
Cashflow Statements

Layout of the Statements

Abridged Profit and Loss Account

LAYOUT OF STATEMENTS TO ANSWER A CASHFLOW STATEMENT

Abridged Profit and Loss Account of ABC plc for the year ending xx/xx/xx

1	Operating profit	x	Add 3 and take away 2
2	Investment income	x	See working
3	Debenture interest	x	See working
4	Profit before tax	x	Add 5 and 6
5	Taxation	x	See Question
6	Profit after tax	x	Take 8 away from 7
7	Dividends	x	See Question
8	Retained Profit	x	Taken 10 away form 9
9	Profit and loss balance 01/01/20xx	x	Taken from the Balance Sheet
10	Profit and loss balance 31/12/20xx	x	Taken from the Balance Sheet

Note - Start and the bottom and work upwards to calculate the Operating Profit

Usually this will be given in a 60 mark question