



FNSACC414

ASSESSOR GUIDE

# Prepare financial statements for non-reporting entities.

## Assessment 3 of 3

### Case Study

Version 1.0



## Assessment Instructions

### Task overview

You must choose Xero or MYOB to complete this assessment task.

The goal of the case study is to assess your practical knowledge and skills in:

- Compiling data required for preparing financial statements for a Partnership
- Preparing statements showing a partnership's financial position, performance, and cash flow.

### Case Study 2: ShineBright Cleaners

This assessment includes detailed scenarios and simulated environments, providing all necessary information to complete relevant tasks and activities based on the simulated business, ShineBright Cleaners.

This will not require you to access an actual workplace; however, some tasks to be completed are similar to those typically done in an actual workplace.

The assessment is divided into two tasks

- Task 1 - Compile data required for preparing financial statements for non-reporting entities
- Task 2 - Prepare financial statements

## Supporting Documents and Resources

To complete this assessment, you will need to access the following documents:

- ShineBright Cleaners Financial Data
- ShineBright Cleaners Accounting Policies & Procedures
- ShineBright Cleaners Trial Balance April 20YY
- Checklist for preparing financial statements
- Voicemail Ezer 20YY Financial Reports
- Xero Premium 5 Subscription/MYOB Business Pro Subscription

## General Instructions

Throughout this assessment:

- You must create new accounts or modify the default Xero/MYOB accounts when necessary to complete the assessment tasks.
- You must follow ShineBright Cleaners accounting policies and procedures to guide you through your tasks.
- Access and review the following documents.
  - ShineBright Cleaners **Accounting Policies & Procedures**
  - ShineBright Cleaners **Financial Data**

You must submit this assessment document and copies of the ShineBright Cleaners reports you generate in Xero/MYOB to your assessor after completing all tasks.

Unless instructed otherwise, ensure that all transactions are recorded in Xero/MYOB for the financial year corresponding to the year you complete the assessment.

For example, if you complete this assessment in September 2024, the financial year is 1 July 2024 – 30 June 2025. Therefore, you must enter transactions for this financial year unless otherwise specified.

- The financial year notations used in all provided instructions and templates are:
  - 1 July 20YY: The first day of the current financial year
  - 30 June 20YY+1: The last day of the current financial year

## Assessment Information

### Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- a. the processes for conducting the assessment (e.g. allowing additional time)
- b. the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

## Case Study 2: ShineBright Cleaners



### Scenario

Brenton and Ezera, longtime friends who initially crossed paths while working together at a prominent cleaning company, have ventured into entrepreneurship by establishing their own business, ShineBright Cleaners.

Their business operates as a partnership, specialising in residential homes, office spaces, and post-construction site cleaning services. Profit is shared 45% to Benson and 55% to Ezera.

To manage operations efficiently, they've rented an office in a suburban area of Brisbane, using it for administrative duties and storing their cleaning equipment. Most of their clients are sourced through leads generated via platforms such as Hipages or direct inquiries made through their website.

You run your own bookkeeping business, Accountability Now, and have been employed one day a week as the bookkeeper for ShineBright Cleaners. You must:

- Start an organisation file in Xero/MYOB.
- Compile data required for preparing financial statements for a partnership.
- Prepare financial statements for the partnership.



## Task Instructions

### Purpose of Assessment

This assessment is set in the context of a partnership, ShineBright Cleaners and is designed to ensure that the candidate can:

- Access, analyse and compile required financial data for a non-reporting entity.
- Prepare financial accounts and comprehensive statements showing financial position, performance and cash flow.

This case study assessment aims to assess the candidate's practical knowledge and skills by:

- Collecting data required to produce financial statements in Xero/MYOB from sources in line with accounting standards
- Coding, classifying, and checking data for accuracy and reliability according to organisational policy and procedures
- Checking internal and external financial data to confirm their consistency and accuracy.
- Preparing financial statements using structure and format that comply with accounting standards and organisational requirements
- Reviewing statements for errors and compliance with accounting standards and organisational procedures and amending them if required.
- Obtaining verification and authorisation from delegated persons.

### Guidance to the assessor about the assessment

There is no due submission date for this task. Candidates may submit this task when they are ready. Review all evidence and mark using the assessment checklist and assessment marking criteria.

Read the scenario above and complete each task.

### Task 1 - Compile data required for preparing financial statements for non-reporting entities

Task 1.1 – Collect data needed to start an organisation in Xero/MYOB from sources in line with accounting standards

- a. Download and review **ShineBright Cleaners' Accounting Policies** and Procedures. You must follow the policies and procedures when completing this task.

#### Note to Assessor

ShineBright Cleaners Accounting Policies and Procedures states,

*'Before the monthly financial reports are generated, all debits and credits must be totalled and compared in a trial balance. If the totals match, it indicates that the accounts are in balance and the financial records are accurate. If the balances do not balance, firstly double-check:*

- *asset and expense accounts have debit balances*
- *liability, equity, and revenue accounts have credit balances.'*

Candidates must use this information to correct the balances in ShineBright Cleaners Trial Balance April 20YY:

- b. Download **ShineBright Cleaners, Financial Data**. This file contains the organisation and financial data you must enter for Shine Bright Cleaners in Xero/MYOB.

