

Effect of the cash basis on farm accounts

	Transactions in year (excuding balances bfwd)	Accruals adjustment	Cash accounts	Accruals accounts	Notes
Crop sales	100,000	100,000	100,000	200,000	Debtors at year end
Direct costs	-260,000	80,000	<u>-260,000</u>	<u>-180,000</u>	Cultivationsat year end
Gross profit			-160,000	20,000	
Stewardship, SFI, BPS	100000	10000	<u>100,000</u>	<u>110,000</u>	SFI and CSS debtors
			-60,000	130,000	
Overheads	120,000		120,000	120,000	
Net profit/Loss			-180,000	10,000	
Other income	220,000		220,000	220,000	Pensions, rent etc
Taxable income			40,000	230,000	