



# London Chamber of Commerce & Industry

Member of the IAB Group

## Qualification Specification

# LCCI Level 1 Certificate in Bookkeeping

## LCCI IAB qualifications

LCCI qualifications are awarded by the IAB, the UK's largest awarding body offering academic and vocational qualifications that are globally recognised and benchmarked. For further information, please visit our qualifications website at <https://www.iablcci.org.uk/qualifications/>

## About IAB

LCCI [qualifications](#) have been offered internationally for over 120 years and were started by the London Chamber of Commerce and Industry to meet the need for reliable, high-quality standards across international workforces.

As the way we do business evolves and becomes more fluid on a global scale the demand for internationally recognised standards has never been greater and is a sentiment that is echoed by the [IAB](#) who have been supporting financial professionals globally for 50 years.

Based on these shared values from September 2023, the IAB and LCCI will join to continue to offer and develop high-quality, professional qualifications for the finance sector and a range of other professions.

This specification is Issue 3. We will inform centres of any changes to this issue. The latest issue can be found on our website.

## Acknowledgements

This specification has been produced by IAB based on consultation with teachers, examiners, consultants and other interested parties. IAB would like to thank all those who contributed their time and expertise to the specification's development.

*References to third party material made in this specification are made in good faith. IAB does not endorse, approve or accept responsibility for the content of materials, which may be subject to change, or any opinions expressed therein. (Material may include textbooks, journals, magazines and other publications and websites.)*

## Introduction

### LCCI qualifications

LCCI qualifications are widely regarded by employers as preparing students to carry out the key functions of modern international business. The qualifications are recognised worldwide by employers, universities and professional bodies such as the Association of Chartered Certified Accountants (ACCA).

This new and engaging range of qualifications has been developed in collaboration with professional bodies, employers and customers. We have conducted in-depth, independent consultation to ensure that the qualifications develop the breadth and depth of knowledge, skills and understanding that students need to be effective employees, and that the qualifications support progression pathways.

IAB LCCI offers a wide range of qualifications; they are available at Levels 1 to 4 across the following subject areas:

- Business
- Financial and Quantitative
- Marketing

This specification is part of the Financial and Quantitative suite of LCCI qualifications.

Please refer to the IAB website for details of other qualifications in the suite.

### Purpose of the specification

This specification sets out:

- the objectives of the qualification
- any other qualification(s) that a student must have completed before taking the qualification.
- any prior knowledge and skills that the student is required to have before taking the qualification.
- any other requirements that a student must have satisfied before they will be assessed or before the qualification will be awarded.
- the knowledge, understanding and skills that will be assessed as part of the qualification.
- the method of assessment and any associated requirements relating to it
- the criteria against which a student's level of attainment will be measured (such as assessment criteria).

## Rationale

The IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) meets the following purpose:

The purpose of this introductory level qualification is to give students essential skills in, and knowledge of, double-entry bookkeeping.

A review of the qualification requirements at this level identified the main functions of bookkeeping in a business. This qualification therefore includes content on these main functions:

- books of original entries
- the ability to maintain up-to-date records of all financial transactions in an appropriate format using accounting record books (the ledgers)
- double-entry bookkeeping
- introduction to financial statements (without provisions for doubtful debts and only two methods of depreciation).

This qualification is appropriate for students who are already in the role and for those who are aspiring to a role, where they are responsible for the detailed recording of all the financial transactions of a business, maintaining these records using books of original entry and double-entry bookkeeping, and for ensuring that all monetary transactions made by the business are recorded accurately.

## Qualification aim

The IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) qualification and legacy qualification are established and valued by employers worldwide and recognised by professional bodies. All businesses require accurate bookkeeping records that are maintained on a regular basis. Consequently, there is a demand for employees who possess these bookkeeping skills.

The qualification is intended for students who wish to acquire the essential skills and knowledge of maintaining business records, using books of original entry and double-entry bookkeeping and who are working, or preparing to work, in areas of business that will involve the recording of financial transactions. The qualification is also for those students who wish to understand bookkeeping in accordance with the International Accounting Standards Board (IASB)

The qualification will give students the opportunity to develop an understanding of the basic principles underlying the recording of business transactions and to develop the ability to maintain the books of and prepare financial statements for sole traders.

