

**Topic: F1 Statement of Comprehensive Income Worksheet (1)**

**Q1** Last year Jumping Jacks, a trampoline manufacturer, earned £6,750,000 in revenue with cost of sales totalling £3,800,000 and other expenses of £1,600,000. This year they are predicted to earn £8,000,000 in revenue with cost of sales increasing by an additional £1,000,000 and other expenses increasing by 15%. Taxation stands at 20% on any net profit achieved.

**Activity:** Using the information provided, produce a statement of comprehensive income for this year and last year clearly showing gross profit, net profit before tax and net profit after tax. Comment on whether or not the marketing campaign was a worthwhile investment.

**Your workings:**

|                       | Last Year - £ | This Year - £ |
|-----------------------|---------------|---------------|
| Revenue               |               |               |
| Cost of Sales         |               |               |
| Gross Profit          |               |               |
| Other Expenses        |               |               |
| Net profit before tax |               |               |
| Tax                   |               |               |
| Net Profit After Tax  |               |               |

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**Q2** Cheeses of Nazareth a supplier of cheeses from all over the world has provided you with a partially completed statement of comprehensive income.

|                       | £        |
|-----------------------|----------|
| Revenue               | 550,000  |
| Cost of Sales         | <b>A</b> |
| Gross Profit          | 425,000  |
| Other Expenses        | 75,000   |
| Net Profit Before Tax | <b>B</b> |
| Taxation              | 70,000   |
| Net Profit After Tax  | <b>C</b> |

**Activity:** Calculate the correct missing figures shown as A, B and C for the above statement of comprehensive income.

**Your workings:**

|                       | £ |
|-----------------------|---|
| Revenue               |   |
| Cost of Sales         |   |
| Gross Profit          |   |
| Other Expenses        |   |
| Net Profit Before Tax |   |
| Taxation              |   |
| Net Profit After Tax  |   |

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**Q3** Getting There is a local taxi company operating in the heart of Portsmouth. The financial director is preparing its year-end financial statements. Below are some of its key performance indicators for the year.

|                                     |                   |
|-------------------------------------|-------------------|
| Average Number of Passengers a Week | 2,500             |
| Average price per journey           | £7                |
| Gross Profit Margin                 | 43% of revenue    |
| Net Profit Margin                   | 27% of revenue    |
| Tax                                 | 20% of net profit |

**Activity:** Produce a statement of comprehensive income for the year that includes the following: revenue, gross profit, profit before tax and profit after tax for Getting There.

**Your workings:**

|                       | £ |
|-----------------------|---|
| Revenue               |   |
| Cost of Sales         |   |
| Gross Profit          |   |
| Other Expenses        |   |
| Net Profit Before Tax |   |
| Tax                   |   |
| Net Profit After Tax  |   |

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**Q4** At the end of the following year, Getting There has the following information available regarding its financial performance:

- Due to increased competition, the average journey price was only 4/5ths of the previous year
- Number of passengers increased by 7%
- Gross profit margin improved to 50% due to cheaper fuel costs
- Net profit margin increased by 13% on the previous year
- Tax rate increased by 5%

**Activity:** Prepare a statement of comprehensive income for the following year that includes sales revenue, gross profit, net profit before tax and net profit after tax based on the changes stated above.

**Your workings:**

|                       | £ |
|-----------------------|---|
| Revenue               |   |
| Cost of Sales         |   |
| Gross Profit          |   |
| Other Expenses        |   |
| Net Profit Before Tax |   |
| Tax                   |   |
| Net Profit After Tax  |   |

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**Q5** Last year Ice Scream Men, a business that produces weird and wonderful flavours of ice cream to supermarkets, posted a total revenue of £1,460,000. This year their revenue is expected to increase by 15% as a result of a new marketing campaign. As a direct result of this, their cost of sales is predicted to rise by 6% from last year's figure of £450,000. The cost of the marketing campaign is £55,000, which is an additional cost to their other predicted expenses of £82,500. Tax of 17% is paid on net profit.

**Activity:** Prepare a statement of comprehensive income for this year that includes sales revenue, gross profit, net profit before tax and net profit after tax based on the information above.

**Your Workings:**

|                       | £ |
|-----------------------|---|
| Revenue               |   |
| Cost of Sales         |   |
| Gross Profit          |   |
| Other Expenses        |   |
| Net Profit Before Tax |   |
| Tax                   |   |
| Net Profit After Tax  |   |

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**Q6** Having looked at their statement of comprehensive income for last year, Ice Scream Men have identified several errors. Material costs which account for 40% of the cost of sales figure had increased by 15%, but this was not accounted for. Staff wages, which accounted for 30% of other expenses had also risen by 10%. The business also used the incorrect taxation figure – 17% was used instead of 20%.

**Activity:** Using the new information provided, prepare revised a statement of comprehensive income for Ice Scream Men for last year taking account of the adjustments mentioned above.

**Your Workings:**

|                       | £ |
|-----------------------|---|
| Revenue               |   |
| Cost of Sales         |   |
| Gross Profit          |   |
| Other Expenses        |   |
| Net Profit Before Tax |   |
| Tax                   |   |
| Net Profit After Tax  |   |