | | | 67,100 |
| | | | 103,100 |
| Less Drawings | | | 5,000 |
| Closing Balance | | | 98,100 |

| Blogg & Blagg — Partnership | | | |
|---|--------------|---------------|----------------------|
| Income Statement and Appropriation Account for the year ended 31 December Year 2 | | | |
| | £ | £ | £ |
| Sales Revenue | | | 160,000 |
| Less Sales Returns | | | <u>10,000</u> |
| Net Sales | | | 150,000 |
| Cost of Sales | | | |
| Opening Inventory | | 12,000 | |
| Add Purchases | 68,000 | | |
| Less Purchases Returns | <u>2,000</u> | <u>66,000</u> | |
| | | 78,000 | |
| Add Carriage Inwards | | <u>3,000</u> | |
| | | 81,000 | |
| Less Closing Inventory | | <u>15,000</u> | 66,000 |
| Gross Profit | | | 84,000 |
| <u>Less Expenses</u> | | | |
| Rent and Rates | | 1,400 | |
| Heat and Light | | 1,600 | |
| Wages and Salaries | | 8,800 | |
| Discount Allowed | | 3,000 | |
| Loan Finance Cost | | 1,200 | |
| Van Expenses | | 900 | |
| Van Depreciation | | <u>2,000</u> | 18,000 |
| | | | 65,100 |
| <u>Add Other Income</u> | | | |
| Rent Received | | 1,000 | |
| Discount Received | | <u>1,000</u> | 2,000 |
| Profit for the Year | | | 67,100 |
| Interest on Drawings | | | |
| Blogg | | 500 | |
| Blagg | | <u>600</u> | 1,100 |
| | | | 68,200 |
| Salary _____ | | | |
| Blogg | | | <u>12,200</u> |
| | | | 56,000 |
| Interest on Equity | | | |
| Blogg | | 5,000 | |
| Blagg | | <u>4,000</u> | 9,000 |
| | | | <u>47,000</u> |
| Profit Share | | | |
| Blogg | | 28,200 | |
| Blagg | | <u>18,800</u> | <u>47,000</u> |

Blogg & Blagg — Partnership

Statement of financial position as at 31 December Year 2

| | £ | £ | £ |
|---|---------------|---------------------|---------------|
| | Cost | Depreciation | NBV |
| <u>Non-Current Assets</u> | | | |
| Property | 55,000 | 5,000 | 50,000 |
| Van | <u>12,000</u> | 2,000 | 10,000 |
| | | | <u>60,000</u> |
| <u>Current Assets</u> | | | |
| Closing Inventory | | 15,000 | |
| Trade Receivables | | 32,000 | |
| Electricity Receivable | | 4,000 | |
| Cash and Cash Equivalents | | <u>7,000</u> | |
| | | 58,000 | |
| <u>Current Liabilities</u> | | | |
| Trade Payables | 6,000 | | |
| Wages Payable | <u>5,600</u> | <u>11,600</u> | |
| Working Equity | | | <u>46,400</u> |
| Net Assets Employed | | | 106,400 |
| <u>Less: Non-Current Liabilities</u> | | | |
| Bank Loan | | | <u>8,300</u> |
| Net Assets | | | <u>98,100</u> |
| <u>Equity</u> | | | |
| <u>Equity Accounts</u> | | | |
| Blogg | | 22,000 | |
| Blagg | | <u>20,000</u> | 42,000 |
| <u>Current Accounts</u> | | | |
| Blogg | | 26,000 | |
| Blagg | | <u>30,100</u> | 56,100 |
| | | | <u>98,100</u> |

Manufacturing Account for the year ended 31 December Year 2

| | £000s | £000s |
|--|-------|------------|
| <u>Raw Materials Cost</u> | | |
| Opening Inventory — Raw Materials | | 20 |
| Add Purchases | | 240 |
| | | 260 |
| Less Closing Inventory — Raw Materials | | 15 |
| COST OF RAW MATERIALS CONSUMED | | 245 |
| <u>Add Direct Costs</u> | | |
| Wages | | 150 |
| PRIME COST OF MANUFACTURE | | 395 |
| <u>Add Factory Overheads</u> | | |
| Depreciation of Factory Machinery | 5 | |
| General Expenses | 42 | |
| Factory Rent and Rates | 25 | |
| Wages | 10 | 82 |
| | | 477 |
| Add Inventory: Work in Progress at start | | 14 |
| | | 491 |
| Less Inventory: Work in Progress at end | | 20 |
| FACTORY COST OF PRODUCTION | | 471 |
| Add Profit on Manufacture | | 5 |
| WHOLESALE VALUE OF FINISHED GOODS | | 476 |