The qualification is an introduction to bookkeeping and allows progression to the IAB LCCI Level 2 Certificate in Bookkeeping and Accounting (VRQ) and supports progression into the job market, for example, in a bookkeeping role within a large company's finance department.

## Contents

<b>Specification at a glance.....</b>	<b>6</b>
<b>Knowledge, skills and understanding .....</b>	<b>7</b>
Content .....	7
<b>Assessment.....</b>	<b>13</b>
Assessment summary .....	13
Assessment Objectives.....	14
Performance descriptors.....	15
Entry and assessment information .....	15
<b>Other information.....</b>	<b>18</b>
Total Qualification and Guided Learning Hours .....	18
Student recruitment.....	18
Prior learning and other requirements .....	19
Progression.....	19
Exemptions.....	19
National Occupational Standards.....	19
Codes .....	19
<b>Support, training and resources .....</b>	<b>20</b>

## Specification at a glance

The IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) consists of one online examination.

<b>Title: IAB LCCI Level 1 Certificate in Bookkeeping (VRQ)</b>	
<ul style="list-style-type: none"> <li>Externally assessed.</li> </ul>	<b>100% of the total qualification</b>
<p>Overview of content</p> <ul style="list-style-type: none"> <li>Books of Original Entry and Double-Entry</li> <li>Accounting for Payroll</li> <li>Control Accounts</li> <li>Produce Financial Statements of a Sole Trader.</li> </ul>	
<p>Overview of assessment</p> <ul style="list-style-type: none"> <li>One online, externally set and marked examination, contributing to 100% of the overall grade of the qualification.</li> <li>The examination will be 2 hours.</li> <li>The examination will consist of 100 marks.</li> <li>Candidates will be graded Pass/Merit/Distinction. A result of Fail will be recorded where candidates do not achieve the required marks for a Pass.</li> <li>The examination contains 30 questions.</li> <li>Candidates are required to answer all questions.</li> <li>The questions comprise table completion, preparation of accounts, short open-response questions and multiple-choice questions.</li> <li>Calculators may be used in the exam.</li> <li>Bilingual dictionaries are permitted for use in the exam.</li> </ul>	

# Knowledge, skills and understanding

## Content

The following content must be covered to prepare students for the final assessment of this qualification.

### 1. Books of Original Entry and Double-Entry

Subject content	What students need to learn:
<b>1.1 Accounting concepts</b>	a) The definition of the following accounting concepts: <ul style="list-style-type: none"> <li>• accruals</li> <li>• business entity</li> <li>• consistency</li> <li>• going concern</li> <li>• materiality</li> <li>• prudence</li> <li>• realisation.</li> </ul>
<b>1.2 The accounting equation</b>	a) Definition of the accounting equation.
	b) Use of the accounting equation.
<b>1.3 Double-entry bookkeeping</b>	a) Recording of transactions by double-entry
	b) Balance an account and bring down the balance.
	c) Interpretation of an entry and an account.
	d) Preparation of a trial balance from balances in a ledger account at a given date: <ul style="list-style-type: none"> <li>• differentiate between a debit and credit balance</li> <li>• differentiate between purchases and sales transactions</li> <li>• differentiate between cash and credit transactions</li> <li>• differentiate between capital and revenue items.</li> </ul>

Subject content	What students need to learn:
	e) Identification and correction of errors that do not affect the trial balance. Errors to include: <ul style="list-style-type: none"><li>• commission</li><li>• omission</li><li>• principle</li><li>• compensating</li><li>• original entry</li><li>• reversal.</li></ul>
	f) Differences between nominal ledger and subsidiary ledgers. The need for sub-divisions of the ledger.
	g) Classification and treatment of expenditure and income for capital and revenue.



