

Sample Gross Profit Statement

For the Year Ended 31st December 2023

Particulars	Amount (\$)
Sales Revenue	350,000
Less: Sales Returns	(5,000)
Net Sales	345,000
Cost of Goods Sold (COGS):	
Opening Inventory	40,000
Add: Purchases	200,000
Add: Direct Expenses (Freight In, etc.)	8,000
Less: Closing Inventory	(55,000)
Total Cost of Goods Sold	193,000
Gross Profit (Net Sales - COGS)	152,000

Important Notes:

- Gross Profit Statement provides a summary of sales revenue, cost of goods sold, and the resulting gross profit for a specific period.
- This statement focuses on the core product-based activities, excluding non-operating incomes and expenses.
- Accurate calculation of inventory and direct costs is essential for a reliable gross profit figure.
- Gross profit helps evaluate product pricing, cost control, and overall profitability before overhead and other expenses.
- The format may be adapted to suit different reporting or audit requirements.