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B.Com Honours | Semester III | Calicut University

CORPORATE FINANCIAL STATEMENTS

Course Code: COM3MN203 • Module 3 Notes

Module III: Preparation of Single Entity Financial Statements

Preparation of corporate financial statements under Schedule III of the Companies Act, 2013 and Ind AS 1 ensures standardized presentation of Profit/Loss and Financial Position.

Unit 6: Financial Statements (Ind AS 1) – General Features, Scope, & Objectives

1. General Features: Fair presentation and compliance with Ind AS, Going Concern assumption, Accrual basis of accounting, Materiality & aggregation, and No Offsetting of assets and liabilities.
2. Complete Set of Financial Statements: Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity (SOCE), Cash Flow Statement, and Accounting Policies & Explanatory Notes.

Unit 7: Statement of Profit and Loss (SOPL) – Schedule III Part II Structure

Classifies income and expenses by nature:

Total Revenue = Revenue from Operations + Other Income

Profit Before Tax (PBT) = Total Revenue - Total Expenses

Expenses breakdown: Cost of materials consumed, Purchases of stock-in-trade, Changes in inventories, Employee benefits expense, Finance costs, Depreciation & amortization, Other expenses.

Unit 8: Balance Sheet – Schedule III Part I Classification & Preparation

Mandates division of Assets and Liabilities into **Current** (expected settlement within 12 months or operating cycle) and **Non-Current** items.

Practical Problem 1 (Schedule III Statement of Profit and Loss Preparation): From the following trial balance extract of Global Logistics Ltd. for the year ended 31st March 2024, prepare the Statement of Profit and Loss (SOPL):
Revenue from Operations = Rs. 80,00,000; Other Income (Dividend) = Rs. 2,00,000. Cost of Materials Consumed = Rs. 35,00,000; Employee Benefits Expense = Rs. 12,00,000. Finance Costs (Interest) = Rs. 3,00,000; Depreciation = Rs. 4,00,000; Other Expenses = Rs. 6,00,000. Income Tax Rate = 25%.

Statement of Profit and Loss of Global Logistics Ltd. for the year ended 31st March 2024:

Particulars	Note No.	Amount (Rs.)
I. Revenue from Operations	1	80,00,000
II. Other Income	2	2,00,000
III. Total Revenue (I + II)		**82,00,000**
IV. Expenses:		
(a) Cost of Materials Consumed		35,00,000
(b) Employee Benefits Expense		12,00,000
(c) Finance Costs		3,00,000
(d) Depreciation & Amortization Expense		4,00,000
(e) Other Expenses		6,00,000
Total Expenses (IV)		**60,00,000**
V. Profit Before Tax (III - IV)		**22,00,000**
VI. Tax Expense (25% of PBT)		5,50,000
VII. Profit for the Period (V - VI)		**16,50,000**