Subject content	What students need to learn:
<b>1.4 Books of original entry</b>	a) The use of business documents as sources of information.
	b) Purpose and preparation of the principal documents in business transactions: <ul style="list-style-type: none"> <li>• sales invoice</li> <li>• purchase invoice</li> <li>• credit note</li> <li>• statement of account</li> <li>• receipts</li> <li>• remittance advice</li> <li>• cheque.</li> </ul>
	c) The purpose and effect of trade discount.
	d) Purpose and preparation of the: <ul style="list-style-type: none"> <li>• purchases daybook</li> <li>• sales daybook</li> <li>• returns outwards day book</li> <li>• returns inwards day book</li> <li>• cash book</li> <li>• petty cash book.</li> </ul>
	e) The uses and preparation of the journal: <ul style="list-style-type: none"> <li>• opening entries when businesses are established</li> <li>• purchase or sale of non-current assets on credit</li> <li>• year-end ledger transfers</li> <li>• correction of errors.</li> </ul>
	f) Recording of discounts for early payment: <ul style="list-style-type: none"> <li>• process transactions with discount received and discount allowed through entries in the three-column cash book</li> <li>• posting the total at the end of the period to the relevant accounts in the nominal ledger.</li> </ul>
	g) Petty cash book and petty cash vouchers  Candidates will be assessed on the above based only on the imprest system.

Subject content	What students need to learn:
<b>1.5 Bank transactions</b>	a) Methods of payment and receipt of money.
	b) The need for reconciliation statements and the preparation of a bank reconciliation statement.
	c) Updating the cash book and adjusting the balance: <ul style="list-style-type: none"> <li>• direct debits</li> <li>• bank charges</li> <li>• bank interest</li> <li>• correction of errors</li> <li>• standing orders</li> <li>• credit transfers</li> <li>• dishonoured cheques.</li> </ul>
	d) Updating the cash book balance

## 2. Accounting for Payroll

Subject content	What students need to learn:
<b>2.1 Calculation of payroll using time rates and incentive schemes</b>	a) Time rate.
	b) Piece rate.
	c) Bonus scheme.
<b>2.2 Payroll deductions</b>	a) Statutory deductions: <ul style="list-style-type: none"> <li>• tax</li> <li>• pensions.</li> </ul> Students are <b>not</b> expected to calculate these figures.
	b) Voluntary deduction: <ul style="list-style-type: none"> <li>• pensions.</li> </ul> Students are <b>not</b> expected to calculate this figure.
<b>2.3 Calculation of wages</b>	a) Gross pay.
	b) Net pay.
<b>2.4 Accounting for payroll</b>	a) Purpose and preparation of ledger entries.

### 3. Control Accounts

Subject content	What students need to learn:
3.1 The purposes and preparation of control accounts	a) The purpose of control accounts.
	b) Preparation of the trade receivables ledger control account, to include treatment of minority balances.  Students will not be required to perform control account reconciliation
	c) Preparation of the trade payables ledger control account to include treatment of minority balances.  Students will not be required to perform control account reconciliation.

### 4. Produce Financial Statements of a Sole Trader

Subject content	What students need to learn:
4.1 Account for depreciation costs	a) Reasons for charging depreciation
	b) Calculation of depreciation using the following methods: <ul style="list-style-type: none"> <li>• straight line</li> <li>• reducing (diminishing) balance.</li> </ul> Students will <b>not</b> be expected to show the ledger entries for these.
	c) Calculation of carrying value
4.2 Adjustments for accruals and prepayments	a) To make adjustments for accrued and prepaid expenses and income in the income statement (statement of profit or loss) and statement of financial position.  Students will <b>not</b> be expected to show the ledger entries for these.
4.3 Adjustments for irrecoverable debts	a) Adjustment of profit for the year for irrecoverable debts.  Students will <b>not</b> be expected to show the ledger entries for these.
	b) Adjustment of trade receivables for irrecoverable debts.  Students will <b>not</b> be expected to show the ledger entries for these.

<b>Subject content</b>	<b>What students need to learn:</b>
<b>4.4 Prepare the financial statements</b>	a) Preparation of a full, or an extract of, income statement (statement of profit or loss) for a sole trader from a given set of data.
	b) Preparation of a full, or an extract of, statement of financial position for a sole trader from a given set of data.

The following skills should be developed throughout the course of study.

