

Chapter 6

Financial Statements for Sole Proprietorships (II)

Similarity and differences between the income statement and the statement of financial position

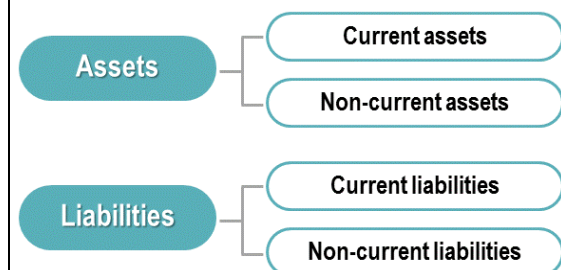
Similarity

- A **statement of financial position (balance sheet)** reports the financial position of a business as at the end of an accounting period.
- It shows the balances of **assets**, **liabilities** and **capital** as at that date.
- The statement of financial position is a **financial statement** and is not a ledger account.

Differences

1. A statement of financial position reports the **financial position** of a business, while an income statement reports its **financial performance**.
2. The income statement reports the flows of revenues and expenses **over a period of time**. This is called the flow concept.
3. The statement of financial position reports the balances of assets, liabilities and capital **as at a particular date**. This is called the **stock** concept.

Classifications of assets and liabilities



Current assets

- **Current assets** (short-term assets) refer to **cash** and other assets that are to be converted into **cash, sold** or **consumed** in the short term, usually within **one year**.
- Examples:
 - ▣ Inventory, trade receivables, cash at bank, cash

Non-current assets

- **Non-current assets** (fixed assets, long-term assets) are assets other than current assets.
- Non-current assets usually refer to assets that:
 - are **durable**;
 - were not bought with the intention of **reselling** them; and will be used in **business** (such as administration, production) for a period of time **longer** than one year.
- Examples:
 - ▣ land and buildings, fixtures and fittings, furniture, machinery, equipment, motor vehicles

第 6 章

獨資企業的財務報表（二）

損益表與財務狀況表的共通點和差異

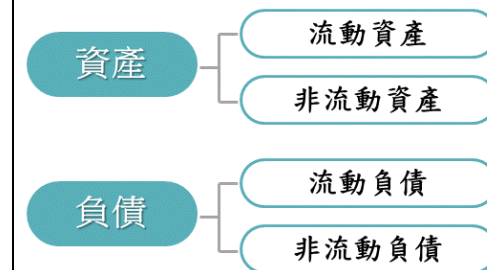
共通點

- **財務狀況表(資產負債表)**匯報企業在某日（通常是會計期末）的財務狀況。
- 匯報企業在該日的**資產**、**負債**和**資本**餘額。
- 財務狀況表與損益表都屬於**財務報表**，不是分類帳帳戶。

差異

1. 財務狀況表匯報企業的**財務狀況**，損益表則匯報企業的**財務表現**。
2. 損益表匯報企業在某段時間內 收益和費用的流量，這種概念稱為**流量**概念。
3. 財務狀況表則量度企業在某日的資產、負債和資本餘額，這種概念稱為**存量**概念。

Classifications of assets and liabilities



流動資產

- 流動資產是指會在短期內（通常是**一年內**）**變現、出售或消耗**的資產，
- 例如:
 - ▣ 存貨、應收貨款、銀行存款、現金

非流動資產

- **流動資產**(又稱固定資產或長期資產)以外的所有資產都屬於非流動資產。
- 非流動資產通常是指
 - **耐用**、
 - 購買時不打算**轉售**，以及將會用於企業營運（例如行政、製造），並使用遠遠超過一年的資產。
- 例如:
 - ▣ 房地產、裝修與裝置、家具、機器、設備、汽車

Current liabilities

- **Current liabilities** (short-term liabilities) refer to liabilities that have to be repaid within **one year**.
 - For example, **trade payables** usually have to be paid within a few months after purchases have been made.

