

The Three Amigos

Profit & loss account for the year ended 31/03/2017

Sales		£1,659,980
Cost of sales		
Opening inventory	£201,665	
Purchases	£1,036,313	
Closing inventory	<u>£167,980</u>	
		<u>£1,069,998</u>
Gross profit		£589,982
Expenses		
Wages & salaries	£154,800	
Rent, rates & insurance	£64,687	
Light & heat	£16,020	
Postage, stationery and advertising	£49,556	
Professional fees	£12,550	
Bank charges & interest	<u>£3,669</u>	
		<u>£301,282</u>
Profit for the year		<u><u>£288,700</u></u>
Profit appropriate account		£288,700
Less salaries		
Vance Johnson	£20,000	
Mark Jackson	£48,000	
Ricky Nattiel	<u>£30,000</u>	
		<u>£98,000</u>
Profit available for distribution		<u><u>£190,700</u></u>
Split of profits:	% share	
Vance Johnson	40%	£76,280
Mark Jackson	35%	£66,745
Ricky Nattiel	25%	£47,675
Total		<u><u>£190,700</u></u>

Tasks

To the left is an uncompleted profit and loss account and profit appropriation account

(NB. A profit appropriation account records the split of profits between partners)

- 1 In cell D8 use a formula to calculate the total Cost of Sales (the total of opening inventory and purchases less closing inventory)
- 2 In cell D9 calculate the gross profit (sales less cost of sales)
- 3 In cell D17 calculate total expenses
- 4 In cell D18 calculate the profit for the year (gross profit less expenses)
- 5 In cells D29 to D31 use formulae to calculate the split of profits. This is calculated as the partner's percentage share multiplied by the Profit available for distribution
- 6 Create a PIE chart to show the split of profits between partners. The chart should have an appropriate title, a legend positioned to the left and data labels showing the amount of profit earned by each partner in monetary terms (do not show them as percentages)
- 7 Add a footer to the worksheet recording your name, aat number and date
- 8 Change the name of the worksheet tab to Profit and the tab colour to blue
- 9 Save the worksheet as a pdf ensuring that it is all legible and fits onto one page