<b>Skills</b>	<b>Students should:</b>
	a) demonstrate accuracy, orderliness and appropriate presentation of accounting information
	b) use appropriate numeracy skills for the calculation of bookkeeping data
	c) prepare ledger accounts, day books and journal entries with accuracy
	d) prepare cash book, petty cash book and bank reconciliation statements
	e) make adjustments for depreciation, accruals, prepayments and irrecoverable debts at period end
	f) prepare financial statements for sole traders
	g) prepare control accounts for trade receivables and trade payables
	h) calculate and adjust payroll payments

# Assessment

## Assessment summary

<b>IAB LCCI Level 1 Certificate in Bookkeeping (VRQ)</b>
First teaching: September 2015
Number of series: 4
<p>Overview of content</p> <ul style="list-style-type: none"> <li>• Books of Original Entry and Double entry</li> <li>• Accounting for Payroll</li> <li>• Control Accounts</li> <li>• Produce Financial Statements of a Sole Trader.</li> </ul>
<p>Overview of assessment</p> <ul style="list-style-type: none"> <li>• One online, externally set and marked examination, contributing to 100% of the overall grade of the qualification.</li> <li>• The examination will be 2 hours.</li> <li>• The examination will consist of 100 marks.</li> <li>• Candidates will be graded Pass/Merit/Distinction. A result of Fail will be recorded where candidates do not achieve the required marks for a Pass.</li> <li>• The examination contains 30 questions.</li> <li>• Candidates answer all questions.</li> <li>• The questions comprise table completion, preparation of accounts, short open-response questions and multiple-choice questions.</li> <li>• Calculators may be used in the exam.</li> <li>• Bilingual dictionaries are permitted for use in the exam.</li> </ul>

## Assessment Objectives

Assessment Objectives have been developed for this qualification to ensure that examinations are appropriately targeted. They describe the abilities that students should be able to demonstrate. Each question targets one or more assessment objectives. They are applied to the examination in the proportions below.

<b>Students must:</b>		<b>% of qualification</b>
<b>AO1</b>	<b>Memorise</b> Recall accounting facts; recall accounting terms and definitions; recall accounting processes and formulae	10
<b>AO2</b>	<b>Perform procedures</b> Record business transactions; use accounting techniques; prepare financial statements	84
<b>AO3</b>	<b>Communicate understanding</b> Demonstrate understanding of accounting processes, procedures and techniques	6
<b>Total</b>		<b>100</b>

## Performance descriptors

Grade	Descriptor
<b>Pass</b>	<p>Candidates can recall, use and apply bookkeeping and accounting facts, terms, definitions, processes and formulae.</p> <p>Candidates can demonstrate a basic understanding of bookkeeping processes, procedures, and techniques.</p> <p>Candidates can record business transactions using correct accounting techniques.</p> <p>Candidates can prepare financial statements with routine transactions.</p> <p>Candidates can use accounting information.</p>
<b>Distinction</b>	<p>Candidates can demonstrate a detailed knowledge of bookkeeping accounting facts, terms, definitions, processes, and formulae, using them consistently and effectively in given scenarios.</p> <p>Candidates can demonstrate a detailed understanding of bookkeeping processes, procedures and techniques.</p> <p>Candidates can record business transactions using correct accounting techniques with precision.</p> <p>Candidates can prepare financial statements with non-routine transactions for different organisations.</p> <p>Candidates can select and use relevant accounting information.</p>

Performance descriptors may be revised following the first award.

## Entry and assessment information

Please see the *LCCI International Qualification Operations Guide for Centres* and the *LCCI Examination Regulations*, available through our awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

### Student entry

Details on how to enter candidates for the examination for this qualification can be found at: awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

The closing date for entries is approximately six weeks before the start of each examination series. Centres should refer to the published examination timetable for examination dates.

### Combinations of entry

There are no forbidden combinations of entry for this qualification.

### Age

This qualification is intended for learners aged 16 and above.

## Resitting the qualification

Candidates can resit the examination for the IAB LCCI Level 1 Certificate in Bookkeeping (VRQ).

