

TASK 13.6 Tugela Water Bottle Manufacturers: Production Cost Statement, Income Statement, Unit costs

13.6.1/3 NAME OF MANUFACTURER: TUGELA WATER BOTTLE MANUFACTURERS PRODUCTION COST STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 20.8

	Note	Total	Unit cost
Direct / Prime costs			
Direct material costs	1		
Direct labour costs	2		
Factory overhead costs	3		
Total manufacturing costs			
Work-in-process at beginning of the year			
Work-in-process at end of the year			
Cost of production of finished goods			

13.6.2/3 INCOME STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 20.8

	Note	Total	Unit cost
Sales			
Cost of finished goods sold / Cost of sales	6		
Gross profit			
Other costs			
Selling & distribution costs	4		
Administration costs	5		
Operating profit			
Interest income			
Operating profit before interest expense			
Interest expense			
Net profit			

NOTES TO THE FINANCIAL STATEMENTS

1. Direct material costs	
Opening stock	
Purchases	
Carriage on purchases	
Closing stock	

Direct material cost	
2. Direct labour costs	
Factory wages	
Direct labour cost	
3. Factory overhead costs	
Wages: Cleaner	
Salary: Foreman	
Cleaning materials	
Rent expense	
Insurance	
Electricity & water	
Depreciation	
Factory overhead costs	

4. Selling and distribution costs	
Wages: Cleaner	
Sales commission	
Cleaning materials	
Rent expense	
Insurance	
Electricity & water	
Packing materials	
Bad debts	
Cell-phone allowances	
Sales vehicle expenses	
Depreciation	
Selling and distribution costs	
5. Administration costs	
Wages: Cleaner	
Salary: Office workers	
Cleaning materials	
Rent expense	
Insurance	
Electricity & water	
Bank charges	
Sundry administration expenses	
Depreciation	
Administration costs	