

## Solution 11.1 - Gary Dunne

### Trading, Profit & Loss Account for year ended 31 January 2003

	€	€	€
Sales			330,231
<i>Less cost of Goods sold</i>			
Opening stock		10,900	
Purchases	102,763		
Carriage inwards	10,152	123,815	
Closing stock		<u>(12,000)</u>	<u>(111,815)</u>
Gross Profit			218,416
Wages and salaries (78,456 + 2,300)		80,756	
Motor expenses		12,356	
Rent (59,400 - 4,000)		55,400	
Rates		12,456	
Bad debts		560	
Insurance		15,000	
Sundry expenses		4,520	
Light and heat		12,564	
Loan Interest (21,300 x 8%)		1,704	
Provision for bad debts		1,000	
Provision for depreciation Office furniture		7,000	
Provision for depreciation Office fittings		4,000	
Provision for depreciation Equipment		7,012	<u>(214,328)</u>
<b>Net profit</b>			<b><u>4,088</u></b>

### Balance Sheet as at 31 January 2003

	€	€	€
<i>Fixed assets</i>	Cost	Acc Dep	NBV
Office furniture	56,000	(27,000)	29,000
Office fittings	40,000	(28,000)	12,000
Office equipment	<u>70,120</u>	<u>(42,622)</u>	<u>27,498</u>
	<u>166,120</u>	<u>(97,622)</u>	68,498
<i>Current assets</i>			
Stock		12,000	
Debtors	50,309		
Less provision for bad debts	<u>(1,000)</u>	49,309	
Prepayments		4,000	
Bank		<u>18,000</u>	
		83,309	
<i>Current liabilities</i>			
Creditors	36,000		
Accruals (1704 + 2300)	<u>4,004</u>	(40,004)	43,305
<i>Long -term liabilities</i>			<u>(21,300)</u>
			<b><u>90,503</u></b>
<i>Financed by</i>			
Capital			98,715
Net profit			4,088
Drawings			<u>(12,300)</u>
			<b><u>90,503</u></b>

**Solution 11.2 – Marc Donald****Trading, Profit & Loss Account for year ended 31/12/2002**

Sales			397,148
<i>Less cost of Goods sold</i>			
Opening stock		15,600	
Purchases	150,456		
Carriage inwards	<u>8,900</u>	159,356	
Closing stock		<u>(10,250)</u>	<u>(164,706)</u>
Gross Profit			232,442
Wages and salaries (102,763 + 10,250)		113,013	
Motor expenses		20,000	
Rent		40,152	
Rates		15,689	
Bad debts (1,200 + 1,000)		2,200	
Insurance (15,000 - 3,000)		12,000	
Sales and marketing		4,520	
Office expenses		5,200	
Sundry expenses		2,900	
Light and heat		6,879	
Loan Interest		3,500	
Provision for bad debts		1,050	
Provision for depreciation F&F		10,663	
Provision for depreciation P&E		<u>8,031</u>	<u>245,797</u>
<b>Net profit</b>			<b><u>(13,355)</u></b>

**Balance Sheet as at 31/12/2002**

<i>Fixed assets</i>	Cost	Acc Dep	NBV
Furniture & fittings	85,300	53,223	32,077
Plant & equipment	<u>80,309</u>	<u>43,451</u>	<u>36,858</u>
	<u>165,609</u>	<u>96,674</u>	68,935
<i>Current assets</i>			
Stock		10,250	
Debtors (40,000 -1,000)	39,000		
Less provision bad debts (39,000 x 5%)	<u>(1,950)</u>	37,050	
Prepayments		3,000	
Cash		<u>1,160</u>	
		51,460	
<i>Current liabilities</i>			
Creditors	20,000		
Bank	10,000		
Loan interest	3,500		
Accruals	<u>10,250</u>	<u>(43,750)</u>	7,710
Long -term liabilities			<u>(50,000)</u>
			<b><u>26,645</u></b>
<i>Financed by</i>			
Capital			80,000
Net profit			(13,355)
Drawings			<u>(40,000)</u>
			<b><u>26,645</u></b>