Non-current liabilities

- **Non-current liabilities** (long-term liabilities) refer to liabilities that **do not have** to be repaid within one year.
 - For example, a loan from a bank that is repayable in five years' time is classified as a non-current liability.

Preparation of a statement of financial position

Trial Balance as at 31 December 2013

| | Dr | Cr |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Sales | | 207,000 |
| Purchases | 142,600 | |
| Returns inwards | 3,450 | |
| Returns outwards | | 2,100 |
| Carriage inwards | 1,950 | |
| Carriage outwards | 1,330 | |
| Rent and rates | 15,650 | |
| Salaries | 26,000 | |
| Discounts allowed | 2,200 | |
| Sundry expenses | 1,700 | |
| Discounts received | | 3,500 |
| Premises | 250,000 | |
| Fixtures and fittings | 53,600 | |
| Trade receivables | 42,300 | |
| Trade payables | | 41,880 |
| Bank | 56,000 | |
| Cash | 8,200 | |
| Loan from C Ho (repayable in 2016) | | 90,000 |
| Drawings | 23,000 | |
| Capital | | 290,000 |
| Inventory | 6,500 | |
| | <u>634,480</u> | <u>634,480</u> |

Inventory as at 31 December 2013 was valued at \$5,400.

- Capital balance brought forward from the previous year (i.e., **opening capital**).
- Before updating the inventory account with the entry for the closing inventory, the balance in the inventory account still represents the **opening inventory** for the year.

流動負債

- **流動負債**(短期負債)是指必須在一年內償還的債務。
 - 例如**應付貨款**通常要在購貨後數個月內償還，因此應列作流動負債。

非流動負債

- **非流動負債**(長期負債)是指不須在一年內償還的債務。
 - 例如在五年後才要償還的銀行貸款便應列作非流動負債。

編製財務狀況表

試算表
於 2013 年 12 月 31 日

| | 借方 | 貸方 |
|-------------------|----------------|----------------|
| | \$ | \$ |
| 銷貨 | | 207,000 |
| 購貨 | 142,600 | |
| 銷貨退回 | 3,450 | |
| 購貨退出 | | 2,100 |
| 購貨運費 | 1,950 | |
| 銷貨運費 | 1,330 | |
| 租金及差餉 | 15,650 | |
| 薪金 | 26,000 | |
| 銷貨折扣 | 2,200 | |
| 雜費 | 1,700 | |
| 購貨折扣 | | 3,500 |
| 物業 | 250,000 | |
| 裝修與裝置 | 53,600 | |
| 應收貨款 | 42,300 | |
| 應付貨款 | | 41,880 |
| 銀行存款 | 56,000 | |
| 現金 | 8,200 | |
| 貸款：何先生 (2016 年償還) | | 90,000 |
| 提用 | 23,000 | |
| 資本 | | 290,000 |
| 存貨 | 6,500 | |
| | <u>634,480</u> | <u>634,480</u> |

2013 年 12 月 31 日的存貨值為 \$5,400。

- 試算表所顯示的資本額是從上年度轉下來的**期初資本餘額**。
- 當企業尚未為存貨帳戶編製期末存貨的分錄時，存貨帳戶所顯示的餘額仍然是該年度的**期初存貨**。

Vertical style

| | M Chan | |
|-------------------------------------|--|----------------|
| | Statement of Financial Position as at 31 December 2013 | |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Premises | | 250,000 |
| Fixtures and fittings | | 53,600 |
| | | <u>303,600</u> |
| <i>Current assets</i> | | |
| Inventory | 5,400 | |
| Trade receivables | 42,300 | |
| Bank | 56,000 | |
| Cash | 8,200 | |
| | <u>111,900</u> | |
| <i>Less Current liabilities</i> | | |
| Trade payables | 41,880 | |
| Net current assets | | <u>70,020</u> |
| | | 373,620 |
| <i>Less Non-current liabilities</i> | | |
| Loan from C Ho | | 90,000 |
| | | <u>283,620</u> |
| <i>Financed by:</i> | | |
| <i>Capital</i> | | |
| Balance as at 1 January 2013 | | 290,000 |
| Add Net profit for the year | | 16,620 |
| | | <u>306,620</u> |
| <i>Less Drawings</i> | | 23,000 |
| | | <u>283,620</u> |

