



## 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
<b>Gross Profit</b>		<b>66,000</b>
<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
<b>Profit for the Year</b>		<b>67,100</b>

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

<b>Blogg &amp; Blagg — Partnership</b>			
<b>Income Statement and Appropriation Account for the year ended 31 December Year 2</b>			
	£	£	£
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
<b>Gross Profit</b>			<b>84,000</b>
<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>	18,900
			65,100
<u>Add Other Income</u>			
Rent Received		1,000	
Discount Received		<u>1,000</u>	2,000
<b>Profit for the Year</b>			<b>67,100</b>
<b>Interest on Drawings</b>			
Blogg		500	
Blagg		<u>600</u>	1,100
			68,200
<b>Salary</b>			
Blogg			<u>12,200</u>
			56,000
<b>Interest on Equity</b>			
Blogg		5,000	
Blagg		<u>4,000</u>	9,000
			<u><u>47,000</u></u>
<b>Profit Share</b>			
Blogg		28,200	
Blagg		<u>18,800</u>	<u><u>47,000</u></u>

<b>Blogg &amp; Blagg — Partnership</b>			
<b>Statement of financial position as at 31 December Year 2</b>			
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Non-Current Assets</u></b>	<b>Cost</b>	<b>Depreciation</b>	<b>NBV</b>
Property	55,000	5,000	50,000
Van	<u>12,000</u>	<u>2,000</u>	<u>10,000</u>
			60,000
<b><u>Current Assets</u></b>			
Closing Inventory		15,000	
Trade Receivables		32,000	
Electricity Receivable		4,000	
Cash and Cash Equivalents		<u>7,000</u>	
		58,000	
<b><u>Current Liabilities</u></b>			
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
<b><u>Less: Non-Current Liabilities</u></b>			
Bank Loan			<u>8,300</u>
Net Assets			<u>98,100</u>
<b>EQUITY</b>			
<b>Equity Accounts</b>			
Blogg		22,000	
Blagg		<u>20,000</u>	42,000
<b>Current Accounts</b>			
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
<b>COST OF RAW MATERIALS CONSUMED</b>		<b>245</b>
<u>Add Direct Costs</u>		
Wages		150
<b>PRIME COST OF MANUFACTURE</b>		<b>395</b>
<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
<b>FACTORY COST OF PRODUCTION</b>		<b>471</b>
Add Profit on Manufacture		5
<b>WHOLESALE VALUE OF FINISHED GOODS</b>		<b>476</b>

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>
<b>Less Cost of Sales</b>		
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>	
<b>COST OF SALES</b>		<u>801</u>
Gross Profit		249
Add Profit on Manufacture		<u>5</u>
		254
<b>Less Expenses</b>		
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
<b>Add Other Income</b>		
Dividends due on Investments	5	
Decrease in Provision for Bad Debts	<u>2</u>	7
		172
<b>PROFIT FOR THE YEAR BEFORE TAX</b>		172
LESS Corporation Tax (25%)		<u>43</u>
<b>PROFIT FOR THE YEAR AFTER TAX</b>		129
ADD Unappropriated Profit		<u>65</u>
		194
<b>Less</b>		
Preference Dividend	10	
Ordinary Dividend	3	
Goodwill written down	<u>20</u>	33
<b>UNAPPROPRIATED PROFIT</b>		<u>161</u>

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

## Process Costing

<b>Process 1 Account</b>									
	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

<b>Process 2 Account</b>									
	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

<b>Abnormal Loss Account</b>									
	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