

The Educational of Annual Income Statement Preparation on SMEs in Palembang

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Abstract:- The purpose of this program is to help Small, and Medium Enterprises (SME) in making financial statements. The good financial statements for MSME must be based on SAK EMKM. This program have been done with one of SME in Palembang city, namely Dezainla. The convection services is core business Dezainla. This good program was implemented in January – March 2021. Some partners problems are that asset recording is still mixed between personal assets and business unit assets, the use of business unit money is to personal purpose, and there are no financial statements, especially annual income statement. After this program of community service activities, partners can know how to distinguish personal assets and business unit asset and how to make the annual income statement. The partners also knows that the creation of annual income statement for SME can't be done without SAK EMKM. The annual income statement can help partners to resolve some problems as the little cash in hand and bank despite smooth running and many bookings.

Keywords:- Financial Statements, Annual Income Statement, Journal.

I. INTRODUCTION

Indonesia is one of the countries with a population of over 250 million people. Population density demands Indonesia to continue to innovate in order to maintain economic sustainability. The development of Small and Medium Enterprises (SMEs) can be used as one of the methods in maintaining economic growth.

SMEs contribute through job creation and become a counterweight in the event of an economic crisis. SMEs need support from various parties in order to run their businesses independently, advancedly, and technologically, including support from the government. The government can contribute to developing and advancing SMEs through legislation and funding. Another party that is very important in supporting successful SMEs are Accountants.

Accountants can help SMEs through their ability to make annual income statement. Annual income statement are one of the most important aspects of a business entity, including SMEs. IAI (2016) annual income statement play an important role in providing information on the financial

position and performance of an entity that is beneficial to a large number of users in economic decision making.

In general, the owner of SMEs in Indonesia isn't an accountant and can't make annual income statement independently. Financial statements in particular annual income statement present the amount of revenue, expenses, and net income per year. Although many of the benefits provided by annual income statement for SMEs, but they aren't yet realize of the benefits. Several SMEs said that without making annual income statement their business continues to run. However, some SMEs can't explain in nominal how much assets they have.

Another problem that face SMEs is mixing personal assets with their business assets without journal. Sometimes they used the net profit of their business units for their personal needs such as buying kitchen necessities, household appliances and others. It have also done without any record or journal.

One of SMEs that has problem with financial statement in Palembang is Dezainla. Owner Dezainla said that his business went smoothly for several years and was able to hire some of his employees. The result of my interview with a partner showed that the business units hadn't yet have annual income statement.

The main problems that faced by partner are the recording of assets still mixed between personal assets and business unit assets, the use of business unit money for personal purposes, and no financial statements, especially annual income statement. After this program, partner (Dezainla) can improve the business unit asset recording system, separate the business unit money from the personal money, and make the annual income statement based on SAK EMKM. This good program was implemented in January – March 2021.

II. LITERATURE REVIEW

Financial statements are made to help entities how to know detailed information about their financial position and performance. Other purposes is to help users of financial statement like investor and society when they want to invest their money in the entity.

Small and Medium Enterprises (SMEs) hopefully can present financial statement based on SAK EMKM like the annual balance sheet and annual income statement. Hopefully, the entity also can present additional information like detailed parts (IAI, 2016).

The enterprises must make annual income statement before they make balance sheet and other reports. Several parts of annual income statement are revenues, expenses, and net profit (loss). After this good program, partner hopefully can make annual income statement based on SAK EMKM.