- ## Horizontal style

| M Chan Statement of Financial Position as at 31 December 2013 | | | |
|--|----------------|--------------------------------|----------------|
| | \$ | \$ | \$ |
| <i>Non-current assets</i> | | | |
| Premises | 250,000 | Balance as at 1 January 2013 | 290,000 |
| Fixtures and fittings | 53,600 | Add Net profit for the year | 16,620 |
| | <u>303,600</u> | | <u>306,620</u> |
| <i>Current assets</i> | | Less Drawings | 23,000 |
| Inventory | 5,400 | | <u>283,620</u> |
| Trade receivables | 42,300 | <i>Non-current liabilities</i> | |
| Bank | 56,000 | Loan from C Ho | 90,000 |
| Cash | <u>8,200</u> | | |
| | 111,900 | <i>Current liabilities</i> | |
| | | Trade payables | 41,880 |
| | <u>415,500</u> | | <u>415,500</u> |

- 直式

| | |
|-------------------|------------------------------------|
| 直式 | 陳先生 財務狀況表 於 2013 年 12 月 31 日 |
| | \$ |
| 非流動資產 | \$ |
| 物業 | 250,000 |
| 裝修與裝置 | 53,600 |
| | 303,600 |
| 流動資產 | |
| 存貨 | 5,400 |
| 應收貨款 | 42,300 |
| 銀行存款 | 56,000 |
| 現金 | 8,200 |
| | 111,900 |
| 減 流動負債 | |
| 應付貨款 | 41,880 |
| 流動資產淨值 | 70,020 |
| | 373,620 |
| 減 非流動負債 | |
| 貸款：何先生 | 90,000 |
| | 283,620 |
| 資金籌措： | |
| 資本 | |
| 餘額，2013 年 1 月 1 日 | 290,000 |
| 加 年度淨利 | 16,620 |
| | 306,620 |
| 減 提用 | 23,000 |
| | 283,620 |

- 非流動資產的排列次序以耐用性為依據，由最耐用的項目開始按降序排列。
- 流動資產的排列次序以變現能力為依據，由最難變現的項目開始按升序排列，通常排在最後的是現金。
- 流動資產淨值(又稱淨流動資產或營運資金)
= 流動資產 - 流動負債
- 年度淨利會計入資本內，而年度淨損失則須從資本中扣除。
- 提用須從資本中扣除。
- 淨資產 = 資產 - 負債 = 資本
- 期末資本 = 期初資本 + 資本貢獻 (注資) + 純利/純虧損 - 提用

横式

| | | | | | |
|------------------------------------|--------------|----------------|-------------------|----|---------------|
| 橫式 | | | | | |
| 陳先生 財務狀況表 於 2013 年 12 月 31 日 | | | | | |
| | \$ | \$ | | \$ | |
| 非流動資產 | | | 資本 | | |
| 物業 | | 250,000 | 餘額，2013 年 1 月 1 日 | | 290,000 |
| 裝修與裝置 | | 53,600 | 加 年度淨利 | | 16,620 |
| | | 303,600 | | | 306,620 |
| 流動資產 | | | 減 提用 | | 23,000 |
| 存貨 | 5,400 | | | | 283,620 |
| 應收貨款 | 42,300 | | 非流動負債 | | |
| 銀行存款 | 56,000 | | 貸款：何先生 | | 90,000 |
| 現金 | <u>8,200</u> | 111,900 | 流動負債 | | |
| | | | 應付貸款 | | <u>41,880</u> |
| | | <u>415,500</u> | | | 415,500 |

- 資產 = 資本 + 負債

Closing entries

- To transfer the balance of the profit and loss account
 - ☐ If the business has earned a **net profit** for the year:

Dr Profit and loss account
Cr Capital account

| Capital | | | |
|---------|--------|------------------------------|---------|
| | 2013 | | \$ |
| | Jan 1 | Balance b/f | 290,000 |
| | Dec 31 | Profit and loss (net profit) | 16,620 |

- ☐ If the business has incurred a **net loss** for the year:

Dr Capital account
Cr Profit and loss account
- To transfer the balance of the drawings account

Dr Capital account
Cr Drawings account

| Capital | | | |
|---------|----------------|--------|------------------------------|
| 2013 | | 2013 | \$ |
| Dec 31 | Drawings | Jan 1 | Balance b/f |
| | 23,000 | | 290,000 |
| " 31 | Balance c/f | Dec 31 | Profit and loss (net profit) |
| | 283,620 | | 16,620 |
| | <u>306,620</u> | | <u>306,620</u> |

Classification of ledger accounts

Personal vs impersonal accounts

Personal accounts

- Accounts of individuals or entities having transactions with the firm, such as:
 - ☐ Debtors' accounts (accounts receivable),
 - ☐ Creditors' accounts (accounts payable)

Impersonal accounts

- Accounts other than personal accounts, such as:
 - ☐ Water charges account
 - ☐ Cash account
 - ☐ Office equipment account

Nominal vs Real accounts

Nominal accounts (temporary accounts)

- Accounts that will be **closed off** at the end of an accounting cycle and whose balances will be shown in the **income statement**.
 - ☐ Examples:
 - Expense accounts, Revenue accounts

Real accounts (permanent accounts)

- Accounts whose balances will be **carried forward** to the next accounting cycle and will appear in the **statement of financial position**.
 - ☐ Examples:
 - Asset accounts, Liability accounts, Capital accounts

結帳分錄

- 把損益帳戶的餘額轉出
 - ☐ 如果企業錄得**淨利**:

借記 損益帳戶
貸記 資本帳戶

| 資本 | | | |
|----|-----------|----------|---------|
| | 2013 年 | | \$ |
| | 1 月 1 日 | 餘額承前 | 290,000 |
| | 12 月 31 日 | 損益帳 (淨利) | 16,620 |

- ☐ 如果企業錄得**淨損失**:

借記 資本帳戶
貸記 損益帳戶
- 把提用帳戶的餘額轉出

借記 資本帳戶
貸記 提用帳戶

| 資本 | | | |
|-----------|----------------|-----------|----------------|
| 2013 年 | | 2013 年 | \$ |
| 12 月 31 日 | 提用 | 1 月 1 日 | 餘額承前 |
| | 23,000 | | 290,000 |
| 12 月 31 日 | 餘額移後 | 12 月 31 日 | 損益帳 (淨利) |
| | 283,620 | | 16,620 |
| | <u>306,620</u> | | <u>306,620</u> |

分類帳帳戶的分類

人名 vs 非人名帳戶

人名帳戶

- 與企業進行交易的個人或機構帳戶，例如:
 - ☐ 債務人帳戶 (應收帳款),
 - ☐ 債權人帳戶 (應付帳款)

非人名帳戶

- 人名帳戶以外的其他帳戶，例如:
 - ☐ 水費帳戶
 - ☐ 現金帳戶
 - ☐ 辦公室設備帳戶

虛 vs 實帳戶

虛帳戶 (臨時性帳戶臨時性帳戶)

- 會計循環終結時，企業會**結清**這類帳戶，並把帳戶餘額顯示在**損益表**上。
 - ☐ 例如:
 - 費用帳戶、收益帳戶

實帳戶 (永久性帳戶)

- 會計循環終結時，這類帳戶的餘額會在**財務狀況表**上出現，並**會轉到**下一個會計循環。
 - ☐ 例如:
 - 資產帳戶、負債帳戶、資本帳戶

Uses of financial statements

Income statement

- Readers of a firm's income statement will be able to find information such as:
 - ☐ whether it earned a **profit** during that period
 - ☐ how the profit was made
 - ☐ whether the firm spent too much
- Such information is useful for people who need to know the operating results and **profitability** of a business.
 - ☐ Profitability refers to the ability to make profits.
 - ☐ These include its **owner(s)**, **management** and **potential investors**.