**Note to Assessor**

ShineBright Cleaners Financial Data contains the Organisation Details, Financial Settings information, Conversion Balance date and Bank Account details, as well as details of Outstanding Sales Invoices as of 30/04/20YY and Outstanding Bills as of 30/04/20YY.

Candidates must use this information to set up the Xero/MYOB file.

- c. Download **ShineBright** Cleaners Trial Balance April 20YY. ShineBright Cleaners' accountant has advised that these are the account balances as of 30 April 20YY.

**Note to Assessor**

The trial balance contains some errors that candidates must correct before entering the balances into Xero/MYOB as the conversion balances.

**Note: Figures will remain the same whether they use MYOB or Xero**

Task 1.2 – Code, classify, and check data for accuracy and reliability according to organisational policy and procedures.

- a. Verify the accuracy of the General Ledger balances in the April 20YY Trial Balance for ShineBright Cleaners, following the guidelines outlined in ShineBright Cleaners' Accounting Policies and Procedures.

In the table provided below, list any errors you identify. Make the necessary corrections to the ShineBright Cleaners Trial Balance for April 20YY.

**Assessor Instructions**

Candidates must refer to the information in ShineBright Cleaners Accounting Policies and Procedures and use this information to correct the following debit and credit balances in the ShineBright Cleaners Trial Balance April 20YY. Candidates' responses must match the benchmark answer below.

Errors have been identified in red FNSACC414\_AG\_03\_Project\_ShineBright Cleaners Trial Balance April 20YY\_V1.0

**Note: Figures will remain the same whether they use MYOB or Xero**

GL Account	Error Identified
Sales	The account has a debit balance. It should be a credit balance.
Sales Allowances & Returns	The account has a credit balance. It should be a debit balance.
Purchases	The account has a credit balance. It should be a debit balance.
Purchase Returns	The account has a debit balance. It should be a credit balance.
Less Accumulated Depreciation on Office Equipment	The account has a debit balance. It should be a credit balance.
Less Accumulated Depreciation on Cleaning Equipment	The account has a debit balance. It should be a credit balance.
Motor Vehicle	The account has a credit balance. It should be a debit balance.
Less Accumulated Depreciation on Motor Vehicle	The account has a debit balance. It should be a credit balance.

**NOTE:** Refer to [Xero Central](#) or [MYOB Academy](#) if you need help completing the following steps.

- b. Access ShineBright Cleaners Financial Data and set up a Xero/MYOB file for ShineBright Cleaners by completing the following steps:
  - Sign up with Xero/MYOB and activate your account
  - Start a new organisation file for ShineBright Cleaners
  - Confirm the organisation’s key setting
  - Set up the organisation’s financial settings
  - Add a bank account.



## Note to Assessor

Candidates must set up a new organisation in Xero/MYOB for ShineBright Cleaners. Step-by-step instructions are available in [Xero Central](#) or [MYOB Academy](#)

- Download a chart of accounts import file and import the Chart of Accounts with conversion balances into Xero/MYOB.

**Please Note.** You must first download the template file to import the Chart of Accounts. (Refer to [Xero Central](#) or [MYOB Academy](#) if you need help completing this step)

Once you have downloaded the file, complete the following steps:

- Copy the General Ledger accounts and balances from the ShineBright Cleaners Trial Balance for April 20YY.
- Allocate a code to each of the General Ledger accounts based on the following criteria:
  - Assets (600-799)
  - Liabilities (800-950)
  - Equity (960-999)
  - Revenue (200-299)
  - Direct Costs (300-399)
  - Expenses (400-499)
- Classify and assign each General Ledger account an account type from the table below. This classification will determine the placement of each account in the financial reports.

Bank	Accounts Receivable	Current Liability
Revenue	Fixed Asset	Non-current Liability
Direct Costs	Accounts Payable	Retained Earnings
Expense	GST	Equity

- Assign a Tax Code to each General Ledger account from the table below.

BAS Excluded	GST on Expenses
GST on Income	GST Free Expenses
GST Free Income	

- Import the chart of accounts file into Xero/MYOB
- Enter any unpaid bills and invoices that make up the accounts payable and accounts receivable opening balances, checking for accuracy before confirming your conversion balances.

In the table below, include a screenshot of:

- Conversion balances 30 April 20YY
- Conversion Balances Sales Invoices
- Conversion Balances Bills

## Assessor Instructions

Candidates can't directly import conversion balances into Xero/MYOB. Instead, they must add these balances to a chart of accounts import file. This method of customising the Chart of Accounts and adding the conversion balances ensures alignment with the General Ledger accounts provided in the April 20YY Trial Balance for ShineBright Cleaners and the replacement of the default Xero/MYOB accounts. Once the Chart of Accounts has been imported, candidates must verify the account balances as of April 30, 20YY.

