

Name of the Business
Income Statement
For the year ended 31 Dec. 2010

	\$	\$
Sales	xxx	
Less: sales returns	xxx	xxx
<u>COST OF SALES:</u>		
Opening Inventory (Stock)	xxx	
Purchases	xxx	
+carriage inwards	xxx	
-purchases returns	(xxx)	
-closing Inventory (Stock)	(xxx)	(xxx)
GROSS PROFIT		xxx
<u>Add: Other Incomes</u>		
Discount received	xxx	
*Provision for doubtful (decrease)	xxx	xxx
<u>less: Other Expenses</u>		
Bad debts	xxx	
Provision for doubtful (increase)	xxx	
Staff salaries	xxx	
Depreciation	xxx	
Interest on bank loan	xxx	
*Interest on PARTNER's loan (other effect in current a/c)	xxx	
Rent, rates, insurance	xxx	(xxx)
NET PROFIT		1000
<u>+Interest on drawings</u>		
A	xxx	
B	xxx	xxx
<u>-Interest on capital</u>		
A	xxx	
B	xxx	(xxx)
<u>-Partner's Salaries</u>		
A	xxx	
B	xxx	(xxx)
<u>Profits Shared</u>		xxx
A (2/3)	xxx	
B (1/3)	xxx	(xxx)

Current Accounts

	A	B		A	B
Bal b/d (debit)	~~	~~	Bal b/d (credit)	xxx	xxx
Interest on drawings	xxx	xxx	Interest on capital	xxx	xxx
Drawings	xxx	xxx	Partner's salary	xxx	xxx
			Profit share	xxx	xxx
			*Interest on LOAN	xxx	xxx
			(other effect in P&L)		
Bal c/d (credit)	xxx	xxx	Bal c/d (debit)	~~	~~
	xxx	xxx		xxx	xxx
Bal b/d (debit)	~~	~~	Bal b/d (credit)	xxx	xxx

These are deducted from capital a/c in balance sheet

These are added to capital a/c in balance sheet

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Name of the Business
Statement of Financial Position as at Dec. 31 2010

	Cost	Dep'n	NBV
	£	£	£
<u>FIXED ASSETS:</u>			
Premises	xxx	(xxx)	xx
Machinery	xxx	(xxx)	xx
Fixtures	xxx	(xxx)	xx
<u>CURRENT ASSETS:</u>			xxx
Closing Inventory (Stock)		Xxx	
Accounts Receivables (Debtors)	xxx		
Less: provision for doubtful (c/d)	(xxx)	Xxx	
Prepaid		Xxx	
Bank		Xxx	
Cash		Xxx	
<u>CURRENT LIABILITIES:</u>		Xxx	
Creditors	xxx		
Owings	xxx		
*Bank overdraft	xxx	(xxx)	
WORKING CAPITAL			xxx
<u>Long - Term LIABILITIES:</u>			
Loan		xxx	(xxx)
NET Assets			xxx
<u>Financed By:</u>	A	B	
Capital a/c (CR)	xxx	xxx	xxx
Current a/c (CR)	xxx	xxx	xxx
			xxx