## Solution 11.3 – Robert Casey

### Trading, Profit & Loss Account for year ended 31 August 2003

	€	€
Sales	3,335,000	
Sales returns	<u>(65,000)</u>	3,270,000
Less cost of goods sold		<u>(2,295,000)</u>
Gross Profit		975,000
Discount received	27,000	
Reduction in provision for bad debts	500	
Rent receivable (36 + 3)	<u>39,000</u>	66,500
Less expenses		
Wages and salaries	178,000	
Admin expenses (177 + 9)	186,000	
Rent	90,000	
Repairs	18,000	
Discount all	33,000	
Carriage out	38,000	
Provision for discount (2% x 256.5)	5,130	
Provision for depreciation -furniture & fittings	52,500	
Provision for depreciation -plant & equipment	<u>164,000</u>	<u>(764,630)</u>
<b>Net profit</b>		<b><u>276,870</u></b>

### Balance Sheet as at 31 August 2003

	€	€	€
	<b>Cost</b>	<b>Acc Dep</b>	<b>NBV</b>
<i>Fixed assets</i>			
Furniture & Fittings	450,000	(292,500)	157,500
Plant and equipment	<u>820,000</u>	<u>(464,000)</u>	356,000
	<u>1,270,000</u>	<u>(756,500)</u>	513,500
<i>Current assets</i>			
Stock		75,000	
Debtors	270,000		
Less provision for bad debts	(13,500)		
Less provision for discount	<u>( 5,130)</u>	251,370	
Rent receivable		<u>3,000</u>	
		329,370	
<i>Current liabilities</i>			
Creditors	168,000		
Accruals	9,000		
Bank	<u>7,000</u>	<u>(184,000)</u>	145,370
			<b><u>658,870</u></b>
<i>Financed by</i>			
Capital			400,000
Net profit			276,870
Drawings			<u>(18,000)</u>
			<b><u>658,870</u></b>

**Solution 11.4 – Sam Wilson****Trading, Profit & Loss Account for year ended 30 April 2004**

	€	€	€
Sales		2,320,000	
Sales returns		<u>(42,000)</u>	2,278,000
<i>Less cost of Goods sold</i>			
Opening stock		77,000	
Purchases	1,580,000		
Purchases returns	(25,000)		
Drawings	(4,000)		
carriage inwards	<u>24,000</u>	1,575,000	
Closing stock		<u>(75,000)</u>	<u>(1,577,000)</u>
Gross Profit			701,000
<i>Add gains</i>			
Discount received		15,000	
Reduction in provision for bad debts		250	
Rent receivable (24+3)		<u>27,000</u>	42,250
<i>Less expenses</i>			
Wages and salaries		125,000	
Admin expenses (118 + 9)		127,000	
Rent (60-8)		52,000	
Repairs (12-2)		10,000	
Discount allowed		22,000	
Carriage out		18,000	
Utility costs (15 + 1)		16,000	
Bad debts		10,000	
Provision for discount (2% x 166.25)		3,330	
Provision for depreciation -furniture & fittings		93,000	
Provision for depreciation -plant and equipment		82,000	
Provision for depreciation -vehicles		<u>80,000</u>	<u>638,330</u>
<b>Net profit</b>			<u><b>104,920</b></u>

**Balance Sheet as at 30 April 2004**

	€	€	€
	<b>Cost</b>	<b>Acc Dep</b>	<b>NBV</b>
<i>Fixed assets</i>			
Furniture & Fittings	450,000	(403,000)	47,000
Plant and equipment	820,000	(552,000)	268,000
Vehicles	<u>320,000</u>	<u>(280,000)</u>	<u>40,000</u>
	<u>1,590,000</u>	<u>(1,235,000)</u>	355,000
<i>Current assets</i>			
Stock		75,000	
Debtors	185,000		
Less bad debts	(10,000)		
Less provision for bad debts	(8,750)		
Less provision for discount	(3,330)	162,920	
Rent receivable		3,000	
Prepayments		<u>8,000</u>	
		248,920	
<i>Current liabilities</i>			
Creditors	112,000		
Accruals (1 + 9)	10,000		
Bank	<u>5,000</u>	(127,000)	<u>121,920</u>
			<b><u>476,920</u></b>
<i>Financed by</i>			
Capital			390,000
Net profit			104,920
Drawings (12 + 2 + 4)			<u>18,000</u>
			<b><u>476,920</u></b>