| PLC | | |
|--|------------|--------------|
| Income Statement for the year ended 31 December Year 2 | | |
| | £000s | £000s |
| Sales Revenue | | 1,100 |
| Less Sales Returns | | 50 |
| Net Sales Revenue | | <u>1,050</u> |
| Less Cost of Sales | | |
| Opening inventory finished goods | 30 | |
| Add Wholesale value of finished goods | 476 | |
| | <u>506</u> | |
| Add Purchases of finished goods | 350 | |
| | <u>856</u> | |
| Less Closing inventory finished goods | 55 | |
| COST OF SALES | | <u>801</u> |
| Gross Profit | | 249 |
| Add Profit on Manufacture | | 5 |
| | | <u>254</u> |
| Less Expenses | | |
| Office Expenses | 28 | |
| Selling Expenses | 47 | |
| Bad Debts | 3 | |
| Loan Finance Cost | 2 | |
| Debenture Finance Cost | 4 | |
| Provision for Depreciation Equipment | 5 | 89 |
| | | <u>165</u> |
| Add Other Income | | |
| Dividends due on Investments | 5 | |
| Decrease in Provision for Bad Debts | 2 | 7 |
| | | <u>172</u> |
| PROFIT FOR THE YEAR BEFORE TAX | | 172 |
| LESS Corporation Tax (25%) | | 43 |
| PROFIT FOR THE YEAR AFTER TAX | | <u>129</u> |
| ADD Unappropriated Profit | | 65 |
| | | <u>194</u> |
| less | | |
| Preference Dividend | 10 | |
| Ordinary Dividend | 3 | |
| Goodwill written down | 20 | 33 |
| | | <u>161</u> |
| UNAPPROPRIATED PROFIT | | 161 |

| PLC | | | |
|--|-------------|---------------------|------------|
| Statement of Financial Position as at year ended 31 December Year 2 | | | |
| | £000s | £000s | £000s |
| <u>Non-Current Assets</u> | Cost | Depreciation | NBV |
| Property | 396 | -60 | 456 |
| Equipment | 25 | 2 | 23 |
| Intangible Assets: | | | |
| Goodwill | | | 50 |
| Preliminary Expenses | | | 10 |
| | | | 539 |
| <u>Current Assets</u> | | | |
| Closing Inventory | | 55 | |
| Trade Receivables | | 35 | |
| Electricity Receivable | | 4 | |
| | | 94 | |
| <u>Current Liabilities</u> | | | |
| Trade Payables | 6 | | |
| Cash and Cash Equivalents | 4 | | |
| Wages Payable | 8 | 18 | |
| Working Equity | | | 76 |
| Net Assets Employed | | | 615 |
| <u>Non-Current Liabilities</u> | | | |
| 4% Debentures | | 100 | |
| Bank Loan | | 20 | 120 |
| Net Assets | | | 495 |
| EQUITY | | | |
| 100,000 £1 Ordinary Shares | | 100 | |
| 200,000 £1 5% Preference Shares | | 200 | 300 |
| <u>Reserves</u> | | | |
| Revaluation Reserve | | 34 | |
| Unappropriated Profit | | 161 | 195 |
| | | | 495 |

Process Costing

| Process 1 Account | | | | | | | | | |
|-----------------------|----------|-----|-------|----------|-----|-------|----------|-----|-------|
| | Dr | | | Cr | | | Balance | | |
| | Qty (kg) | CPU | £ | Qty (kg) | CPU | £ | Qty (kg) | CPU | £ |
| Dry Ingredients | 500 | 7 | 3,500 | | | | 500 | | 3,500 |
| Wet Ingredients | 250 | 10 | 2,500 | | | | 750 | | 6,000 |
| Direct Labour | | | 300 | | | | | | 6,300 |
| Variable Overheads | | | 500 | | | | | | 6,800 |
| Fixed Overheads | | | 630 | | | | | | 7,430 |
| Normal Loss | | | | 45 | 4 | 180 | 705 | | 7,250 |
| Work in Progress | | | | 100 | | 1,200 | 605 | 10 | 6,050 |
| Transfer to Process 2 | | | | 570 | 10 | 5,700 | 35 | 10 | 350 |
| Abnormal Loss | | | | 35 | 10 | 350 | 0 | 0 | 0 |

| Process 2 Account | | | | | | | | | |
|-------------------------|----------|-----|-------|----------|-----|--------|----------|-----|--------|
| | Dr | | | Cr | | | Balance | | |
| | Qty (kg) | CPU | £ | Qty (kg) | CPU | £ | Qty (kg) | CPU | £ |
| Transfer from Process 1 | 570 | 10 | 5,700 | | | | 570 | | 5,700 |
| Additional Materials | 130 | 10 | 1,300 | | | | 700 | | 7,000 |
| Direct Labour | | | 1,500 | | | | 700 | | 8,500 |
| Fixed Overhead | | | 3,800 | | | | 700 | | 12,300 |
| Variable Overhead | | | 300 | | | | 700 | | 12,600 |
| Normal Loss | | | | 70 | 0 | 0 | 630 | 20 | 12,600 |
| Transfer to Process 3 | | | | 630 | 20 | 12,600 | 0 | | 0 |

| Abnormal Loss Account | | | | | | | | | |
|--------------------------|----------|-----|-----|----------|-----|-----|----------|-----|-----|
| | Dr | | | Cr | | | Balance | | |
| | Qty (kg) | CPU | £ | Qty (kg) | CPU | £ | Qty (kg) | CPU | £ |
| From Process 1 | 35 | 10 | 350 | | | | 35 | 10 | 350 |
| Cash and Cash Equivalent | | | | 35 | 4 | 140 | | | 210 |
| Income Statement | | | | | | 210 | | | 0 |