Statement of Owner's Equity

For the year ended 31 December 2026

Fernwood Photography

Sole proprietor: Daniel Fernwood • Tax ID: ___-__-____

This statement explains how the owner’s stake in the business changed during the year. Use it with the income statement (for net income) and the balance sheet (for closing capital).

Capital movements

Item	Explanation	Amount
Owner's capital, 1 January 2026		$38,500.00
Add: additional investment by owner	Cash injected 14 March	$5,000.00
Add: net income for the year	Per income statement	$27,640.00
Less: owner withdrawals	12 monthly draws	($24,000.00)
Less: net loss (if any)		$0.00
Owner's capital, 31 December 2026		**$47,140.00**

Supporting figures

Opening capital source	Balance sheet 31 Dec 2025
Net income source	Income statement FY 2026
Drawings source	Owner draw account
Closing capital agrees to	Balance sheet 31 Dec 2026

Formula: Opening capital + additional investment + net income − withdrawals − net loss = closing capital.

Owner Bookkeeper Date

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