

ABC LTD - Profit + Loss Account For Y/E 31-12-14

£

Turnover	6045000
Cost of Sales	(4155000)
Gross Profit	<u>1890000</u>
Distribution Costs	~~1890000~~ (525000)
Admin Exps	(1039125)
Operating Profit	<u>325875</u>
Interest Payable	(90000)
Profit Before Tax	<u>235875</u>
Tax	(75000)
Profit After Tax	160875
Dividends	(117000)
Retained Profit for the Year	<u><u>43875</u></u>

BALANCE SHEET OF ABC LTD AT 31-12-14

	£	£
TANGIBLE FIXED ASSETS (W1)		4515000

CURRENT ASSETS

STOCK	450000
DEBTORS (365000 - 9125) (W2)	355875
CASH AT BANK + IN HAND	25000
	<u>830875</u>

CREDITORS < 1 YEAR:

TRADE CREDITORS	585000
TAX	75000
DIVIDENDS	117000
	<u>777000</u>

NOT CURRENT ASSETS

53875

TOTAL ASSETS LESS CURRENT LIABILITIES

4568875

CREDITORS > 1 YEAR:

10% DEBENTURE LOAN

(900000)

3668875

ORDINARY SHARE CAPITAL

900000

PREFERENCE SHARE CAPITAL

450000

SHARE PREMIUM

255000

PROFIT + LOSS ACCOUNT

RESERVE (720000 + 43875)

763875

REVALUATION RESERVE

1300000

3668875

11) DEPRECIATION + FIXED ASSETS

		€
Depn (P+M)	$= 10\% \times 2850000$	285000
Depn (FP)	$= 5\% \times 2000000$	100000
		<u>385000</u>

REVALUATION AT 31-12-14

$$\begin{aligned}\text{Revaln surplus} &= \text{market value} - \text{book value} \\ &= 3000000 - (2400000 - 700000) \\ &= 1300000\end{aligned}$$

Fixed Assets At 31-12-14

	COST £	DEPN £	NRV £
2+B	3000000	-	3000000
P+M	2850000	(1335000)	1515000
			<u>4515000</u>

2) DOUBTFUL DEBTS

$$\text{Provision for doubtful debts at 31-12-14} = 2.5\% \times 365000 = \underline{\underline{£9125}}$$

ie £20875 DECREASE

3) DIVIDENDS

$$\text{Preference dividend} = 6\% \times 450000 = \underline{\underline{£27000}}$$

$$\text{Ordinary dividend} = 10p \times 900000 = \underline{\underline{£90000}}$$

4) ADMIN EXPENSES

per trial balance
directors fees
audit fee
depreciation
decrease in doubtful debts

£
400000
260000
15000
385000
(20875)
1039125