The candidate's submission should include a list of each General Ledger account, with account numbers falling within specified ranges and showing the correct debit or credit amounts for the given period:

- Assets (600-799)
- Liabilities (800-950)
- Equity (960-999)
- Revenue (200-299)
- Direct Costs (300-399)
- Expenses (400-499)

Account numbers may vary but must be within the specified ranges and reflect the correct dollar amounts debited or credited.

Before candidates can save the conversion balances as of April 30, 20YY, they must add the outstanding Sales Invoices and Bills, ensuring they total the accounts payable and accounts receivable opening balances.

Candidates must provide a screenshot of

- Account balances 30 April 20YY. Total debits and credits must equal \$238,701.63, and the adjustment amount must be 0.00.
- Conversion Balances Sales Invoices. Must total \$7,072.50.
- Conversion Balances Bills. Must total \$4,258.00.

Benchmark answers are provided below.

**Note: Figures will remain the same whether they use MYOB or Xero**

Xero/MYOB account balances 30 April 20YY

1 Jul 2023 - 30 Apr 2024

Account	Debit	Credit
200 - Sales		167,555.45
210 - Sales Allowances & Returns	2,113.64	
315 - Purchases	19,659.09	
320 - Purchases Returns		1,109.09
400 - Advertising & Marketing	3,021.00	
404 - Bank Fees	363.64	
410 - Rubbish Removal & Disposal	400.00	
412 - Accounting & Bookkeeping	1,477.27	
416 - Depreciation	850.00	
433 - Insurance	5,500.00	
437 - Interest Expense	675.90	
449 - Motor Vehicle Expenses	3,316.36	
461 - Utilities	5,695.91	
469 - Rent	12,000.00	
473 - Repairs and Maintenance	5,272.73	
477 - Wages and Salaries	80,635.00	
478 - Superannuation	8,869.85	
479 - Workcover	1,650.00	
489 - Telephone & Internet	1,477.27	
601 - Westpac Trading Account - ShineBright Cleaners	6,830.65	
610 - Accounts Receivable	7,072.50	
710 - Office Equipment	5,525.82	
711 - Less Accumulated Depreciation on Office Equipment		1,059.00
720 - Cleaning Equipment	22,500.00	
721 - Less Accumulated Depreciation on Cleaning Equipment		3,875.00
730 - Motor Vehicles	43,000.00	
731 - Less Accumulated Depreciation on Motor Vehicles		7,913.52
800 - Accounts Payable		4,258.00
820 - GST		3,359.69
825 - PAYG Withholdings Payable		5,500.00
826 - Superannuation Payable		3,985.00
880 - Drawings - Benson	475.00	
885 - Drawings - Ezera	320.00	
900 - Business Loan Westpac		10,000.00
950 - Personal Loan -Benson		4,000.00
970 - Capital Account - Benson		13,000.00
975 - Capital Account - Ezera		13,086.88

[Show all accounts](#)
[Remove zero balances](#)

<b>Total Debits</b>	<b>238,701.63</b>	<b>Total Credits</b>	<b>238,701.63</b>
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**Adjustments** **0.00**  
This accounts for the difference between debits and credits and for FX gains and losses

Conversion Balances Sales Invoices

## Sales Invoices



Your Total Sales Invoices match your Total Accounts Receivable. Click 'Next' to continue.

Enter invoices sent on or before 30 Apr 2024 that have not been fully paid

+ Add Invoice

+ Add Credit Note

Number	Ref	To	Date	Due Date	Amount Due (30 Apr 2024) AUD	
00123	<input type="checkbox"/>	Sunlit Realty Services	15 Apr 2024	15 May 2024	3,052.50	<input type="checkbox"/>
INV-00138	<input type="checkbox"/>	Urban Builders Pty Ltd	25 Apr 2024	25 May 2024	4,020.00	<input type="checkbox"/>
					<b>Total AUD</b>	<b>7,072.50</b>
					AUD Accounts Receivable Balance	7,072.50
						<b>Matched</b>

## Conversion Balances Bills

## Bills



Your Total Bills match your Total Accounts Payable. Click 'Next' to continue.

Enter invoices received on or before 30 Apr 2024 that have not been fully paid

+ Add Bill

+ Add Credit Note

Ref	From	Date	Due Date	Amount Due (30 Apr 2024) AUD	
SB-05-98765	<input type="checkbox"/> Construction Debris Disposal Services	22 Apr 2024	7 May 2024	400.00	<input type="checkbox"/>
00234	<input type="checkbox"/> Office Pro Furniture & Fixtures	8 Apr 2024	8 May 2024	1,508.00	<input type="checkbox"/>
INV-009877	<input type="checkbox"/> Clean Sweep Supplies Pty Ltd	1 Apr 2024	1 May 2024	2,350.00	<input type="checkbox"/>
				<b>Total AUD</b>	<b>4,258.00</b>
				AUD Accounts Payable Balance	4,258.00
					<b>Matched</b>

**Task 1.3 – Check internal and external financial data to confirm their consistency and accuracy.**

Generate a Trial Balance report in Xero/MYOB/ for ShineBright Cleaners for the period 30 April 20YY and compare it with the corrected ShineBright Cleaners Trial Balance for April 20YY provided by the accountant. Ensure that each of the General Ledger accounts is correctly classified. If any errors are identified, correct them accordingly.

