The following trial balance was provided by Lina Company on 31 March 2022.

**Lina Company**

**Trial Balance As At 31 March 2022**

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Capital as at 1 April 2021 |  | 42,280 |
| Accounts Receivable | 9,000 |  |
| Accounts Payable |  | 8,050 |
| Cash in Hand | 2,780 |  |
| Bank | 24,530 |  |
| Motor Vehicles | 17,800 |  |
| Depreciation of Motor Vehicles |  | 1,780 |
| Premises | 30,000 |  |
| Office Equipment | 1,500 |  |
| Purchases | 40,000 |  |
| Sales |  | 83,500 |
| Inventory as at 1 April 2021 | 3,450 |  |
| Purchases Returns |  | 140 |
| Sales Returns | 170 |  |
| Discounts Allowed | 270 |  |
| Discounts Received |  | 180 |
| Insurance | 1,850 |  |
| Wages | 7,000 |  |
| Rent and Rates | 1,360 |  |
| Stationery | 400 |  |
| Carriage Inwards | 580 |  |
| Carriage Outwards | 1,240 |  |
| Rent Received |  | 6,000 |
|  | 141,930 | 141,930 |

**Additional information:**

1. Inventory on 31 Mac 2022 was valued at RM2,500.
2. Credit sales of RM2,500 was not recorded in the books.
3. A credit customer was unable to settle his debts amounted RM400, thus being written off as bad debts.
4. The allowance for doubtful debts was maintained at 2% of the remaining accounts receivable.
5. One quarter from the rent and rates was paid in advance.
6. In early January 2022, the owner brought in office equipment valued RM960 into the company. The entries have not yet been recorded in the books.
7. Depreciation charge for office equipment was 10% per annum on cost.
8. Depreciation of motor vehicles was 10% per annum on reducing balance method.
9. Depreciation of Premises was 15% per annum on cost.

**You are required to prepare:**

1. Income Statement for the year ended 31 March 2022.
2. Statement of Financial Position as at 31 March 2022.