**PROFIT AND LOSS - examples to practice**

**EXAMPLE :**

**Based on the data from the PROFIT/LOSS ACCOUNT for 31. 12., ascertain the basic categories of economic result (profit), including the missing figures in the PROFIT/LOSS ACCOUNT. The Profit/Loss Account is shown on the following two pages.**

**Solution:**

|  |  |  |
| --- | --- | --- |
| **Profit category** | **Current period** | **Previous period** |
| **Profit/Loss - after tax** | | |
| **EAT Earnings After Taxes +/-**  **(Profit/Loss of current accounting period +/-);**  **Profit/Loss after tax ( +/- )** |  |  |
| **Profit/Loss - before tax (+/-)** | | |
| **Operating profit/loss (+/-)** |  |  |
| **Profit/Loss from financial operations ( +/- )** |  |  |
| **EBT Earnings Before Taxes**  **Profit/Loss before tax (+/-)** |  |  |
| **Net turnover for the accounting period** |  |  |
| **EBIT Earnings Before Interest and Taxes**  **Profit/Loss Before Interest and Taxes** |  |  |
| **EBITDA Earnings Before Interest, Taxes, Depreciation**  **and Amortization**  **Profit/Loss Before Interest, Taxes Depreciation and Amortization,** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
| **Minimum compulsory information under Regulation 500/2002 Coll.** | **PROFIT/LOSS ACCOUNT** |  | **Commercial name or other name of an accounting unit** |
| **as at December 31st, 2019** |  |
|  | **(in thousands of Czech Crowns)** |
|  | **TYPE CLASSIFICATION** | **Registered office or address of an accounting unit** |
| **IC** |
|  |
|  |  |
|  |
|  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | | **Profit/Loss Account** | **Row** | **Current** | **Previous** |
| **a** | | | **b** |  | **period** | **period** |
| **c** | **1** | **2** |
| **I.** | | | **Revenues from the sale of own products and services** | **01** | **39 130** | **37 965** |
| **II.** | | | **Revenues from sold goods** | **02** | **193** | **345** |
| **A.** |  | | **Production consumption (r. 04 + 05 + 06)** | **03** |  |  |
| **1.** | | | **Expenses on sold goods** | **04** | **178** | **314** |
|  | **2.** |  | **Consumption of material and energy** | **05** | **21 534** | **22 179** |
|  | **3.** |  | **Services** | **06** | **0** | **0** |
| **B.** |  | | **Change in inventory of own products (+/-)** | **07** | **0** | **0** |
| **C.** |  | | **Capitalisation (-)** | **08** | **0** | **0** |
| **D.** |  | | **Personal expenses (r. 10 + 11)** | **09** |  |  |
|  | **1.** |  | **Wages and salaries** | **10** | **8 527** | **9 147** |
|  | **2.** |  | **Social security, health insurance and other expenses (r. 12 + 13)** | **11** |  |  |
|  | **2.** | **1** | **Social security and healt insurance expenses** | **12** | **2 900** | **3 110** |
|  | **2.** | **2** | **Other expenses** | **13** | **0** | **0** |
| **E.** |  | | **Value adjustments in the operational area (r. 15 + 18 + 19)** | **14** |  |  |
|  | **1.** |  | **Value adjustments of intangible and tangible fixed assets (r. 16 + 17 )** | **15** |  |  |
|  | **1.** | **1** | **Value adjustments of intangible and tangible fixed assets - permanent** | **16** | **5 031** | **6 216** |
|  | **1.** | **2** | **Value adjustments of intangible and tangible fixed assets - temporary** | **17** | **0** | **0** |
|  | **2.** |  | **Stock value adjustments** | **18** | **0** | **0** |
|  | **3.** |  | **Receivable value adjustments** | **19** | **0** | **0** |
| **III.** | | | **Other operating revenues (r. 21 + 22 + 23)** | **20** |  |  |
