

Vertical Profit and Loss Account

For the Year Ended 31st March, 2024

Description	Amount (\$)
Revenue from Operations (Sales)	500,000
Less: Returns & Allowances	(10,000)
Net Revenue	490,000
Less: Cost of Goods Sold (COGS)	300,000
Gross Profit	190,000
Less: Operating Expenses	
Selling Expenses	30,000
Administrative Expenses	25,000
Depreciation	5,000
Total Operating Expenses	60,000
Operating Profit	130,000
Add: Other Income	2,000
Less: Finance Costs	(7,000)
Net Profit Before Tax	125,000
Less: Income Tax	35,000
Net Profit After Tax	90,000

Important Notes

- This layout shows incomes and expenses in a vertical, sequential format.
- Clearly separates gross profit, operating profit, and net profit figures.
- Facilitates straightforward analysis of profitability at different stages.
- Useful for internal and external financial analysis and reporting purposes.
- Ensure accuracy of all figures to reflect the true financial position.