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The accounting layouts included here are:

- sole trader final accounts
- limited company final accounts
- cash flow statement

Also included is a worksheet which assists in the calculation of the main accounting ratios from a set of final accounts.

sole trader final accounts

TRADING AND PROFIT AND LOSS ACCOUNT OF ***name*** FOR THE YEAR/PERIOD ENDED ***date***

	£	£	£	
TRADING ACCOUNT	Sales		x	
	Less Sales returns		x	
	<i>Net sales</i>		<u>x</u>	(a)
	Opening stock		x	
	Purchases	x		
	Carriage in	x		
	Less Purchases returns	<u>x</u>		
	<i>Net purchases</i>		<u>x</u>	
	Less Closing stock		<u>x</u>	
	Cost of Goods Sold			<u>x</u> (b)
Gross profit (a) – (b)			x (c)	
PROFIT AND LOSS ACCOUNT	Add other income, eg			
	Discount received		x	} (d)
	Reduction in provision for bad debts		x	
	Profit on sale of fixed assets		x	
	Other income		<u>x</u>	
	(c) + (d)		x	(e)
	Less expenses, eg			
	Vehicle running expenses		x	
	Rent		x	
	Rates		x	
	Heating and lighting		x	
	Telephone		x	
	Salaries and wages*		x	
	Discount allowed		x	
	Carriage out		x	
	Other items, eg			
	Provision for depreciation		x	
	Loss on sale of fixed assets		x	
Bad debts written off		x		
Increase in provision for bad debts		<u>x</u>		
			x (f)	
Net profit (e) – (f)			<u><u>x</u></u> (g)	

* Wages are sometimes listed as an expense in the trading account section

BALANCE SHEET OF * name *** AS AT *** date *****

	£	£	£	
Fixed Assets	Cost (a)	Dep'n to date (b)	Net	(a) – (b)
<i>Intangible:</i> Goodwill	x	x	x	
<i>Tangible:</i> Premises	x	x	x	
Equipment	x	x	x	
Vehicles	x	x	x	
etc	x	x	x	
	<u>x</u>	<u>x</u>	x	(c)
Current Assets				
Stock (closing)		x		
Debtors	x			
Less Provision for bad debts	<u>x</u>			
		x		
Prepayments		x		
Bank		x		
Cash		<u>x</u>		
		x		(d)
Less Current Liabilities				
Creditors	x			
Accruals	x			
Bank overdraft	<u>x</u>			
		x		(e)
Working Capital (d)– (e)			<u>x</u>	(f)
(c) + (f)			x	(g)
Less Long-term Liabilities				
Loans			<u>x</u>	(h)
NET ASSETS (g) – (h)			<u>x</u>	(i)
 FINANCED BY				
Capital				
Opening capital			x	
Add Net profit (from profit and loss account)			<u>x</u>	
			x	
Less Drawings			<u>x</u>	
			<u>x</u>	(i)

Note: Balance sheet balances at points (i)

Practical point: when preparing handwritten final accounts it is usual practice to underline all the headings and sub-headings shown in bold print in the example layout.

limited company final accounts

*** NAME OF COMPANY *** LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR/PERIOD ENDED *** DATE ***

	£	£
Sales	x	(a)
Opening stock	x	
Purchases or production cost	<u>x</u>	
	x	
Less Closing stock	<u>x</u>	
Cost of Goods Sold		<u>x</u> (b)
Gross profit (a) – (b)		x (c)
Less expenses:		
eg Selling and distribution costs	x	
Administration costs	x	
Finance costs	<u>x</u>	
		<u>x</u> (d)
Net profit for year before taxation (c) – (d)		x (e)
Less corporation tax		<u>x</u> (f)
Profit for year after taxation (e) – (f)		x (g)
Less interim dividends paid		
ordinary shares	x	
preference shares	x	
final dividends proposed		
ordinary shares	x	
preference shares	<u>x</u>	
		<u>x</u> (h)
Retained profit for year (g) – (h)		x (i)
Add balance of retained profits at beginning of year		<u>x</u> (j)
Balance of retained profits at end of year (i) + (j)		<u><u>x</u></u> (k)

Notes:

- for a manufacturing business, production cost (ie the factory cost of manufacturing the products) is shown instead of purchases
- depreciation of fixed assets is included in the costs for production, selling and distribution, and administration, as appropriate
- directors' remuneration and debenture interest is included in the expenses

