2. **Income Statement**

   Income Statement, also known as the *Profit and Loss Statement*, reports the company's financial performance in terms of net profit or loss over a specified period. Income Statement is composed of the following two elements:
   - **Income**: What the business has earned over a period (e.g. sales revenue, dividend income, etc)
   - **Expense**: The cost incurred by the business over a period (e.g. salaries and wages, depreciation, rental charges, etc)

   Net profit or loss is arrived by deducting expenses from income.

   View detailed explanation and [Example of Income Statement](http://accountingsimplified.com/financial/statements/types.html#sthash.KWhwhYV3.dpuf)

3. **Cash Flow Statement**

   Cash Flow Statement, presents the movement in cash and bank balances over a period. The movement in cash flows is classified into the following segments:
   - **Operating Activities**: Represents the cash flow from primary activities of a business.
   - **Investing Activities**: Represents cash flow from the purchase and sale of assets other than inventories (e.g. purchase of a factory plant)
   - **Financing Activities**: Represents cash flow generated or spent on raising and repaying share capital and debt together with the payments of interest and dividends.

   View detailed explanation and [Example of Cash Flow Statement](http://accountingsimplified.com/financial/statements/types.html#sthash.KWhwhYV3.dpuf)

4. **Statement of Changes in Equity**

   Statement of Changes in Equity, also known as the *Statement of Retained Earnings*, details the movement in owners’ equity over a period. The movement in owners’ equity is derived from the following components:
   - Net Profit or loss during the period as reported in the *Income Statement*
   - Share capital issued or repaid during the period
   - Dividend payments
   - Gains or losses recognized in other equity (e.g. revaluation surpluses)
   - Effects of a change in accounting policy or correction of accounting error