



# **Suggested layouts for financial statements in Accounting Courses — Advanced Higher**

The following suggested layouts may be used when presenting financial statements in the Advanced Higher Accounting Course.

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.

1. Income statement
2. Statement of retained earnings
3. Statement of financial position
4. Statement of cash flows
5. Group statement of financial position

## Income statement of ABC plc for year ending 31 December 20–1.

	<b>20-1</b>
Revenue	390,000
Cost of sales	(245,000)
Gross profit	145,000
Distribution costs	(9,000)
Administrative expenses	(20,000)
<b>Profit from operations</b>	<b>116,000</b>
Other income	20,667
Other expenses	(2,100)
<b>Profit before finance costs</b>	<b>134,567</b>
Finance costs	(8,000)
Profit before tax	126,567
Tax	(40,417)
<b>Profit for the year</b>	<b>121,250</b>

## Statement of retained earnings

	<b>£000</b>
Opening retained earnings	5,000
Profit for year	<u>4,000</u>
	9,000
Dividends paid	<u>2,000</u>
Closing retained earnings	<u>7,000</u>

## Statement of financial position as at 31 December 20-1

	£000	£000	£000
<b>Non-current assets</b>			30
Intangible assets			640
Tangible assets			<u>400</u>
Investments			1,070
<b>Current assets</b>			
Inventories		85	
Trade receivables		25	
Cash and cash equivalents		105	
Other receivables		<u>4</u>	<u>219</u>
<b>TOTAL ASSETS</b>			<b>1,289</b>
<b>Current liabilities</b>			
Trade payables	70		
Other payables	20		
Bank overdraft	16		
Taxation payable	<u>7</u>		
		113	
<b>Non-current liabilities</b>			
X% Debentures		<u>140</u>	
<b>TOTAL LIABILITIES</b>			<b>253</b>
<b>NET ASSETS</b>			<b>1,036</b>
<b>Equity</b>			
Equity share capital		800	
Retained earnings		40	
Share premium account		100	
Revaluation reserve account		<u>96</u>	
<b>TOTAL EQUITY</b>			<b>1,036</b>

## Statement of cash flows

Statements of cash flows	20-x	20-x
	£m	£m
<b>Cash flows from operating activities</b>		
Operating profit	xx	
Adjustments for:		
Depreciation	xx	
(Gain)/loss on disposal of property, plant and equipment	<u>xx</u>	
<b>Operating cash flows before working capital changes</b>	<b>xx</b>	
(Increase)/decrease in inventory	xx	
(Increase)/decrease in trade receivables	xx	
Increase/(decrease) in trade payables	<u>xx</u>	
<b>Cash generated from operations</b>	<b>xx</b>	
Taxation paid	(xx)	
Interest paid	(xx)	
<b>Net cash from operating activities</b>		<b>xx</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of equipment	xx	
Purchase of plant, property and equipment	(xx)	
Dividends received	xx	
Interest received	xx	
<b>Net cash used in investing activities</b>		<b>(xx)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank loan	(xx)	
Proceeds from issue of equity share capital	xx	
Dividend paid	(xx)	
<b>Net cash used in financing activities</b>		<b>(xx)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(xx)</b>
Cash and cash equivalents at 1 January 20-x <i>(cash at start less bank overdraft at start of year)</i>		<u>xx</u>
Cash and cash equivalents at 31 December 20-x <i>(cash at start less bank overdraft at end of year)</i>		xx

## ABC Group statement of financial position as at 31 December 20-1

	£000	£000	£000
<b>Non-current assets</b>			
Intangible assets — goodwill			30
Tangible assets			1,040
Investments			<u>0</u>
			1,070
<b>Current assets</b>			
Inventories		85	
Trade receivables		25	
Cash and cash equivalents		105	
Other receivables		<u>4</u>	<u>219</u>
<b>TOTAL ASSETS</b>			<b>1,289</b>
<b>Current liabilities</b>			
Trade payables	70		
Other payables	20		
Bank overdraft	16		
Taxation payable	<u>7</u>		
		113	
<b>Non-current liabilities</b>			
X% Debentures		<u>140</u>	
<b>TOTAL LIABILITIES</b>			<b>253</b>
<b>NET ASSETS</b>			<b>1,036</b>
<b>Equity</b>			
Equity share capital		800	
Retained earnings		140	
Non-controlling interest		<u>96</u>	
<b>TOTAL EQUITY</b>			<b>1,036</b>