

Partnerships - Financial statements

Financial statements provide info about position, performance and cash flow of a business to a wide variety of users. Also show whether business resources are used effectively.

Income statement = **Statement of Comprehensive Income**

Balance Sheet - **Statement of Financial Position**

Characteristics of financial statements

Use Task 6.2 to complete below:

- **Timeliness** -
- **Understandability** -
- **Fairness** -
- **Reliability** -
- **Comparability** -

Users of financial statements

Use Task 6.1 to complete the table below:

Interested users:	Why?
Employees and trade unions	
The manager or other senior personnel	
Creditors and suppliers who grant credit to a business	
The partners or owners of the business	
SARS	

Potential buyers or investors in the business	
Banks and other lending institutions	

Do Task 6.4

Operating, Financing and investing activities

Business transactions can be classified under the following group of activities (*summarise notes on p.202*):

Operating activities	
Financing activities	
Investing activities	

Do Task 6.5 & 6.6 ... also read the notes **PREPARING FINANCIAL STATEMENTS OF PARTNERSHIPS**