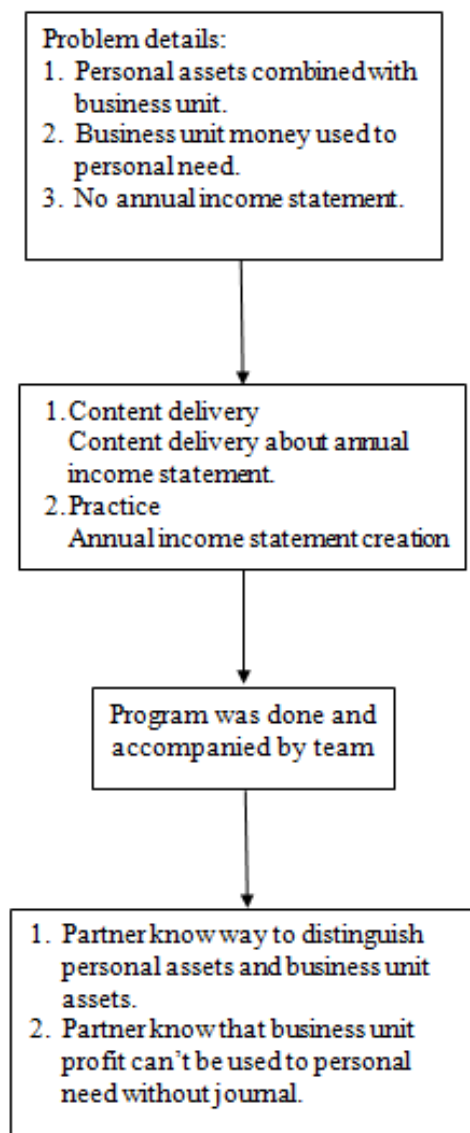
III. METHODS

The author uses some method in this program, such as:

- Step 1 (lecture method), the author gives material about the asset recording system, the use of business unit money, and the preparation of annual income statement based on SAK EMKM.

- Step 2 (tutorial method), the author gives insight to partner about the preparation of annual income statement by excel and explains the advantage of excel compared to manual annual income statement.
- Step 3 (discussion method), the author observes the problems of financial statements that faced and gives suitable solution in convection service business.

This community service activity was strongly supported by partner who want to improve their procedure and system of financial statement. Some important things that partner did in supporting this process, such as telling the problems of financial statement faced in detail, doing consulting with the author, and searching and collecting data that needed in the preparation of annual income statement, namely operating expense, non-operating expense, revenue, sales, sales discount, account receivable, and others. The success indicator of this community service program is if the partner can understand the preparation of annual income statement based on SAK EMKM.



Picture 1:- Implementation method

DEZAINLA		
ANNUAL INCOME STATEMENT		
31 DECEMBER 2020		
REVENUES		
Operating Revenue		000
Non-Operating Revenue		000
TOTAL REVENUES		000
EXPENSES		
Operating Expense		(000)
Non-Operating Expense		(000)
TOTAL EXPENSES		(000)
NET PROFIT (LOSS)		000

Table 1:- The Example of Dezainla Annual Income Statement

DEZAINLA		
MONTHLY INCOME STATEMENT		
30 JUNE 2020		
REVENUES		
Operating Revenue		000
Non-Operating Revenue		000
TOTAL REVENUES		000
EXPENSES		
Operating Expense		(000)
Non-Operating Expense		(000)
TOTAL EXPENSES		(000)
NET PROFIT (LOSS)		000

Table 2:- The Example of Dezainla Monthly Income Statement

IV. RESULTS

This program uses lecture, tutorial, and discussion method that gives the effective results, especially discussion method. Through discussion method, the author can know in detail problems that faced by partner. Some problems that faced by partner, especially in financial reporting namely the recording of assets still mixed between personal assets and business unit assets, the use of business unit money for personal purposes, and no financial statements, especially annual income statement.

Before this program, partner only did financial recording to make order and financial recapitulation. Partner also have never made the annual income statement.

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The enterprises must make annual income statement before they make balance sheet and other reports. Several parts of annual income statement are revenues, expenses, and net profit (loss). After this good program, partner hopefully can make annual income statement based on SAK EMKM.

This program have given the good results, especially for partner (Dezainla). Some benefits that accepted by partners like they know the way to distinguish personal assets and business unit assets, know that business unit profit can't be used to personal need without journal, and know the way to preparation financial statements especially annual income statement based on SAK EMKM that published by Institute of Indonesia Chartered Accountants (IAI).

V. CONCLUSION

After this program, partner hopefully can make annual income statement based on SAK EMKM. This program have given the good results, especially for partner (Dezainla). Some benefits that accepted by partners like they know the way to distinguish personal assets and business unit assets, know that business unit profit can't be used to personal need without journal, and know the way to preparation financial statements especially annual income statement based on SAK EMKM that published by Institute of Indonesia Chartered Accountants (IAI).

The annual income statement also can help partners to resolve their problems about the little cash in hand and bank although their business can run smoothly and lots of orders. After knowing the annual income statement creation, partner must learn the way to preparing other reports for their business unit.

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