Statement of financial position

- Readers of the statement of financial position of a business will be able to find information such as:
 - ☐ what **assets** were held by the business on that date
 - ☐ whether it had sufficient current assets
 - ☐ what caused the capital balance to increase or decrease
- This information is useful for people who need to know the **liquidity**, **solvency** and long-term **growth potential** of a business.
 - ☐ **Liquidity** refers to the ability to meet short-term obligations.
 - ☐ **Solvency** refers to the ability to meet long-term obligations.
 - ☐ These include its **owner(s)**, **management** and **creditors**.
- Therefore, financial statements are useful in providing people with different types of relevant information to make informed **decisions** about a business.
- Furthermore, users of financial statements can project **trends** with regard to the financial performance and position of a business with the use of comparative financial statements.

財務報表的用途

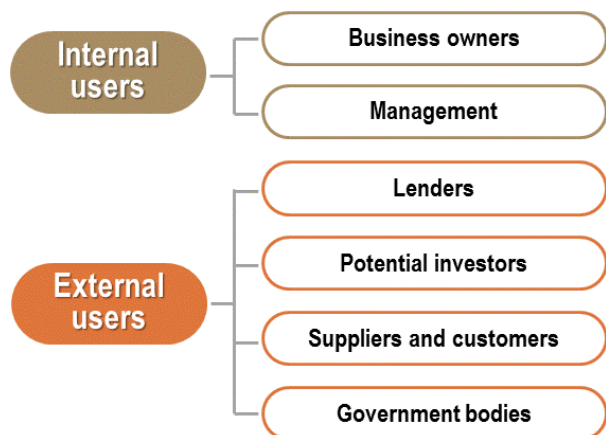
損益表

- 損益表為使用者提供的資料包括:
 - ☐ 企業錄得多少**利潤**
 - ☐ 賺取利潤的途徑
 - ☐ 是否支出過多
- 這種信息對於需要知道一個企業的經營業績和**盈利能力**都很有用。
 - ☐ 盈利能力是指企業賺取利潤的能力。
 - ☐ 這包括企業的**東主**、**管理階層**及**潛在投資者**。

財務狀況表

- 財務狀況表為使用者提供的資料包括:
 - ☐ 企業在該日持有多少**資產**
 - ☐ 有沒有足夠的**流動資產**
 - ☐ 資本餘額增加或減少的原因
- 這種信息對於須要知道企業的**變現能力**、**償債能力**以及長遠的**增長潛力**都很有用。
 - ☐ **變現能力**是指企業償還短期債務的能力。
 - ☐ **償債能力**是指企業償還長期債務的能力。
 - ☐ 這包括企業的**東主**、**管理階層**及**債權人**。
- 由此可見，財務報表可為使用者提供不同類型的相關信息，有助使用者作出明智的**決策**。
- 此外，財務報表的使用者也可透過閱讀比較財務報表，預計企業財務表現和財務狀況的**趨勢**。

Users of financial statements



Business owners

- Owners may not take part in the **day-to-day** management of their businesses.
- But they need to know whether their businesses are making **profits**, what **resources** are available, how much money is owed to others, etc.
- Such information is useful to owners when deciding whether their businesses should **continue** to operate or whether they need to put more **money** into their businesses.