In the space below, provide a copy of each report to confirm the accuracy of the data you have entered.

**Assessor Instructions**

Candidates must generate a Trial Balance report in Xero/MYOB for ShineBright Cleaners for the period 30 April 20YY and check the data against the corrected ShineBright Cleaners Trial Balance for April 20YY provided by the accountant.

The format of the reports and the total must match the benchmark answer below.

**Note: Figures will remain the same whether they use MYOB or Xero**

<b>Trial Balance</b>		
ShineBright Cleaners		
As at 30 April 20YY		
Account Name	Debit (\$)	Credit (\$)
Sales		167,555.45
Sales Allowances & Returns	2,113.64	
Purchases	19,659.09	
Purchase Returns		1,109.09
Advertising & Marketing	3,021.00	
Bank Fees	363.64	
Rubbish Removal & Disposal	400.00	
Accounting & Bookkeeping	1,477.27	
Depreciation	850.00	
Insurance	5,500.00	
Interest Expense	675.90	
Motor Vehicle Expenses	3,316.36	
Utilities	5,695.91	
Rent	12,000.00	
Repairs and Maintenance	5,272.73	
Wages and Salaries	80,635.00	
Superannuation	8,869.85	
Workcover	1,650.00	
Telephone & Internet	1,477.27	
Accounts Receivable	7,072.50	
Office Equipment	5,525.82	
Less Accumulated Depreciation on Office Equipment		1,059.00
Cleaning Equipment	22,500.00	
Less Accumulated Depreciation on Cleaning Equipment		3,875.00
Motor Vehicle	43,000.00	
Less Accumulated Depreciation on Motor Vehicle		7,913.52
Westpac Trading Account	6,830.65	
Accounts Payable		4,258.00
GST		3,359.69
PAYG Withholdings Payable		5,500.00
Superannuation Payable		3,985.00
Drawings - Benson	475.00	
Drawings - Ezera	320.00	
Business Loan - Westpac		10,000.00
Personal Loan- Benson		4,000.00
Capital Account - Benson		13,000.00
Capital Account - Ezera		13,086.88
	<b>238,701.63</b>	<b>238,701.63</b>



# Trial Balance

## ShineBright Cleaners (2)

As at 30 April 2024

ACCOUNT CODE	ACCOUNT	ACCOUNT TYPE	DEBIT - YEAR TO DATE	CREDIT - YEAR TO DATE
200	Sales	Revenue		167,555.45
210	Sales Allowances & Returns	Revenue	2,113.64	
315	Purchases	Direct Costs	19,659.09	
320	Purchases Returns	Direct Costs		1,109.09
400	Advertising & Marketing	Expense	3,021.00	
404	Bank Fees	Expense	363.64	
410	Rubbish Removal & Disposal	Expense	400.00	
412	Accounting & Bookkeeping	Expense	1,477.27	
416	Depreciation	Expense	850.00	
433	Insurance	Expense	5,500.00	
437	Interest Expense	Expense	675.90	
449	Motor Vehicle Expenses	Expense	3,316.36	
461	Utilities	Expense	5,695.91	
469	Rent	Expense	12,000.00	
473	Repairs and Maintenance	Expense	5,272.73	
477	Wages and Salaries	Expense	80,635.00	
478	Superannuation	Expense	8,869.85	
479	Workcover	Expense	1,650.00	
489	Telephone & Internet	Expense	1,477.27	
601	Westpac Trading Account - ShineBright Cleaners	Bank	6,830.65	
610	Accounts Receivable	Current Asset	7,072.50	
710	Office Equipment	Fixed Asset	5,525.82	
711	Less Accumulated Depreciation on Office Equipment	Fixed Asset		1,059.00
720	Cleaning Equipment	Fixed Asset	22,500.00	
721	Less Accumulated Depreciation on Cleaning Equipment	Fixed Asset		3,875.00
730	Motor Vehicles	Fixed Asset	43,000.00	
731	Less Accumulated Depreciation on Motor Vehicles	Fixed Asset		7,913.52
800	Accounts Payable	Current Liability		4,258.00
820	GST	Current Liability		3,359.69
825	PAYG Withholdings Payable	Current Liability		5,500.00
826	Superannuation Payable	Current Liability		3,985.00
880	Drawings - Benson	Current Liability	475.00	
885	Drawings - Ezera	Current Liability	320.00	
900	Business Loan Westpac	Non-current Liability		10,000.00
950	Personal Loan -Benson	Non-current Liability		4,000.00
970	Capital Account - Benson	Equity		13,000.00
975	Capital Account - Ezera	Equity		13,086.88
<b>Total</b>			<b>238,701.63</b>	<b>238,701.63</b>

## Task 2 - Prepare financial statements

### Task 2.1 - Prepare financial statements using structure and format that comply with accounting standards and organisational requirements.

