

Drafting and Interpreting Financial Statements

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These pages may be photocopied for student use.

It is recommended that they are enlarged to A4 size.

The forms and formats are:

- statement of profit or loss and other comprehensive income page 1
- statement of changes in equity page 4
- statement of financial position page 5
- reconciliation of profit before tax to net cash from operating activities page 8
- statement of cash flows page 9
- consolidated statement of profit or loss page 11
- consolidated statement of financial position page 12

Statement of profit or loss and other comprehensive income for the year ended.....

Continuing operations	£000
Revenue	
Cost of sales	
Gross profit	
Distribution costs	
Administrative expenses	
Operating profit	
Finance costs	
Profit before tax	
Tax	
Profit for the year from continuing operations	
Other comprehensive income for the year	
Total comprehensive income for the year	

Workings

Cost of sales	£000
Cost of sales =	

Select from the following list:

- Closing inventories
- Depreciation
- Opening inventories
- Purchases
- Purchases returns

Distribution costs	£000
Distribution costs =	

Select from the following list:

- Adjustment – distribution costs
- Irrecoverable debts
- Depreciation
- Distribution costs

Administrative expenses	£000
Administrative expenses =	

Select from the following list:

- Adjustment – administrative expenses
- Administrative expenses
- Irrecoverable debts
- Depreciation

Tax	£000
Tax =	

Select from the following list:

- Current year
- Previous year

Statement of changes in equity for the year ended

	Share capital £000	Share premium £000	Revaluation surplus £000	Retained earnings £000	Total equity £000
Balance at start of the year					
Changes in equity					
Total comprehensive income					
Dividends					
Issue of share capital					
Balance at end of year					

Statement of financial position as at

	£000
ASSETS	
Non-current assets	
Current assets	
Total assets	
EQUITY AND LIABILITIES	
Equity	
Total equity	
Non-current liabilities	
Current liabilities	
Total liabilities	
Total equity and liabilities	

Select from the following list:

- Bank loans
- Cash and cash equivalents
- Inventories
- Property, plant and equipment
- Retained earnings
- Revaluation surplus
- Share capital
- Share premium
- Tax liabilities
- Trade and other payables
- Trade and other receivables

Workings

Property, plant and equipment	£000
Property, plant and equipment =	

Select from the following list:

- Accumulated dep'n – land and buildings
- Accumulated dep'n – plant and equipment
- Land and buildings – value
- Plant and equipment – cost
- Revaluation

Trade and other receivables	£000
Trade and other receivables =	

Select from the following list:

- Accruals
- Additional costs/expenses prepaid
- Prepayments
- Trade receivables
- Additional costs/expenses accrued
- Irrecoverable debts
- Trade payables

Trade and other payables	£000
Trade and other payables =	

Select from the following list:

- Accruals
- Additional costs/expenses prepaid
- Prepayments
- Trade receivables
- Additional costs/expenses accrued
- Dividends
- Taxation liability
- Trade payables

Retained earnings	£000
Retained earnings =	

Select from the following list:

- Dividends
- Other comprehensive income for the year
- Retained earnings at start of the year
- Revaluation surplus
- Total comprehensive income for the year
- Profit for the year

Reconciliation of profit before tax to net cash from operating activities

	£000
Adjustments for:	
Cash generated by operations	
Net cash from operating activities	

Select from the following list:

- Adjustment - (increase)/decrease in inventories
- Adjustment - increase/(decrease) in trade payables
- Adjustment - (increase)/decrease in trade receivables
- Bank loans
- Depreciation
- Dividends paid
- Dividends received
- Finance costs
- Interest paid
- Operating profit
- Proceeds of share issue
- Proceeds on disposal of PPE
- Profit after tax
- Profit before tax
- Loss on disposal of PPE
- Profit on disposal of PPE
- Purchases of PPE
- Revaluation
- Tax paid

Statement of cash flows for the year ended

	£000
Net cash from operating activities	
Investing activities	
Net cash used in/from investing activities	
Financing activities	
Net cash used in/from financing activities	
Net increase/(decrease) in cash and cash equivalents	
Cash and cash equivalents at beginning of year	
Cash and cash equivalents at end of year	

Select from the following list:

- Adjustment - (increase)/decrease in inventories
- Adjustment - increase/(decrease) in trade payables
- Adjustment - (increase)/decrease in trade receivables
- Bank loans
- Dividends paid
- Dividends received
- Proceeds of share issue
- Proceeds on disposal of PPE
- Profit before tax
- Purchases of PPE
- Revaluation
- Tax paid

Workings:

Proceeds on disposal of property, plant and equipment	£000
Disposal proceeds =	

Select from the following list:

- Carrying amount of PPE sold
- Depreciation charge
- Loss on disposal of PPE
- Profit on disposal of PPE
- PPE at end of year
- PPE at start of year
- Revaluation

Purchases of property, plant and equipment	£000
PPE at start of year	
Additions =	

Select from the following list:

- Carrying amount of PPE sold
- Depreciation charge
- Loss on disposal of PPE
- Profit on disposal of PPE
- PPE at end of year
- Revaluation

Consolidated statement of profit or loss for the year ended

	£000
Continuing operations	
Revenue	
Cost of sales	
Gross profit	
Other income	
Distribution costs	
Administrative expenses	
Operating profit	
Finance costs	
Profit before tax	
Tax	
Profit for the year/period from continuing operations	

	£000
Attributable to	
Equity holders of the parent	
Non-controlling interest	
Profit for the period from continuing operations =	

Workings:

	£000
Revenue	
Consolidated revenue prior to any adjustment	
Consolidation adjustment*	
Revenue =	

*enter '0' if no adjustment needed

	£000
Cost of sales	
Consolidated cost of sales prior to any adjustment	
Consolidation adjustment*	
Cost of sales =	

*enter '0' if no adjustment needed

Consolidated statement of financial position as at

	£000
ASSETS	
Non-current assets	
Goodwill	
Property, plant and equipment	
Current assets	
Inventories	
Trade receivables	
Cash and cash equivalents	
Total assets	
EQUITY AND LIABILITIES	
Equity	
Share capital	
Share premium	
Retained earnings	
Non-controlling interest	
Total equity	
Non-current liabilities	
Long-term loans	
Current liabilities	
Trade payables	
Tax liability	
Total liabilities	
Total equity and liabilities	

Workings:

Goodwill	£000
Goodwill =	

Select from the following list:

- Consideration
- Impairment of goodwill
- Non-controlling interest at acquisition
- Net assets acquired

Retained earnings	£000
Retained earnings =	

Select from the following list:

- Impairment of goodwill
- Consolidation adjustment
- Parent
- Revaluation
- Subsidiary – post-acquisition profits attributable to parent

Property, plant and equipment	£000
Consolidated PPE prior to any adjustment	
Consolidation adjustment	
PPE =	