Question 1: Complete the table by providing a definition of each term.

Question 2: Once completed, re-arrange the table into the correct format for a statement of financial position.

|  |  |
| --- | --- |
| **Term** | **Meaning** |
| Accruals |  |
| **Capital Employed** |  |
| Cash |  |
| **Current Assets** |  |
| **Current Liabilities** |  |
| Drawings |  |
| Freehold Factory |  |
| Inventories |  |
| Long-Term Loan |  |
| Machinery |  |
| Motor vehicles |  |
| **Net Assets** |  |
| **Net Current Assets** |  |
| **Non-Current Assets** |  |
| **Non-Current Liabilities** |  |
| Owners’ Capital |  |
| Prepayments |  |
| Retained Profit |  |
| **Total Current Assets** |  |
| **Total Non-Current Assets** |  |
| Trade Payables |  |
| Trade Receivables |  |

Pete’s Pet Shop needs some help putting together their Statement of Financial Position. Given the information in the table, complete these totals:

1. Total Current Assets
2. Net Current Assets / Liabilities
3. Capital Employed
4. Total Non-Current Assets
5. Net Assets
6. Total Non-Current Liabilities
7. Total Current Liabilities

£000

|  |  |
| --- | --- |
| Accruals | 200 |
| Prepayments | 150 |
| Cash in bank | 150 |
| Machinery | 300 |
| Inventories | 110 |
| Drawings | 60 |
| Capital | 400 |
| Premises | 500 |
| Overdraft | 200 |
| Receivables | 50 |
| Loan | 150 |
| Retained Profit | 480 |
| Brands | 60 |
| Cash in hand | 50 |

Premier Foods – Structure of the Statement of Financial Position

Fill in the gaps marked with a “?”

|  |  |
| --- | --- |
|  | £m |
| **Non-Current Assets** | **68** |
|  |  |
| **Current Assets** |  |
| Stock | 6 |
| Trade receivables | ? |
| Cash | 1.5 |
| **Total current Assets** | **15** |
|  |  |
| **Current Liabilities** |  |
| Trade payables | (8) |
| Overdraft | (12) |
| **Total Current Liabilities** | **?** |
|  |  |
| ? | ? |
|  |  |
| Non Current Liabilities | (33) |
|  |  |
| **Net Assets** | **?** |
|  |  |
| **Capital** |  |
| Share Capital | 7 |
| Retained profit | ? |
| **Capital Employed** | **?** |

John’s semi-completed Statement of Financial Position is shown below. He is using the reducing balance method of calculating depreciation and has estimated his non-current assets will depreciate as follows:

Freehold factory at 10%

Machinery at 25%

Motor vehicles at 15%

Please complete the statement of financial position.

|  |  |  |  |
| --- | --- | --- | --- |
|  | £000  Cost | £000  Depreciation | £000  Net Book Value |
| **Non-Current Assets** |  |  |  |
| Freehold Factory | 250 | ? | ? |
| Machinery | 80 | ? | ? |
| Motor vehicles | 40 | ? | ? |
| **Total Non-Current Assets** |  |  | ? |
|  |  |  |  |
| **Current Assets** |  |  |  |
| Inventories |  |  | 35 |
| Trade Receivables |  |  | 10 |
| Prepayments |  |  | 3 |
| Cash |  |  | 5 |
| **Total Current Assets** |  |  | ? |
|  |  |  |  |
| **Current Liabilities** |  |  |  |
| Trade Payables |  |  | 7 |
| Accruals |  |  | 4 |
|  |  |  |  |
| **Net Current Assets** |  |  | ? |
|  |  |  |  |
| **Non-Current Liabilities** |  |  |  |
| Long-Term Loan |  |  | 115 |
|  |  |  |  |
| **Net Assets** |  |  | ? |
|  |  |  |  |
| Owners’ Capital |  |  | 200 |
| Retained Profit |  |  | 136 |
| Drawings |  |  | ? |
|  |  |  |  |
| **Capital Employed** |  |  | 246 |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |