

# Segmental Income Statement

For the Year Ended December 31, 2023

| Particulars                       | Segment A | Segment B | Segment C | Total          |
|-----------------------------------|-----------|-----------|-----------|----------------|
| Revenue                           | 500,000   | 750,000   | 300,000   | 1,550,000      |
| Less: Cost of Goods Sold          | 320,000   | 500,000   | 180,000   | 1,000,000      |
| Gross Profit                      | 180,000   | 250,000   | 120,000   | 550,000        |
| Less: Operating Expenses          | 60,000    | 90,000    | 50,000    | 200,000        |
| Segment Profit                    | 120,000   | 160,000   | 70,000    | 350,000        |
| <b>Less: Unallocated Expenses</b> |           |           |           | <b>40,000</b>  |
| <b>Operating Profit</b>           |           |           |           | <b>310,000</b> |

## Important Notes

- Segmental reporting helps identify the profitability of each business segment.
- Unallocated expenses are costs not directly attributable to any specific segment.
- This statement aids management decision-making and enhances financial transparency.
- Segments can be based on products, services, or geographical areas depending on business structure.
- Comparability between segments is improved when consistent allocation methods are used.