

Format: Income Statement

ABC Enterprises
Income Statement
For the Year Ended 31st December 2018

	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>
Sales			x
Returns inwards			<u>(x)</u>
Net sales			x
Cost of sales			
Opening stock		x	
Purchases	x		
Carriage inwards	<u>x</u>		
	x		
Returns outwards	<u>(x)</u>	<u>x</u>	
Cost of goods available for sale		x	
Closing stock		<u>(x)</u>	<u>(x)</u>
Gross Profit			x
Discount received			x
Decrease in provision for doubtful debts			x
Rent received			x
Interest received			x
Other incomes			<u>x</u>
Total income			x
Expenses			
Carriage outwards		x	
Bad debts		x	
Increase in provision for doubtful debts		x	
Discounts allowed		x	
Postage & stationary	x		
Add: Accrued	<u>x</u>	x	
Salaries & wages		x	
Rent - paid	x		
accrued	<u>x</u>	x	
Insurance & rates - paid	x		
prepaid	<u>(x)</u>	x	
Bank charges		x	
Other expenses		<u>x</u>	<u>(x)</u>
Net profit/ (loss)			<u>x/(x)</u>

Format: Statement of Financial Position

ABC Enterprises
Statement of Financial Position
as at 31.12.2018

Non-Current Assets	Sh	Sh	Sh
Land & Buildings			xx
Plant & Machinery			xx
Fixtures, furniture & fittings			xx
Motors vehicles			<u>xx</u>
Total non-current assets			xx
Current Assets			
Stocks/inventories		xx	
Debtors/ trade receivables		xx	
Prepaid insurance		xx	
Rent income due		xx	
Cash at bank		xx	
Cash in hand		<u>xx</u>	
Total current assets		xx	
Current Liabilities			
Bank Overdraft	xx		
Creditors/trade payables	xx		
Rent income received in advance	xx		
Rent due/accrued/outstanding	xx	(xx)	
Net Current Assets			<u>xx</u>
Total net assets			<u>xx</u>
Capital			xx
Net profit			xx
Drawings			<u>(xx)</u>
			xx
Non-Current Liabilities			
Loan (from bank or other sources)			<u>xx</u>
			<u>xx</u>

Illustration:

The following trial balance was extracted from the books of R. Giggs at the close of business on 28 February 2014.

	Dr	Cr
	£	£
Purchases and sales	92,800	157,165
Cash at bank	4,100	
Cash in hand	324	
Capital account 1 March 2013		11,400
Drawings	17,100	
Office furniture	2,900	

Rent	3,400	
Wages and salaries	31,400	
Discounts	820	160
Accounts receivable and accounts payable	12,316	5,245
Inventory 1 March 2013	4,120	
Allowance for doubtful debts 1 March 2013		405
Delivery van	3,750	
Van running costs	615	
Bad debts written off	730	
	<u>174,375</u>	<u>174,375</u>

Notes:

- (a) Inventory 28 February 2014 £2,400.
- (b) Wages and salaries accrued at 28 February 2014 £340.
- (c) Rent prepaid at 28 February 2014 £230.
- (d) Van running costs owing at 28 February 2014 £72.
- (e) Increase the allowance for doubtful debts by £91.
- (f) Provide for depreciation as follows: Office furniture £380; Delivery van £1,250.

Required:

Draw up the statement of profit or loss for the year ending 28 February 2014 together with a statement of financial position as at 28 February 2014.