

# Nature of Expense Method Statement

For the year ended 31st March 2024

| Particulars                   | Note | Amount (â,¹)     |
|-------------------------------|------|------------------|
| <b>Revenue</b>                | 1    | 4,500,000        |
| <b>Other Income</b>           | 2    | 100,000          |
| <b>Total Income</b>           |      | <b>4,600,000</b> |
| Raw Materials Consumed        | 3    | 1,600,000        |
| Employee Benefit Expenses     | 4    | 700,000          |
| Depreciation and Amortization | 5    | 150,000          |
| Rent and Utilities            | 6    | 80,000           |
| Other Operating Expenses      | 7    | 250,000          |
| <b>Total Expenses</b>         |      | <b>2,780,000</b> |
| <b>Profit Before Tax</b>      |      | <b>1,820,000</b> |
| Tax Expense                   | 8    | 520,000          |
| <b>Profit After Tax</b>       |      | <b>1,300,000</b> |

## Notes:

- This statement classifies expenses according to their nature, such as raw materials, salaries, depreciation, etc.
- Useful for understanding expense patterns and cost drivers directly associated with business activities.
- Commonly used under IFRS and in statutory financial reporting requirements.
- Helps management make cost control and budgeting decisions.
- Does not allocate expenses by function (like selling, administration, etc.).