**Financial Statements and their Relationships**

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| Statement of Financial Performance-Year ended 31.03.09 |
|   | $ | $ | $ |
| Revenue |  |  | 317,960 |
| Sales |  |  |  |
| (-) Less Cost of Sales |  |  |  |
| Opening Inventory | 28,906 |  |  |
| (+) Plus Purchases | 80,686 |  |  |
| (+) Cartage |  250 |  |  |
| (+) Customs |  300 | 110,142 |  |
| (-) Less Closing Inventory |  |  32,468 |  |
| **(-) Cost of Goods Sold** |  |  |   **77,674** |
| (-) Gross Profit |  |  | 240,286 |
| (-) Less Expenses |  |  |  |
| Selling Expenses |  |  |  |
| Advertising |  7,437  |  |  |
| Sales staff salaries |  2,000 |  9,437 |  |
| Administrative Expenses |  |  |  |
| General Expenses |  8,694 |  |  |
| Insurance |  3,530 |  |  |
| Motor vehicle expenses |  4,712 |  |  |
| Office expenses |  1,033 |  |  |
| Printing and stationery |  2,374 |  |  |
| Rent |  20,400 |  |  |
| Repairs and maintenance |  4,051 |  |  |
| Telephone |  2,780 |  |  |
| Wages |  93,865 | 141,439 |  |
| Doubtful Debts |  143 |  |  |
| Interest |  3,105 |  3,284 |  |
|  |  |  | 154,124 |
| (=) Net Profit (Gross Profit-Expenses) |  |  86,162 |

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| Statement of Movements in Equity |
|  | $ |
| Net profit for the period | 86,162 |
| (+) Plus contributions |  1,033 |
|  | 87,195 |
| (-) Less withdrawals | 58,760 |
| (=) Movements in equity for the period | 28,435 |
| (+) Plus equity at the start of the period | 25,302 |
| (=) Equity at the end of the period | 53,737 |

 These two figures must be the same

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| Statement of Financial Position as of 31.03.09 |
|  | $ | $ | $ |
| Owner’s equity |  |  | 53,737 |
| As represented by: |  |  |  |
| Current Assets |  |  |  |
| Bank |  |  4.064 |  |
| Accounts receivable |  2,860 |  |  |
| (-) Less allowance for doubtful debts |  |  2,717 |  |
| Inventory |  | 32,468 |  |
| Prepaid expenses |  |  680 | 39,929 |
| (-) Less Current Liabilities |  |  |  |
| Accounts payable |  |  6,750 |  |
| Unearned revenue |  |  2,000 |  |
| Accrued expenses |  |  1,615 | 10,365 |
| (=) Working Capital |  |  | 29,564 |
| (+) Plus Non-current assets (NCA) |  |  |  |
| Computer |  |  3,800 |  |
| Beauty therapy equipment at cost | 44,000 |  |  |
| (-) Less accumulated depreciation | 10,000 |  |  |
| Motor vehicle | 52,000 |  |  |
| (-) Less accumulated depreciation | 23,522 | 28,478 | 66,278 |
| (-) Less Non-current liabilities (NCL) |  |  |  |
| Loan |  |  | 42,105 |
| **Net Assets** = (Working Capital + NCA – NCL) |  |  | 53,737 |