



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	66,000	
			78,000
Add Carriage Inwards			3,000
			81,000
Less Closing Inventory		15,000	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		2,000	18,900
			65,100
 <u>Add Other Income</u>			
Rent Received		1000	
Decrease in Bad Debt Provision		1000	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	
			46,400
Working Equity			106,400
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			10,000
Net Sales			150,000
Cost of Sales			
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	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		2,000	18,900
			65,100
<u>Add Other Income</u>			
Rent Received		1,000	
Discount Received		1,000	2,000
Profit for the Year			67,100
Interest on Drawings			
Blogg		500	
Blagg		600	1,100
			68,200
Salary			
Blogg			12,200
			56,000
Interest on Equity			
Blogg		5,000	
Blagg		4,000	9,000
			<u>47,000</u>
Profit Share			
Blogg		28,200	
			18,000

Blogg & Blagg — Partnership			
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	<u>12,000</u>	<u>2,000</u>	<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>
EQUITY			
Equity Accounts			
Blogg		22,000	
Blagg		<u>20,000</u>	42,000
Current Accounts			
Blogg		26,000	
Blagg		<u>30,100</u>	<u>56,100</u>
			98,100

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	<u>476</u>	
	506	
Add Purchases of finished goods	<u>350</u>	
	856	
Less Closing inventory finished goods	<u>55</u>	
COST OF SALES		<u>801</u>
Gross Profit		249
Add Profit on Manufacture		<u>5</u>
		254
Less Expenses		
Office Expenses	28	
Selling Expenses	47	
Bad Debts	3	
Loan Finance Cost	2	
Debenture Finance Cost	4	
Provision for Depreciation Equipment	<u>5</u>	89
		165
Add Other Income		
Dividends due on Investments	5	
Decrease in Provision for Bad Debts	<u>2</u>	7
		172
PROFIT FOR THE YEAR BEFORE TAX		172
LESS Corporation Tax (25%)		<u>43</u>
PROFIT FOR THE YEAR AFTER TAX		129
ADD Unappropriated Profit		<u>65</u>
		194
Less		
Preference Dividend	10	
Ordinary Dividend	3	
Goodwill written down	<u>20</u>	33
UNAPPROPRIATED PROFIT		<u>161</u>

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	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	0	0