

Notes and guidance: income statements

This shows the layouts of income statements. Use this with students in the classroom so that they understand how these statements will be presented.

Sole traders

Name

Income statement for the year ended 31 December 2XXX

	£	£	£
Revenue			780 000
Less: returns inwards			<u>(1 500)</u>
			778 500
Cost of sales:			
Inventory at 1 January 2XXX		65 800	
Purchases	347 200		
Less: goods for own use	(560)		
Less: returns outwards	<u>(2 650)</u>		
	343 990		
Carriage inwards	<u>1 330</u>		
		<u>345 320</u>	
		411 120	
Inventory at 31 December 2XXX		<u>(70 320)</u>	
			<u>340 800</u>
Gross profit			437 700
Discount received			2 060
Bad debts recovered			910
Decrease in provision for doubtful debts			530
Profit on disposal			<u>3 350</u>
			444 550
Less: expenses (listed in any order)			

Discount allowed	2 980	
Expenses	289 670	
Loss on disposal	3 020	
Depreciation	<u>55 910</u>	
		<u>351 580</u>
Profit/(Loss) for the year		<u>92 970</u>

Internal use for Limited companies

Name

Income statement for the year ended 31 December 2XXX

	£	£	£
Revenue			780 000
Less: returns inwards			<u>(1 500)</u>
			778 500
Cost of sales:			
Inventory at 1 January 2XXX		65 800	
Purchases	347 200		
Less: returns outwards	<u>(2 650)</u>		
	344 550		
Carriage inwards	<u>1 330</u>		
		<u>345 880</u>	
		411 680	
Inventory at 31 December 2XXX		<u>(70 320)</u>	
			<u>341 360</u>
Gross profit			437 140
Discount received			2 060
Bad debts recovered			910
Decrease in provision for doubtful debts			530
Profit on disposal			<u>3 350</u>
			443 990
Less: expenses (listed in any order)			
Discount allowed	2 980		
Expenses	289 670		

Loss on disposal	3 020
Depreciation	<u>55 910</u>
	<u>351 580</u>
Profit from operations	92 410
Finance costs	<u>(3 780)</u>
Profit for the year before tax	88 630
Taxation	<u>(17 500)</u>
Profit for the year after tax	71 130