

FANCY TECHNOLOGIES LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED JULY 31, 2013

	<u>2013</u>	<u>2012</u>
Sales	\$ 1,014,500	\$ 993,000
	<u>325,000</u>	<u>350,000</u>
Cost of sales		
	<u>689,500</u>	<u>643,000</u>
Gross profit		
	67,980	59,400
Expenses	400	400
Amortization of tangible assets	5,000	5,500
Amortization of intangible assets	154,500	98,600
Interest on long term debt	52,424	46,896
Office and administration	<u>145,000</u>	<u>65,000</u>
Research and development	<u>425,304</u>	<u>275,796</u>
Sales and marketing		
	264,196	367,204
Income before income taxes		
	<u>42,637</u>	<u>30,929</u>
Income taxes		
	221,559	336,275
Net income		
	233,285	(102,990)
Retained earnings (deficit), beginning of year	<u>454,844</u>	<u>233,285</u>
	(60,000)	-
Dividends		
	<u>394,844</u>	<u>\$ 233,285</u>
Retained earnings, end of year		

This is not meant to be an exact substitute for the income statement in the full set of financial statements. But rather, it is an example of how the income statement could change in slightly different circumstances, as the income statement can be formatted differently depending on the type of business.

PREPARED WITHOUT AUDIT