It is strongly advised that candidates do not register to undertake a resit until they have received the results from their previous examination.

## Awarding and reporting

The IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) qualification is certificated on a three-grade scale: Pass/Merit/Distinction. Pass and Distinction are awarded, Merit is arithmetically calculated.

## Access arrangements, reasonable adjustments and special consideration

### Access arrangements

Access arrangements are agreed before an assessment. They allow students with special educational needs, disabilities or temporary injuries to:

- access the assessment.
- show what they know and can do without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual student with a disability without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with the duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Students will then know what is available and have the access arrangement(s) in place for assessment.

### Reasonable adjustments

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a person with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular person may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on several factors, which will include:

- the needs of the student with the disability
- the effectiveness of the adjustment
- the cost of the adjustment; and
- the impact of the adjustment on the student with the disability and other students.



An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, time limits or affects the security or integrity of the assessment. This is because the adjustment is not 'reasonable.'

### **Special consideration**

Special consideration is a post-examination adjustment to a student's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination/assessment, which has had, or is likely to have had, a material effect on a candidate's ability to take an assessment or demonstrate their level of attainment in an assessment.

### **Further information**

Please see our website or email our awarding team [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk) for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration please refer to the JCQ website: <https://www.jcq.org.uk/exams-office/access-arrangements-and-special-consideration>

## **Equality Act 2010 and IAB equality policy**

Equality and fairness are central to our work. Our equality policy requires all students to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every student.

We are committed to making sure that:

- Students with a protected characteristic (as defined by the Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to students who do not share that characteristic.
- All students achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

You can find details on how to make reasonable adjustments for students with protected characteristics in the policy document accessed by contacting our awarding team [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

## **Malpractice**

For up-to-date information on malpractice please refer to the latest Joint Council for Qualifications (JCQ) *Suspected Malpractice in Examinations and Assessments* document, available on the JCQ website: <http://www.jcq.org.uk/exams-office/malpractice/>

### **Candidate malpractice**

Candidate malpractice refers to any act by a candidate that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

Candidate malpractice in examinations must be reported to the IAB awarding team by email [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk) clearly identifying the title or posted to the registered office 110 Bishopsgate,

London, EC2N 4AY. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with IAB.

Failure to report malpractice constitutes staff or centre malpractice.

### **Staff/centre malpractice**

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with candidate malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment, or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration must be reported immediately, before any investigation is undertaken by the centre, to IAB awarding team by email [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk) clearly marked malpractice or posted to the registered office 110 Bishopsgate, London, EC2N 4AY. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with IAB.

Failure to report malpractice itself constitutes malpractice. More detailed guidance on malpractice can be found in the latest version of the document JCQ General and Vocational Qualifications Suspected Malpractice in Examinations and Assessments, available at [www.jcq.org.uk/exams-office/malpractice](http://www.jcq.org.uk/exams-office/malpractice)

### **Language of assessment**

Assessment of this specification will be in English only. Assessment materials will be published in English only and all work submitted for examination must be in English only.

## **Other information**

### **Total Qualification and Guided Learning Hours**

For all regulated qualifications, we specify the total number of hours that learners are expected to undertake to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

TQT and guided learning hours are assigned after consultation with users of the qualifications.

This qualification has a TQT value of 150 and a GLH of 120.

### **Student recruitment**

IAB LCCI follow the JCQ policy concerning recruitment to our qualifications in that:

- They must be available to anyone who is capable of reaching the

required standard.

- They must be free from barriers that restrict access and progression.
- Equal opportunities exist for all students.

## Prior learning and other requirements

There are no formal entry requirements for this qualification.

Students may be studying in a local language, but the assessment will be in English. IAB recommends students have B1 level of English on the Common European Framework of Reference (CEFR). This will support access to the assessment materials and be able to communicate responses effectively.

## Progression

LCCI qualifications are designed to allow students to pursue different routes as outlined below.

### **Enter a chosen field of work, pursue a promotion, or change their field of work**

The IAB LCCI Level 1 Certificate in Bookkeeping supports progression to employment, for example into a bookkeeping role in a large company's finance department.