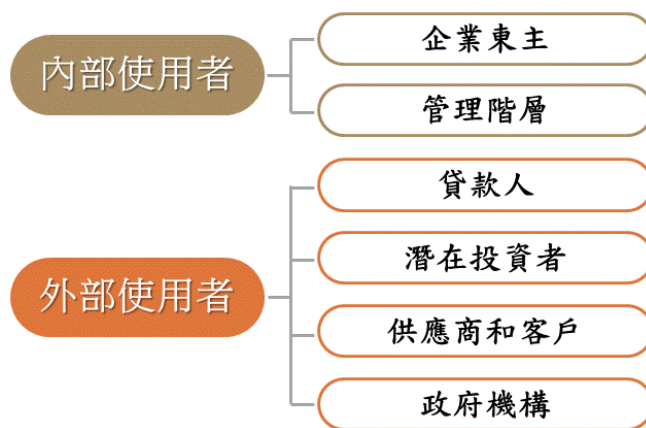
Management

- Management is responsible for the day-to-day **operations** of a business. For example, it needs to:
 - know which business lines are making or losing money, and then decides how resources should be **reallocated** to better use
 - find out whether **cash flows** are sufficient to finance daily operations and repay debts
- Summarising the operational results of a business, financial statements can help managers in formulating and implementing **financial plans**, as well as **evaluating** operational performance.

Lenders

- Lenders such as **banks** or other financial institutions need to know whether a firm will be able to pay **interest** and **repay** debts before lending it money.
- They will find out from the financial statements whether the firm is **profitable** and financially **healthy**.
- After lending money to a firm, the bank also needs to **monitor** the firm's financial performance by requiring it to provide regular financial statements.

財務報表的使用者



企業東主

- 企業東主未必參與企業的**日常管理**，這種情況在大型企業尤其普遍。
- 所以他們須知道企業的**盈虧**情況、可動用的**資源**及欠下的債項等資料，而這些信息可從財務報表上找到。
- 這些信息有助東主決定是否**繼續**經營企業，或是否應該投放更多**資金**發展業務等。

管理階層

- 管理階層負責企業的**日常運作**，所以他們是財務報表的主要使用者。例如，他們須：
 - 知道各項業務的盈虧情況，從而決定如何更有效地**分配資源**
 - 確定**現金流量**是否足以應付企業的日常運作和償還債務
- 財務報表能總結企業的營運業績，有助管理人員進行策劃和落實**財務計劃**，以及**評估**企業的營運表現。

貸款人

- 貸款人（例如**銀行**或其他金融機構）在決定是否向某企業批出貸款時，須知道企業支付**利息**和**償還**債務的能力。
- 他們會根據財務報表上的資料，找出企業是否**賺錢**以及其財務是否**健全**。
- 批出貸款後，貸款人仍會要求企業定期呈交財務報表，以**監察**其財務表現。

Potential investors

- Potential investors can learn about the **past performance** of a firm from its financial statements.
- They can then project the firm's **future earnings** before deciding whether it is worth investing in.

Suppliers and customers

- Suppliers need to know whether a customer will be able to pay on time.
- Customers may want to know whether their suppliers are financially healthy and will be able to keep on supplying them with goods or services.
- Financial statements can help suppliers and customers understand more about the financial performance and **debt** position of their trading partners.

Government bodies

- The Inland Revenue Department has to determine from the financial statements of a firm how much profit it has made in order to calculate the amount of **profits tax** that it has to pay.
- The police and the courts also need financial statements as a source of information in the investigation and hearing of commercial **crime** cases.

Limitations of financial statements

Reporting past results

- Financial statements report on the **past** financial results of a business.
- Such information may not be relevant to **current** or **future** decision-making.
 - For example, a company that was very successful in the past may suffer substantial losses in the future.
 - Therefore, decision-makers should not rely too heavily on past financial information when making long-term decisions.

Assets valued at historical cost

- Assets are usually valued at cost, i.e., the **cost** at which the assets were **purchased** or **produced**.
 - The current **market value** of assets is not reflected in financial statements.
 - For example, a machine was bought for \$20,000 two years ago. If its market value has dropped to \$10,000, the value stated in the books (ignoring depreciation) would be \$20,000.
- Thus, the information provided by financial statements about assets is not based on current value and may not reflect their **true worth**.