Edit the layout and generate the following financial reports in line with accounting standards and ShineBright Cleaners Accounting Policies and Procedures:

- a. Balance Sheet report for the period ending 30 April 20YY
- b. Profit & Loss report for the period 01 April 20YY – 30 April 20YY
- c. Statement of Cash Flow for the month ended 30 April 20YY

Review each report for errors and compliance with accounting standards and organisational procedures and amend if required.

Save the documents using the following naming convention and submit them to your assessor after completing all assessment tasks:

- Balance Sheet report - *FNSACC414\_CandidateName\_yymmdd\_Balance Sheet Report*
- Profit & Loss report - *FNSACC414\_CandidateName\_yymmdd\_Profit & Loss Report*
- Statement of Cash Flow - *FNSACC414\_CandidateName\_yymmdd\_Statement of Cash Flow*

### Assessor Instructions

Candidates must use the information in ShineBright Cleaners Accounting Policies and Procedures to generate a:

- Balance Sheet report for the period ending 30 April 20YY
- Profit & Loss report for the period 01 April 20YY – 30 April 20YY
- Statement of Cash Flow for the month ended 30 April 20YY

ShineBright Cleaners Accounting Policies and Procedures states:

#### **Structure and format of financial statements**

*Monthly financial reports must adhere to accounting standards and meet the following organisational requirements:*

- **Balance Sheet**
  - *Accumulated Depreciation must be listed directly under the fixed asset it relates to.*
  - *A note must be included showing the value of the ownership interest of each partner. This note should detail each partner's capital account balance, drawings for each partner, and each partner's share of the profit. (Ezera holds a 55% interest in the partnership, while Benson holds a 45% interest in the partnership)*
- **Profit & Loss Statement**
  - *Expenses must be classified and subtotalled under the following subcategories:*
    - *General & Administrative Expenses*
    - *Employment Expenses (Includes Wages & Salaries, Workcover and Superannuation)*
    - *Financial Expenses (Includes Interest and Bank Fees)*
- **Statement of Cash Flows**
  - *Must include a three (3) month comparison*

- *Cash and cash equivalents at the end of the period must reconcile to the Westpac Trading Account - ShineBright Cleaners balance.*

### **Benchmark answer for Balance Sheet report**

Candidates must use the layout editor in Xero/MYOB to customise a Balance Sheet report for the period ending 30 April 20YY. The report must have the accumulated depreciation ordered under each Fixed Asset and include a note detailing the value of each partner's ownership interest. Candidates must carefully review the report to identify any errors and ensure compliance with accounting standards before finalising.

The note's wording may vary; however, the \$ amounts and layout of the fixed assets must agree with the benchmark answer below.

**Note: Figures will remain the same whether they use MYOB or Xero**

# Balance Sheet

## ShineBright Cleaners (2) As at 30 April 2024

30 APR 2024

### Assets

Bank	
Westpac Trading Account - ShineBright Cleaners	6,830.65
<b>Total Bank</b>	<b>6,830.65</b>
Current Assets	
Accounts Receivable	7,072.50
<b>Total Current Assets</b>	<b>7,072.50</b>
Fixed Assets	
Cleaning Equipment	22,500.00
Less Accumulated Depreciation on Cleaning Equipment	(3,875.00)
Motor Vehicles	43,000.00
Less Accumulated Depreciation on Motor Vehicles	(7,913.52)
Office Equipment	5,525.82
Less Accumulated Depreciation on Office Equipment	(1,059.00)
<b>Total Fixed Assets</b>	<b>58,178.30</b>
<b>Total Assets</b>	<b>72,081.45</b>

### Liabilities

Current Liabilities	
Accounts Payable	4,258.00
Drawings - Ezera	(320.00)
Drawings - Benson	(475.00)
GST	3,359.69
PAYG Withholdings Payable	5,500.00
Superannuation Payable	3,985.00
<b>Total Current Liabilities</b>	<b>16,307.69</b>
Non-current Liabilities	
Business Loan Westpac	10,000.00
Personal Loan -Benson	4,000.00
<b>Total Non-current Liabilities</b>	<b>14,000.00</b>
<b>Total Liabilities</b>	<b>30,307.69</b>

**Net Assets** 41,773.76

### Equity

Capital Account - Benson	13,000.00
Capital Account - Ezera	13,086.88
Current Year Earnings	15,686.88
<b>Total Equity</b>	<b>41,773.76</b>

**Value of Benson's Interest as of 30 April 2024**

• Benson Capital Account	\$13,000.00
• 45% Share of Profit	\$ 7,059.10
• Less Drawings	<u>-475.00</u>
<b>Value of Benson's Interest</b>	<b>\$19,584.10</b>

**Value of Ezera's Interest as of 30 April 2024**

• Ezera Capital Account	\$13,086.88
• 55% Share of Profit	\$ 8,627.78
• Less Drawings Value	<u>-320.00</u>
<b>of Ezera's Interest</b>	<b>\$21,394.66</b>

