

Trading and Profit and Loss Account for the						
year ended 31st December 2014						
					£	£
Turnover						4,030,000
Cost of Sales						2,800,000
Gross Profit						1,230,000
Distribution Costs						(250,000)
Administrative Expenses						(670,000)
Operating Profit						310,000
Interest Payable and Similar Charges						(30,000)
Profit on Ordinary Activities Before Tax						280,000
Tax on Profit on Ordinary Activities						(50,000)
Profit on Ordinary Activities After Tax						230,000
Dividends						(78,000)
Retained Profit for the Financial Year						152,000
Profit and Loss Account b/f						330,000
Profit and Loss Account c/f						482,000

Balance Sheet at 31st December 2014							
						£	£
Fixed Assets							2,170,000
Current Assets							
Stock					300,000		
Debtors					390,000		
Cash at Bank and in Hand					10,000		
					700,000		
Creditors : Amounts falling due within one year					(668,000)		
Net Current Assets							32,000
Total Assets less Current Liabilities							2,202,000
Creditors : Amounts falling due after more than one year							(600,000)
							1,602,000
Capital and Reserves							
Ordinary Share Capital							600,000
Preference Share Capital							300,000
Share Premium Account							120,000
Revaluation Reserve							100,000
Profit and Loss Account							482,000
							1,602,000

WORKINGS						
(1) Admin Expenses						
	Per Trial Balance				18,500	
	Audit Fee				15,000	
	Directors' Remuneration				250,000	
	Depreciation				230,000	
	Reduction in Provision for				(10,000)	
	Doubtful Debts					
					670,000	
(2) Fixed Assets						
				Cost	Provision	NBV
					for Dep'n	
				£	£	£
	Land and Buildings			1,600,000	(440,000)	1,160,000
	Plant And Machinery			1,900,000	(890,000)	1,010,000
						2,170,000

(3)	Creditors : Amounts Falling Due Within One Year					
					£	
	Creditors				375,000	
	Bank Overdraft				150,000	
	Audit Fee Accrual				15,000	
	Corporation Tax Creditor				50,000	
	Dividend Creditor				78,000	
					668,000	

(4) DEPRECIATION

$$\text{Depn (Buildings)} = 5\% \times 800,000 = \text{f}40000$$

$$\text{Dep. (Machinery)} = 10\% \times 1,900,000 = \text{£}190,000$$

(5) Basal Dots

Provn at ye = $2.5\% \times 400,000 = \text{£}10,000$
 $\therefore \text{£}10,000 \text{ DECREASE}$

(6) DIVIDENDS

Preference dividend = $6\% \times 300,000 = 18,000$

Ordinary disc = $\frac{10p}{\text{Page 4}} \times 600,000 = 66,000$