**Solutions:**

**Happy Hour**

**Income Statement**

|  |  |  |  |
| --- | --- | --- | --- |
| Sales |  | 105,094 |  |
| **Net Sales** |  |  | 105,094 |
| Cost of Sales | 43,561 |  |  |
| Less Discount Received | 320 |  | 43,241 |
| **Gross Profit** |  |  | 61,853 |
| Add other income |  |  |  |
| Dividends Received |  | 4,390 |  |
| Gain on Sale of Motor Vehicle |  | 568 | 4,958 |
| **Gross Income** |  |  | 66,811 |
| Less Operating Expenses |  |  |  |
| *Sales and Distribution Costs* |  |  |  |
| Commission Paid to Staff | 4,398 |  |  |
| Stock Adjustment | 300 |  |  |
| Depreciation - Motor vehicle | 7,600 |  |  |
| Doubtful Debts | 95 | 12,393 |  |
| *General and Admin Costs* |  |  |  |
| Depreciation - Office Equipment | 1,560 |  |  |
| Wages - Staff | 13,950 |  |  |
| Insurance | 12,450 |  |  |
| Electricity | 5,790 |  |  |
| Rent | 24,000 |  |  |
| Supplies expense | 4,000 | 61,750 |  |
| *Financial Expenses* |  |  |  |
| Interest Expense | 890 | 890 | 75,033 |
| **Loss for the period** |  |  | **8,222** |

**Happy Hour**

**Balance Sheet**

|  |  |  |
| --- | --- | --- |
| CURRENT ASSETS |  |  |
| Cash at Bank |  | 3,960 |
| Accounts Receivable | 3,730 |  |
| Less Allowance for Doubtful Debts | 75 | 3,655 |
| Stock |  | 34,680 |
| GST Credit |  | 310 |
| Stock of Office Supplies |  | 200 |
| *Total Current Assets* |  | 42,805 |
| NON-CURRENT ASSETS |  |  |
| Office Equipment | 15,600 |  |
| Less Accumulated Depreciation | 9,360 | 6,240 |
| Motor Vehicles | 43,000 |  |
| Less Accumulated Depreciation | 12,600 | 30,400 |
| Land and Buildings |  | 32,000 |
| *Total Non-Current Assets* |  | 68,640 |
| *Total Assets* |  | 111,445 |
| CURRENT LIABILITIES |  |  |
| Accrued Expenses |  | 500 |
| Accounts Payable |  | 7,890 |
| GST Credit |  | 5,600 |
| *Total Current Liabilities* |  | 13,990 |
| NON-CURRENT LIABILITIES |  |  |
| Loan |  | 35,677 |
| *Total Liabilities* |  | 49,667 |
| NET ASSETS |  | **61,778** |
| EQUITY |  |  |
| Capital |  | 70,000 |
| Less Loss |  | 8,222 |
|  |  | **61,778** |