

# ABC Company

## Retained Earnings Statement

For the Year Ended December 31, 20XX

Retained Earnings, January 1	\$50,000
Add: Net Income	\$25,000
Less: Dividends	(\$5,000)
<b>Retained Earnings, December 31</b>	<b>\$70,000</b>

## Important Notes

- This statement shows changes in retained earnings over a specific period.
- Net income increases retained earnings, while dividends reduce them.
- Useful for shareholders and analysts to assess profit allocation.
- Prepared annually as part of the financial statement package.
- Figures should be based on the company's accurate accounting records.