

Gross Profit Statement

Company Name: Sample Company Ltd.
For the Year Ended: 31 December 2023

Particulars	Amount (\$)
Sales	500,000
Less: Sales Returns	(10,000)
Net Sales	490,000
Less: Cost of Goods Sold (COGS)	
Opening Inventory	40,000
Add: Purchases	280,000
Less: Purchase Returns	(5,000)
Carriage Inwards	3,000
Less: Closing Inventory	(50,000)
Total Cost of Goods Sold	268,000
Gross Profit (Net Sales - COGS)	222,000

Important Notes:

- The gross profit statement calculates profit after direct costs and before operating expenses.
- Ensure sales and inventory figures are from accurate, reconciled accounts.
- COGS includes only those costs directly attributable to goods sold during the period.
- Regular preparation helps monitor profitability trends and cost control.
- This statement forms the basis for further financial analysis and decision making.