潛在投資者

- 潛在投資者可從財務報表得知企業**過去**的財務表現。
- 以此預測企業**未來**的盈利情況，從而決定是否值得投資。

供應商和客戶

- 供應商須要知道客戶是否有足夠能力如期還款。
- 客戶可能想知道供應商的財政是否健全，能否繼續供應所需的商品或服務。
- 財務報表有助客戶和供應商了解貿易夥伴的財務表現和**負債**情況。

政府機構

- 稅務局 須根據財務報表上的信息，確定企業的盈利，以計算企業應繳付的**利得稅**。
- 警方和法院在偵查和審理**商業罪案**時，也須要使用財務報表的信息。

財務報表的限制

匯報過去的業績

- 財務報表只報告**過往**財務業績。
- 財務報表的信息未必對**當前**或**未來**的決策有參考作用。
 - 例如，即使一家公司過去的業績十分理想，但未來仍可能出現嚴重虧損。
 - 因此，決策者作出長遠的決策時，不應過份依賴過去的財務信息。

資產按歷史成本計價

- 資產通常按**購買**或**生產**的**成本**計價。
 - 財務報表不會展示資產的現行**市值**。
 - 例如，企業在兩年前以二萬元購入一台機器。即使機器的市值下跌至一萬元，該機器會以**二萬**元的價值入帳（不計折舊）。
- 由此可見，財務報表提供有關資產的信息並不是按其**市值**計價，因此不一定能反映資產的**真正價值**。

Alternative accounting policies and methods can be used

- When treating transactions or items of the same type, companies are allowed to choose among alternative accounting **policies** and **methods**.
 - For example, a number of methods can be used to value a firm's **inventory**. The adoption of different valuation methods would lead to different financial results reported for a certain year.
- Therefore, it could be very misleading to **compare** the financial results of firms without understanding the accounting policies and methods used by these firms.

Involvement of personal judgements

- Financial statements involve **estimates** and **personal judgement** made by accountants and management.
- These judgements may lead to **errors**, **manipulation** or even **fraud**.

Lack of qualitative information

- Financial statements only provide **quantitative** information which is expressed in monetary terms.
 - Non-quantitative (i.e., **qualitative**) information is not provided because it cannot be **objectively** measured in monetary terms.
 - For example, you cannot know the **morale** of staff or the quality of **relationships** with customers from the financial statements.
 - However, these qualitative factors may be crucial to the financial success of a business and information about them may have a great impact on **decision-making**.

Providing a summary without details

- Financial statements only provide a **summary** of the financial results of a business.
- **Details** about the transactions that were responsible for the results are not disclosed.
- Users of financial statements may not be aware of the **hidden** issues or problems behind the reported figures.

多種會計政策和計算方法可供使用

- 企業在處理同類型的交易或項目時，可從多種**會計政策**和**計算方法**中作出選擇。
 - 例如，會計學上有不同的方法計算**存貨**的價值。企業採用不同的計價方法，會得出不同的財務業績。
- 因此，**比較**企業之間的財務業績時，須了解各企業所採用的會計政策和計算方法，否則可能會被誤導。

涉及個人判斷

- 財務報表的編製包含會計師及管理階層的**估計**和**個人判斷**。
- 這些判斷可能導致信息錯誤，當中甚至可能涉及**操縱**和**欺詐**的問題。

缺乏不能量化的信息

- 財務報表只能提供以貨幣為計算單位的**量化**信息。
 - 由於**不能量化**的信息無法**客觀**地以貨幣單位量度，所以財務報表不會提供這些信息。
 - 例如，我們無法從財務報表中得知企業員工的**士氣**，也無從知道企業與客戶的**關係**是否良好。
 - 然而，這些不能量化的因素有時是企業的成敗關鍵，對**決策者**來說是十分重要的信息。

信息不夠詳細

- 財務報表只提供企業財務業績的**總結**。
- 但不會披露造成那些業績的交易的**詳情**。
- 財務報表使用者可能不知道數據背後所**隱藏**的事件或問題。