### Benchmark answer for Balance Sheet note

#### Value of the ownership interest of each partner

Benson Capital Account	\$13,000.00
45% Share of Profit	<u>\$ 7,059.10</u>
	\$20,059.10
Less Drawings	<u>\$ 475.00</u>
<b>Value of Benson's Interest</b>	<b><u>\$19,584.10</u></b>

Ezera Capital Account	\$13,086.88
55% Share of Profit	<u>\$ 8,627.78</u>
	\$21,714.66
Less Drawings	<u>\$ 320.00</u>
<b>Value of Ezera's Interest</b>	<b><u>\$21,394.66</u></b>

### Benchmark answer for Profit & Loss Statement

Candidates must use the layout editor in Xero/MYOB to customise a Profit & Loss Statement for the period 01 April 20YY – 30 April 20YY. Using the create and edit function, they must classify the expenses and subtotal them under the following subcategories:

- General & Administrative Expenses
- Employment Expenses (Includes Wages & Salaries, Workcover and Superannuation)
- Financial Expenses (Includes Interest and Bank Fees).

Candidates must carefully review the report to identify any errors and ensure compliance with accounting standards before finalising.

The candidate's response must match the benchmark answer provided.

# Profit and Loss

## ShineBright Cleaners (2) For the 10 months ended 30 April 2024

JUL 2023-APR 2024

<b>Trading Income</b>	
Sales	167,555.45
Sales Allowances & Returns	(2,113.64)
<b>Total Trading Income</b>	<b>165,441.81</b>
<b>Cost of Sales</b>	
Purchases	19,659.09
Purchases Returns	(1,109.09)
<b>Total Cost of Sales</b>	<b>18,550.00</b>
<b>Gross Profit</b>	<b>146,891.81</b>
<b>Operating Expenses</b>	
<b>General &amp; Administrative Expenses</b>	
Utilities	5,695.91
Telephone & Internet	1,477.27
Rubbish Removal & Disposal	400.00
Repairs and Maintenance	5,272.73
Rent	12,000.00
Motor Vehicle Expenses	3,316.36
Insurance	5,500.00
Advertising & Marketing	3,021.00
Depreciation	850.00
Accounting & Bookkeeping	1,477.27
<b>Total General &amp; Administrative Expenses</b>	<b>39,010.54</b>
<b>Employment Expenses</b>	
Workcover	1,650.00
Wages and Salaries	80,635.00
Superannuation	8,869.85
<b>Total Employment Expenses</b>	<b>91,154.85</b>
<b>Financial Expenses</b>	
Interest Expense	675.90
Bank Fees	363.64
<b>Total Financial Expenses</b>	<b>1,039.54</b>
<b>Total Operating Expenses</b>	<b>131,204.93</b>
<b>Net Profit</b>	<b>15,686.88</b>



## Benchmark answer for Statement of Cash Flows

Candidates must use the layout editor in Xero/MYOB to customise a Statement of Cash Flows for the month ended 30 April 20YY. The statement must include a three (3) month comparison. Candidates must carefully review the report to identify any errors and ensure compliance with accounting standards before finalising. The Cash and cash equivalents at the end of the period must reconcile to the balance of \$6830.65 in the Westpac Trading Account - ShineBright Cleaners.

The candidate's response must match the benchmark answer below.

	APR 2024	MAR 2024	FEB 2024	JAN 2024
<b>Statement of Cash Flows</b>				
<b>ShineBright Cleaners (2)</b>				
<b>For the month ended 30 April 2024</b>				
<b>Operating Activities</b>				
Receipts from customers	159,012.26	-	-	-
Payments to suppliers and employees	(145,884.02)	-	-	-
Cash receipts from other operating activities	3,103.83	-	-	-
<b>Net Cash Flows from Operating Activities</b>	<b>16,232.07</b>	-	-	-
<b>Investing Activities</b>				
Proceeds from sale of property, plant and equipment	12,847.52	-	-	-
Payment for property, plant and equipment	(71,025.82)	-	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>(58,178.30)</b>	-	-	-
<b>Financing Activities</b>				
Other cash items from financing activities	48,776.88	-	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>48,776.88</b>	-	-	-
<b>Net Cash Flows</b>	<b>6,830.65</b>	-	-	-
<b>Cash and Cash Equivalents</b>				
Cash and cash equivalents at beginning of period	-	-	-	-
Net change in cash for period	6,830.65	-	-	-
Cash and cash equivalents at end of period	<b>6,830.65</b>	-	-	-

### Task 2.2 – Review financial statements

ShineBright Cleaners' accountant has provided you with a checklist for preparing financial statements for a partnership.

Review the checklist and mark each task you have completed to ensure that the financial reports are error-free and prepared in accordance with accounting standards and organisational requirements.

Save the document to your desktop using the following naming convention:

*FNSACC414\_CandidateName\_yymmdd\_Checklist*

After completing all assessment tasks, update the checklist and submit it to your assessor.

