

The Three Statements

Accounting & Finance

What each one shows, and how they connect.

What each statement reports.

Statement	Answers	Covers
Income statement	Did we make a profit?	A period
Balance sheet	What do we own and owe?	A single date
Cash flow	Where did the cash go?	A period
Equity statement	How did owners' stake change?	A period

They link: profit flows into retained earnings, and the cash flow statement reconciles opening to closing cash.