

		<i>Basis</i>	<i>Forming</i>	<i>Machines</i>	<i>Assembly</i>	<i>Maint'nce</i>	<i>General</i>	<i>Total</i>
		£	£	£	£	£	£	£
Directly allocated overheads:								
Repairs, maintenance		800	1,800	300	200	100		3,200
Departmental expenses		1,500	2,300	1,100	900	1,500		7,300
Indirect labour		3,000	5,000	1,500	4,000	2,000		15,500
Apportionment of other overheads:								
Rent, rates	1	1,600	3,200	2,400	400	400		8,000
Power	2	200	450	75	25	0		750
Light, heat	1	1,000	2,000	1,500	250	250		5,000
Dep'n of plant	3	2,500	6,000	750	750	0		10,000
Dep'n of F & F	4	50	25	100	50	25		250
Insurance of plant	3	500	1,200	150	150	0		2,000
Insurance of buildings	1	100	200	150	25	25		500
		<u>11,250</u>	<u>22,175</u>	<u>8,025</u>	<u>6,750</u>	<u>4,300</u>		<u>52,500</u>

Basis of apportionment:

- 1 floor area
- 2 effective horsepower
- 3 plant value
- 4 fixtures and fittings value

2

<i>Service department</i>	<i>Basis of apportionment</i>	<i>Total cost</i>	<i>Forming</i>	<i>Machines</i>	<i>Assembly</i>
		£	£	£	£
Maintenance	2:5:3	6,750	1,350	3,375	2,025
General	3:6:1	4,300	1,290	2,580	430
		<u>11,050</u>	<u>2,640</u>	<u>5,955</u>	<u>2,455</u>
Previously allocated and apportioned costs		41,450	11,250	22,175	8,025
Total overhead		<u>52,500</u>	<u>13,890</u>	<u>28,130</u>	<u>10,480</u>

3

Forming (labour intensive)	$\frac{£13,890}{5,556}$	=	£2.50 per direct labour hour
Machines (machine intensive)	$\frac{£28,130}{5,626}$	=	£5 per machine hour
Assembly (labour intensive)	$\frac{£10,480}{5,240}$	=	£2 per direct labour hour