

Presentation of balance sheet and profit and loss account (SL/HL)

Where balance sheets and profit and loss accounts are given in case studies or examination questions, they will be presented in the format shown below. Students should be familiar with these layouts. Please note that while profit and loss account is also known as income statement, the term profit and loss account will be used in assessment.

ABC Ltd

Balance sheet as of 31 May 20**

	\$m	\$m
Fixed assets		
Fixed assets	500	
Accumulated depreciation	20	
Net fixed assets		480
Current assets		
Cash	10	
Debtors	12	
Stock	35	
Total current assets	57	
Current liabilities		
Overdraft	5	
Creditors	15	
Short term loans	22	
Total current liabilities	42	
Net current assets (Working capital)		15
Total assets less current liabilities		495
Long-term liabilities (debt)	300	
Net assets		195
Financed by:		
• share capital	110	
• retained profit	85	
Equity		195

ABC Ltd**Profit and loss account for ABC Ltd for the year ended 31 May 20****

	\$m
Sales revenue	700
Cost of goods sold	350
Gross profit	350
Expenses	200
Net profit before interest and tax	150
Interest	10
Net profit before tax	140
Tax	25
Net profit after interest and tax	115
Dividends	35
Retained profit	80