Using appropriate internal processes, centres must ensure that they choose the most appropriate qualification level for their students' needs.

### **Progress to further study, such as the next LCCI level or externally with a professional body or education provider**

Students can progress to qualifications across the LCCI suites, such as the IAB LCCI Level 2 Certificate in Bookkeeping and Accounting (VRQ). Please refer to the 'Exemptions' section of this specification for information on recognition from external providers.

## Exemptions

We are continuously gaining new and updated exemptions for our LCCI qualifications from professional bodies and organisations. For the latest list of agreements, and to check this specific qualification, please visit the IAB LCCI website: <https://www.iablcci.org.uk/>

## National Occupational Standards

The IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) has links to the following National Occupational Standards (NOS):

- Finance and Accounting.

Please see our website for further details.

## Codes

This qualification is approved by Ofqual and meets the Ofqual General Conditions for inclusion on the Register of Regulated Qualifications. The Qualification Number (QN) is: 610/3015/6

The subject code for the IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) is: 3052. The subject code is used by centres to enter students for a qualification.

## Support, training and resources

### Training

IAB offers support and training to teachers on standard of delivery and preparing students to meet the assessment requirements.

### Specifications, Sample Assessment Materials and Teacher Support Materials

The IAB LCCI Level 1 Certificate in Bookkeeping (VRQ) Sample Assessment Materials document can be downloaded from our website.

To find a list of all the support documents available please visit our website.

## Appendix

Appendix 1: Glossary of International Accounting Standards terminology

## Appendix 1: Glossary of International Accounting Standards terminology

The following is a glossary of the comparison between the International Accounting Standards (IAS) terminology and the UK GAAP (Generally Accepted Accounting Practice in the UK) terminology. IAS terminology is used in the content of the LCCI financial and quantitative suite of qualifications but not all terms are present in all levels of the qualifications.

Centres should be aware that these terms are also referred to as International Finance Reporting Standards (IFRS), in certain contexts within the industry, however, the definitions and meaning remain the same.

<b>IAS terminology</b>	<b>Previously used UK GAAP terminology</b>
Financial statements	Final accounts
<b>Statement of profit or loss</b>	<b>Trading and profit and loss account</b>
Revenue	Sales
Raw materials/ordinary goods purchased	Purchases
Cost of sales	Cost of goods sold
Inventory	Stock
Work in progress	Work in progress
Gross profit	Gross profit
Other operating expenses	Sundry expenses
Allowance for doubtful debt	Provision for doubtful debt
Other operating income	Sundry income
Investment revenues/finance income	Interest receivable
Finance costs	Interest payable
Profit for the year before tax or after tax	Net profit
Retained earnings	Profit/loss balance
<b>Statement of changes in equity (limited companies)</b>	<b>Appropriation account</b>
<b>Statement of financial position</b>	<b>Balance sheet</b>

<b>Non-current assets</b>	<b>Fixed assets</b>
Property	Land and buildings
Plant and equipment	Plant and equipment
Investment property	Investments
Intangible assets	Goodwill etc.
<b>Current assets</b>	<b>Current assets</b>
Inventory	Stock
Trade receivables	Debtors
Other receivables	Prepayments
Cash and cash equivalents	Bank and cash
<b>Current liabilities</b>	<b>Current liabilities/creditors amounts due within 12 months</b>
Trade payables	Creditors
Other payables	Accruals
Bank overdraft and loans	Loans repayable within 12 months
<b>Non-current liabilities</b>	<b>Long term liabilities/creditors: amounts falling due after 12 months</b>
Bank (and other) loans	Loans repayable after 12 months
<b>Capital or equity</b>	<b>Capital</b>
Share capital	Share capital
<b>Statement of cash flows</b>	<b>Cash flow statement</b>
<b>Other terms</b>	
Inventory count	Stock take
Carrying value	Net book value

**June 2023**

For more information on IAB LCCI qualifications, please visit our website: <https://www.iablcci.org.uk/qualifications/> Institute of Accountants and Bookkeepers. Registered in England No.01119378 Registered Office: 110 Bishopsgate, London, EC2N 4AY.