|  | **III.** | **1** | **Revenues from disposals of fixed assets** | **21** | **220** | **419** |
|  |  | **2** | **Revenues from disposals of materials** | **22** | **0** | **0** |
|  |  | **3** | **Other C** | **23** | **3 213** | **5 415** |
| **F.** |  | | **Other operating expenses (r. 25 to 29)** | **24** |  |  |
|  | **1.** |  | **Net book value of sold fixed assets** | **25** | **215** | **450** |
|  | **2.** |  | **Net book value of sold material** | **26** | **0** | **0** |
|  | **3.** |  | **Taxes and fees** | **27** | **579** | **566** |
|  | **4.** |  | **Reserves and complex deferred costs** | **28** | **0** | **0** |
|  | **5.** |  | **Other operating expenses** | **29** | **495** | **677** |
| **\*** | | | **Operating profit/loss (+/-)** | **30** |  |  |
| **(r. 01 + 02 - 03 - 07 - 08 - 09 - 14 + 20 - 24)** |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | | **Profit/Loss Account** | **Row** | **Current** | **Previous** |
| **a** | | | **b** |  | **period** | **period** |
| **c** | **1** | **2** |
| **IV.** | | | **Revenues from long-term financial assets - shares (r. 32 + 33)** | **31** |  |  |
|  | **IV.** | **1** | **Revenues from shares - controlled and controlling organizations** | **32** | **1 178** | **737** |
|  |  | **2** | **Other revenues from shares** | **33** | **0** | **0** |
| **G.** |  |  | **Costs spent for sold shares** | **34** | **85** | **42** |
|  | **V.** |  | **Revenues from other long-term financial assets (r. 36 + 37)** | **35** |  |  |
|  | **V.** | **1** | **Revenues from other long-term financial assets - controlled and controlling organizations** | **36** | **0** | **0** |
|  |  | **2** | **Revenues from other long-term financial assets** | **37** | **0** | **0** |
| **H.** |  |  | **Costs related to other fixed financial assets** | **38** | **0** | **0** |
|  | **VI.** |  | **Interest revenues (r. 40 + 41)** | **39** |  |  |
|  | **VI.** | **1** | **Interest revenues - controlled and controlling organizations** | **40** | **48** | **42** |
|  |  | **2** | **Other interest revenues** | **41** | **0** | **0** |
| **I.** |  |  | **Value adjustments and reserves in the financial area** | **42** | **0** | **0** |
| **J.** |  |  | **Interest expenses (r. 44 + 45)** | **43** |  |  |
|  | **1.** |  | **Interest expenses - controlled and controlling organizations** | **44** | **1 754** | **1 048** |
|  | **2.** |  | **Other interest expenses** | **45** | **0** | **0** |
| **VII.** | | | **Other financial revenues** | **46** | **12** | **15** |
| **K.** |  | | **Other financial expenses** | **47** | **112** | **96** |
| **\*** | | | **Profit/Loss from financial operations ( +/- )** | **48** |  |  |
| **(r. 31 - 34 + 35 - 38 + 39 - 42 - 43 +46 - 47)** |  |
| **\*\*** | | | **Profit/Loss before tax (+/-) (r. 30 + 48)** | **49** |  |  |
| **L.** |  | | **Income tax (r. 51 + 52)** | **50** |  |  |
|  | **1.** |  | **Income tax - due tax** | **51** | **516** | **219** |
|  | **2.** |  | **Income tax - tax deferred** | **52** | **0** | **0** |
| **\*\*** | | | **Profit/Loss after tax ( +/- ) (r. 49 - 50)** | **53** |  |  |
| **M.** |  | | **Transfer profit (loss) to partners (+/-)** | **54** | **0** | **0** |
| **\*\*\*** | | | **Profit/Loss of current accounting period (+/-) (r. 53 - 54)** | **55** |  |  |
| **\*** | | | **Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII** | **56** |  |  |