## Assessor Instructions

Candidates must tick the corresponding checkbox to indicate which tasks they have completed in the checklist. They must update the checklist after completing Task 2.3 and submit it for marking. The submitted checklist must match the benchmark answer below.

**Note: Figures will remain the same whether they use MYOB or Xero**

ASSESSOR GUIDE		
Checklist for preparing financial statements for a partnership.	Please Tick ✓	
	Yes	No
<b>1. Gather Financial Data</b>		
<ul style="list-style-type: none"> <li>Collect all relevant financial records, including income statements, balance sheets, cash flow statements, and supporting documentation such as invoices, receipts, and bank statements.</li> </ul>	✓	
<b>2. Verify Accuracy</b>		
<ul style="list-style-type: none"> <li>Ensure all financial transactions are accurately recorded and classified.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Verify the accuracy of calculations, including totals and subtotals.</li> </ul>	✓	
<b>3. Review Partnership Agreement</b>		
<ul style="list-style-type: none"> <li>Refer to the partnership agreement to understand the distribution of profits and losses among partners.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Confirm any special provisions related to partner capital accounts, drawings, or profit-sharing arrangements.</li> </ul>	✓	
<b>4. Prepare Balance Sheet:</b>		
<ul style="list-style-type: none"> <li>List assets, liabilities, and equity.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Ensure that each partner's capital account balance is accurately represented.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Include accumulated depreciation directly under the related fixed assets.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Add a note showing the value of each partner's ownership interest, detailing capital account balances, drawings, and profit shares.</li> </ul>	✓	
<b>5. Create Profit &amp; Loss Statement</b>		
<ul style="list-style-type: none"> <li>Classify and subtotal expenses under appropriate categories, such as General &amp; Administrative Expenses, Employment Expenses (including wages, work cover, and superannuation), and Financial Expenses (including interest and bank fees).</li> </ul>	✓	
<ul style="list-style-type: none"> <li>List revenue and gains separately from expenses and losses.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Calculate net profit or loss for the period.</li> </ul>	✓	
<b>6. Prepare a Statement of Cash Flows</b>		
<ul style="list-style-type: none"> <li>Categorise cash flows into operating, investing, and financing activities.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Include a three-month comparison to provide insights into cash flow trends.</li> </ul>	✓	

<ul style="list-style-type: none"> <li>Reconcile cash and cash equivalents at the end of the period with the partnership's bank account balances.</li> </ul>	✓	
<b>7. Review Compliance and Disclosure</b>		
<ul style="list-style-type: none"> <li>Ensure compliance with accounting standards and regulations applicable to partnerships.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Include any required notes or disclosures related to partner agreements, changes in ownership, or other relevant information.</li> </ul>	✓	
<b>8. Conduct Final Review</b>		
<ul style="list-style-type: none"> <li>Double-check all calculations and data entries.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Verify that the financial statements are consistent with the partnership's financial records.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Confirm that the financial statements clearly and accurately represent the partnership's financial position, performance, and cash flows.</li> </ul>	✓	
<b>9. Obtain Partner Approval</b>		
<ul style="list-style-type: none"> <li>Present the financial statements to the partners for review and approval.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Address any questions or concerns raised by the partners.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Obtain formal approval or acknowledgment of the financial statements from all partners.</li> </ul>	✓	
<b>10. Distribute Financial Statements</b>		
<ul style="list-style-type: none"> <li>Provide copies of the approved financial statements to all partners.</li> </ul>		
<ul style="list-style-type: none"> <li>File the financial statements with relevant authorities, if required.</li> </ul>		
<ul style="list-style-type: none"> <li>Use the financial statements for decision-making, financial analysis, and reporting purposes.</li> </ul>		

## Task 2.3 - Obtain verification and authorisation from delegated persons

As per the organisational procedure, after preparing the monthly financial reports and undergoing a compliance review, they must be presented to the partners for review and approval.

- a. For this task, you must ensure each partner receives the statements via email for review. Once both partners have reviewed the statements, obtain approval before distributing the reports.

Using the following email addresses and the template below, draft an email to the partners asking them to verify and authorise the distribution of the April 20YY financial reports:

- [benson@shinebrightcleaners.com.au](mailto:benson@shinebrightcleaners.com.au)
- [ezera@shinebrightcleaners.com.au](mailto:ezera@shinebrightcleaners.com.au)

(Approximate word length 80-100 words)

### Email Template

#### Assessor Instructions

The candidate must draft an email to Benson and Ezera to demonstrate they have followed Shinebright Cleaners' organisational procedure regarding the presentation of monthly financial reports to partners for review and approval.

The candidate's response must include:

- the recipients of the email:
  - Benson [benson@shinebrightcleaners.com.au](mailto:benson@shinebrightcleaners.com.au):
  - Ezera [ezera@shinebrightcleaners.com.au](mailto:ezera@shinebrightcleaners.com.au)
- Candidates name
- Date of the email
- Attachments:
  - Profit and Loss Statement
  - Balance Sheet
  - Cash Flow Statement

The wording in the body of the email may vary but must reflect the benchmark answer below.

