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Financial statements - 1399

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FINANCIAL STATEMENTS—1399

The 570 year old statement of profit and loss below and the related balance sheet on the opposite page are presented here as an item of interest in the history of the Accounting profession.

A review of the balance sheet account names leads to the suggestion that things have not really changed much in the 570 years in many respects. (See Shortage in Cash, Sundry Adjustments for Errors, and Untraced Error in Casting the Balance.) What is unusual, of course, is to see such accounts, together with Bad Debts appearing as asset accounts.

On the other hand, the statement of profit and loss indicates an early understanding of the character of items by the classification of depreciation as a charge to expense rather than as a charge direct to surplus and the expensing of accrued taxes and other unpaid expense items.

It would be interesting, however, to discover the distinction in the mind of the preparer of these statements between the bad debts shown on the balance sheet and the irrecoverable account shown in the profit and loss statement.

Francesco Di Marco Datini & Co. In Barcelona			
Statement of Profit and Loss			
July 11, 1397 - January 31, 1399			
(In Barcelonese Currency)			
	L	S.	D.
Profits on Trade (Pro Di Mercatantie)	689	11	5
Profits on Foreign Exchange (Pro Di Cambio)	262	4	0
Credit Balance of Merchandise Expense (Spese Di Mercatantie)	133	13	7
Total of Gross Profits	1,085	9	0
Deduct Expenses:	L	S.	D.
Rent for Eighteen Months	60	0	0
Irrecoverable Account	3	8	0
Convoy Expenses (Guidaggio)	67	12	0
Living Expenses	106	1	5
Depreciation on Office Equipment	16	17	0
Reserve for Unpaid Taxes and Other			
Accruals (Riserbo De Spese			
Di Lelde A Pagare E Altre Spese)	80	0	0
Total Expenses	333	18	5
Net Income	751	10	7

Francesco Di Marco Datini & Co. In Barcelona

Balance Sheet on January 31, 1399

Explanation	Assets				Per cent. of Total		
	Barcelonese Currency						
	L	S.	D.	L		S.	D.
Cash in Hand	18	17	2			.1	
Deposit Accounts	1,242	9	8			8.2	
Special Account	440	0	0	1,701	6	10	2.9
						11.2	
Local Tradesman For Goods Sold	4,841	14	10			31.9	
Local Customers For Exchange	2,192	10	4			14.5	
Local Customers For Insurance	99	17	11			.7	
				7,134	12	1	47.1
				4,845	4	0	31.8
Balances With Foreign Correspondents							
Datini Branches In Other Places				525	1	10	3.4
Goods In Stock				288	0	9	1.9
Office Furniture				95	0	0	.6
Martha, Our Slave				30	0	0	.2
Sundry Deferred Charges and Supplies				112	1	10	.7
Drawing Account Simone D'Andrea				25	0	2	.2
Shortage In Cash				38	13	0	.3
Sundry Adjustments for Errors				17	18	6	1.3
Bad Debts				384	7	3	2.5
Untraced Error In Casting the Balance				11	9	1	.0
Total				<u>15,208</u>	<u>15</u>	<u>4</u>	<u>100.00</u>
Liabilities							
Payables - Local Merchants (Mostly Acceptances)				1,951	2	9	12.8
Balances With Foreign Correspondents				8,261	8	10	54.3
Datini Branches In Other Places				2,557	13	5	16.9
Consignment Sales				828	7	9	5.5
Reserve For Accrued Taxes And Contingencies				80	0	0	.5
Francesco Di Marco Datini Da Prato (Capital)				768	6	8	5.1
Net Profit on Merchandise and Exchange				751	10	7	4.9
Later Adjustment				10	5	4	.1
Total				<u>15,208</u>	<u>15</u>	<u>4</u>	<u>100.00</u>

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