Suggested layouts for financial statements in the Advanced Higher Accounting course

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

1 Income Statement

2 Statement of Retained Earnings

3 Statement of Financial Position

4 Statement of Cash Flows

5 Group Statement of Financial Position

Note: SQA will also accept other suitable layouts that conform to the general principles of the Financial Reporting Standards applicable in the UK and Republic of Ireland.

September 2025, version 1.3

Income Statement of ABC plc for the year ended 31 December Year 2

	Year 2
	£000
Revenue	390,000
Cost of Sales	(245,000)
Gross Profit	145,000
Distribution Costs	(9,000)
Administrative Expenses	(20,000)
Profit from operations	**116,000**
Other Income	20,667
Other Expenses	(2,100)
Profit before Finance Costs	**134,567**
Finance Costs	(8,000)
Profit before tax	126,567
Tax	(25,313)
Profit for the Year	**101,254**

Statement of Retained Earnings

	£000
Opening Retained Earnings	5,000
Profit for the Year	4,000
	9,000
Dividends paid	(2,000)
Closing Retained Earnings	7,000

Statement of Financial Position as at 31 December Year 2

	£000	£000	£000
Non-current Assets			30
Intangible Assets			640
Tangible Assets			400
Investments			1,070
Current Assets			
Inventories		85	
Trade Receivables		25	
Cash and Cash Equivalents		89	
Other Receivables		4	203
TOTAL ASSETS			**1,273**
Current Liabilities			
Trade Payables	70		
Other Payables	20		
Taxation Payable	7		
		97	
Non-current Liabilities			
X% Debentures		140	
TOTAL LIABILITIES			**237**
NET ASSETS			**1,036**
Equity			
Equity Share Capital		800	
Retained Earnings		40	
Share Premium Account		100	
Revaluation Reserve Account		96	
TOTAL EQUITY			**1,036**

Statement of Cash Flows Year 2

	£m	£m
<u>**CASH FLOWS FROM OPERATING ACTIVITIES**</u>		
Operating profit	460	
Adjustments for:		
Depreciation	200	
Gain/loss on disposal of property, plant and equipment	-20	
Operating cash flow before working equity changes	**640**	
Increase/decrease in Inventory	12	
Increase/decrease in Trade Receivables	-7	
Increase/decrease in Trade Payables	-9	
Cash generated from operations	**636**	
Taxation Paid	-98	
Interest Paid	-18	
Net cash from operating activities		**520**
<u>**CASH FLOWS FROM INVESTING ACTIVITIES**</u>		
Proceeds from sale of equipment	195	
Purchase of plant, property and equipment	-1,180	
Dividends Received	25	
Interest Received	30	
Net cash used in investing activities		**-930**
<u>**CASH FLOWS FROM FINANCING ACTIVITIES**</u>		
Repayment of Bank Loan	-10	
Proceeds from Issue of Equity Share Capital	210	
Dividend Paid	-45	
Net cash used in financing activities		**155**
Net increase/decrease in cash and cash equivalents		**-255**
Cash and Cash Equivalents at 1 January Year 2 *(cash at start less bank overdraft at start of year)*		462
Cash and Cash Equivalents at 31 December Year 2 *(cash at start less bank overdraft at end of year)*		207

ABC Group Statement of Financial Position as at 31 December Year 2

	£000	£000	£000
Non-current Assets			
Intangible Assets — Goodwill			30
Tangible Assets			1,040
Investments			0
			1,070
Current Assets			
Inventories		85	
Trade Receivables		25	
Cash and Cash Equivalents		89	
Other Receivables		4	203
TOTAL ASSETS			**1,273**
Current Liabilities			
Trade Payables	70		
Other Payables	20		
Taxation Payable	7		
		97	
Non-current Liabilities			
X% Debentures		140	
TOTAL LIABILITIES			**237**
NET ASSETS			**1,036**
Equity			
Equity Share Capital		800	
Retained Earnings		140	
Non-Controlling Interest		96	
TOTAL EQUITY			**1,036**