***** NAME OF COMPANY *** LIMITED**

BALANCE SHEET AS AT * DATE *****

Fixed Assets	Cost (a) £	Dep'n to date (b) £	Net (a) – (b) £
<i>Intangible</i>			
Goodwill	x	x	x
<i>Tangible</i>			
Freehold land and buildings	x	x	x
Machinery	x	x	x
Fixtures and fittings	x	x	x
etc	x	x	x
	<u>x</u>	<u>x</u>	x (c)
 Current Assets			
Stock (<i>closing</i>)		x	
Debtors		x	
Bank		x	
Cash		<u>x</u>	
		x	(d)
 Less Current Liabilities			
Creditors	x		
Bank overdraft	x		
Proposed dividends	x		
Corporation tax	<u>x</u>		
		<u>x</u>	(e)
Working Capital (d) – (e)			<u>x</u> (f)
(c) + (f)			x (g)
 Less Long-term Liabilities			
Debentures			<u>x</u> (h)
NET ASSETS (g) – (h)			<u>x</u> (i)
 FINANCED BY			
Authorised share capital			
x (number) preference shares of £x (nominal value) each			x
x (number) ordinary shares of £x (nominal value) each			<u>x</u>
			<u>x</u>
Issued share capital			
x (number) preference shares of £x (nominal value) each, fully/partly paid			x
x (number) ordinary shares of £x (nominal value) each, fully/partly paid			<u>x</u>
			x
Capital reserves			
Share premium account		x	
Revaluation reserve		<u>x</u>	x
Revenue reserves			
Profit and loss account		x	
General reserve		<u>x</u>	<u>x</u>
SHAREHOLDERS' FUNDS			<u>x</u> (i)

Note: balance sheet balances at points (i)

cash flow statement

CASH FLOW STATEMENT FOR THE YEAR ENDED *** DATE ***

	£	£
Operating activities:		
Operating profit (note: before tax and interest)	x	
Depreciation for year	x	
Increase or decrease in stocks	(x) or x	
Increase or decrease in debtors	(x) or x	
Increase or decrease in creditors	x or <u>(x)</u>	
<i>Net cash inflow from operating activities</i>		x
Returns on investments and servicing of finance:		
Interest and dividends received	x	
Interest and dividends paid (dividends on ordinary shares shown below)	<u>(x)</u>	x or (x)
Taxation:		
Corporation tax paid (note: amount <i>paid</i> during year)		(x)
Capital expenditure and financial investment		
Payments to acquire fixed assets and investments	(x)	
Receipts from sales of fixed assets and investments	<u>x</u>	x or (x)
Acquisitions and disposals		
eg purchase of subsidiary undertakings	(x)	
eg sale of a business	<u>x</u>	x or (x)
Equity dividends paid: (note: amount <i>paid</i> during year)		<u>(x)</u>
<i>Cash inflow or outflow before use of liquid resources and financing</i>		x or (x)
Management of liquid resources:		
eg purchase of treasury bills	(x)	
eg sale of treasury bills	<u>x</u>	x or (x)
Financing:		
Issue of share capital	x	
Repayment of share capital	(x)	
Increase in loans	x	
Repayment of loans	<u>(x)</u>	
Increase or decrease in cash		<u>x</u> or (x) <u>x</u> or (x)

Note: money amounts shown in brackets indicate a deduction or, where the figure is a sub-total, a negative figure

ACCOUNTING RATIOS

			previous year	current year	
Profitability					
	<i>figures from the table on the previous page</i>				
Gross profit/sales percentage	$\frac{1 - 2}{1}$	x $\frac{100}{1}$	%	%	
Operating profit/sales percentage	$\frac{3}{1}$	x $\frac{100}{1}$	%	%	
Net profit/sales percentage	$\frac{4}{1}$	x $\frac{100}{1}$	%	%	
Return on capital employed	$\frac{3}{10 + 11}$	x $\frac{100}{1}$	%	%	
Return on equity	$\frac{4^*}{11}$	x $\frac{100}{1}$	%	%	
* less corporation tax, and preference dividend (if any)					
Solvency/liquidity					
Working capital ratio	$\frac{5}{8}$:1	:1	
Liquid ratio	$\frac{5 - 6}{8}$:1	:1	
Capital gearing percentage	$\frac{10}{11}$	x $\frac{100}{1}$	%	%	
Asset utilisation					
Stock turnover (days)	$\frac{6^*}{2}$	x 365	days	days	
* ideally, this should be the average of opening stock and closing stock					
Debtors' collection period (days)	$\frac{7}{1}$	x 365	days	days	
Creditors' payment period (days)	$\frac{9}{2^*}$	x 365	days	days	
* ideally, this should be the purchases figure					