

Profit Reconciliation Statement

For the Year Ended 31st December 2023

ABC Manufacturing Company Ltd.

RECONCILIATION OF PROFIT AS PER COST ACCOUNTS AND FINANCIAL ACCOUNTS

Particulars	Amount (USD)
Profit as per Cost Accounts	120,000
Add: Items credited in Financial Accounts only	
Interest received	2,500
Dividend received	1,000
Profit on sale of assets	500
Add: Overvaluation of closing stock in Financial Accounts	2,000
Less: Items debited in Financial Accounts only	
Loss on sale of assets	(1,200)
Goodwill written off	(800)
Less: Undervaluation of opening stock in Financial Accounts	(1,500)
Profits as per Financial Accounts	122,500

IMPORTANT NOTES

- This statement reconciles the difference between profits reported under cost accounting and financial accounting systems.
- It includes non-operational incomes or expenditures recognized only in the financial accounts.
- Adjustments for over/undervaluation of stocks, depreciation, and asset sales are commonly highlighted.
- The format and content should be adapted to reflect specific company policies and reporting standards.
- Regular reconciliation helps ensure transparency and accuracy in financial reporting.