

# Management Report-Oriented Profit Reconciliation

Period: Q1 2024

| Description  | Amount (USD) |
|--|--------------|
| <b>Management Report Profit</b>                          | 105,000      |
| Add: Items Recognized in Financial Statements Only       |              |
| Depreciation Adjustment                                  | 4,500        |
| Provision for Expected Credit Losses                     | 3,000        |
| <b>Subtotal</b>  | 112,500      |
| Less: Items Excluded from Financial Statements           |              |
| Management Bonus Accrual                                 | 2,000        |
| Internal Cost Allocations                                | 1,500        |
| <b>Adjusted Profit Before Tax (Financial Statements)</b> | 109,000      |

## Important Notes

- This format helps reconcile management reporting profits with statutory financial statement figures.
- Adjustments typically include timing differences, non-cash items, and one-off charges.
- Ensure all reconciling items are documented and supported.
- Facilitates transparency between financial reporting and internal performance analysis.