To:	Benson <a href="mailto:benson@shinebrightcleaners.com.au">benson@shinebrightcleaners.com.au</a> : Ezera <a href="mailto:ezera@shinebrightcleaners.com.au">ezera@shinebrightcleaners.com.au</a>
From:	[Candidates Name]
Date:	[Date]
Subject:	Verify and authorise financial reports for Shinebright Cleaners.
Attachments:	<ul style="list-style-type: none"><li>• <i>Profit and Loss Statement</i></li><li>• <i>Balance Sheet</i></li><li>• <i>Cash Flow Statement</i></li></ul>

Hi Benson and Ezera,

I've finalised the monthly financial reports for April 20YY and would appreciate your assistance verifying their accuracy before distribution.

Attached are the following documents:

- Profit and Loss Statement
- Balance Sheet
- Cash Flow Statement

Once you've had a chance to review the reports and are satisfied with their content, could you please approve them?

Feel free to reach out if you have any questions or need further clarification.

Kind regards,

(Your Name)

Accountability Now



Accountability Now

PO Box 445 GPO

Brisbane VIC 3000

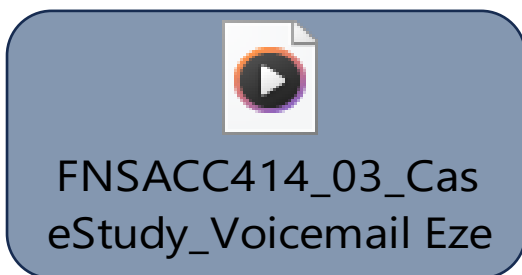
[www.accountabilitynow.com](http://www.accountabilitynow.com)

Benson replied to your email with the following response:

<b>To:</b>	(Your Name)
<b>From:</b>	<a href="mailto:benson@shinebrightcleaners.com.au">benson@shinebrightcleaners.com.au</a>
<b>Date:</b>	DD/MM/20YY
<b>Subject:</b>	Verify and authorise financial reports for Shinebright Cleaners.

<b>Content</b>	<p>Please consider this email as verification and authorisation of the following documents.</p> <ul style="list-style-type: none"> <li>• Profit and Loss Statement</li> <li>• Balance Sheet</li> <li>• Cash Flow Statement</li> </ul> <p>Kind regards</p> <p>Benson</p> <p>Shinebright Cleaners</p>
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Ezera replied to your email with the following voicemail message. Double-click to listen to the message.



### Transcript of recording

Good afternoon

It's Ezera calling. Thank you so much for sending over the April financial reports. I wanted to say I really appreciate the new layout and how you have included the note explaining the ownership interest of each partner. It's super helpful.

I have taken a look at the reports, and I am satisfied with the accuracy of the information, and I approve them for distribution. Speak soon.

- b. In the table below, record:
- The names of the persons who verified and authorised the April 20YY financial reports distribution.
  - The date they were authorised.
  - How did you gain verification and authorisation?

### Assessor Instructions

The candidate must read Benson's email and listen to Azera's voice message, which verifies and approves the distribution of the financial reports. They must then complete the table below.

The approval date may vary depending on when the candidate completes the assessment.

Candidates' responses must match the benchmark answer below.



Shinebright Cleaners April 20YY financial reports verification and approval to distribute checklist.

Partners Name	Date of approval	Approval for distributing reports was granted in the following manner.
Benson	DD/MM/20YY	Email response.
Ezera	DD/MM/20YY	Voice message response.

**Assessment Checklist**

Candidates must have completed all tasks within this assessment before submitting. This includes:

<b>Task 1.1</b>	Nothing to submit for this task.	<input type="checkbox"/>
<b>Task 1.2a</b>	Complete the table that lists any errors identified.	<input type="checkbox"/>
<b>Task 1.2b</b>	Screenshot – Xero/MYOB conversion balances 30 April 20YY. Screenshot - Conversion Balances Sales Invoices. Screenshot - Conversion Balances Bills.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Task 1.3</b>	Screenshot – Xero/MYOB Trial Balance report ShineBright Cleaners. Screenshot - Trial balance provided by accountant Corrected.	<input type="checkbox"/> <input type="checkbox"/>
<b>Task 2.1</b>	Xero/MYOB Balance Sheet report - FNSACC414_CandidateName_yymmdd_Balance Sheet Report. Xero/MYOB Profit & Loss report - FNSACC414_CandidateName_yymmdd_Profit & Loss Report. Xero/MYOB Statement of Cash Flow - FNSACC414_CandidateName_yymmdd_Statement of Cash Flow.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Task 2.2</b>	Upload FNSACC414_CandidateName_yymmdd_Checklist.	<input type="checkbox"/>
<b>Task 2.3a</b>	Complete the email template in the assessment document.	<input type="checkbox"/>
<b>Task 2.3b</b>	Complete the table in the assessment document.	<input type="checkbox"/>

**Congratulations, you have reached the End of Assessment 3.**

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