



Suggested layouts for financial statements in Accounting Courses — National 5 and Higher

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	66,000
		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	<u>10,000</u>
			60,000
<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>	<u>56,100</u>
			<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	
		<u>89</u>
		165
Add Other Income		
Dividends due on Investments	5	
Decrease in Provision for Bad Debts	2	
		<u>7</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	
		<u>33</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