

SIMS LTD

PROFIT AND LOSS (EXTRACT)

	2014	
	A	B
	£	£
Turnover	290400	66000
Cost of Sales (BAL FIG)	(261360)	(78000)
Gross Profit	<u>29040</u>	<u>(12000)</u>

564000 - 273600

↓

BALANCE SHEET (EXTRACT)

	2014	
	A	B
	£	£
DEBITORS: Amounts Recoverable on Contracts	<u>12000</u>	<u>—</u>
STOCKS: Long Term Contract Balances	<u>8400</u>	<u>12000</u> (18000 - 6000)

W1 P+C A/C (A - 2014)

£

Contract Price	900 000
less: costs to date	(516 000)
costs to complete	(294 000)
Total Expected Profit	<u>90 000</u>

$$\% \text{ completion} = \frac{564}{900} = 62.67\%$$

$$\begin{aligned} \text{Attributable profit to date} &= 62.67\% \times 90 000 \\ &= 56 400 \end{aligned}$$

$$\text{less: earned in 2013 (W2)} \quad (27 360)$$

$$\therefore \text{Earned in 2014} \quad \underline{\underline{29 040}}$$

W2 P+L A/C (A - 2013)

$$\% \text{ completion} = \frac{273600}{900000} = 30.4\%$$

$$\text{Attributable profit (2013)} = 30.4\% \times 900000 \\ = \underline{\underline{£27360}}$$

	2013 £
Turnover	273600
Cost of Sales	(246240)
Gross Profit	<u>27360</u>

W3 P+L A/C (B - 2014)

	£
Contract Price	180000
less: costs to date	(96000)
costs to complete	(96000)
Total Expected Loss	<u>(12000)</u>

(W4) DEBITORS / CREDITORS

	2014	
	A £	B £
Value of work certified	564000	66000
less:		
payments on account	(552000)	(72000)
	<u>12000</u>	<u>(6000)</u>

(W5) STOCK

	2014	
	A £	B £
Costs to date	516000	96000
less: transferred to cost of sales	(507600)	(78000)
	<u>8400</u>	<u>18000</u>

246240 + 261360