The following is the Trial Balance of Lee Enterprise for six months ended 30 September 2017:

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Investment | 6,000 |  |
| Delivery Van, at carrying value | 7,600 |  |
| Vehicle Running Expenses | 540 |  |
| Salaries | 8,000 |  |
| Purchases | 17,800 |  |
| Machinery, at carrying value | 33,600 |  |
| Water and Electricity | 870 |  |
| Assessment and Quit Rent | 1,200 |  |
| Printing and Stationery | 500 |  |
| Advertising Expenses | 650 |  |
| Accounts Receivable | 4,200 |  |
| Inventory, 1 April 2017 | 21,960 |  |
| Carriage Inwards | 760 |  |
| Carriage Outwards | 250 |  |
| Wages on Packaging | 2,100 |  |
| Telephone Charges | 450 |  |
| Cash at Bank | 3,300 |  |
| Dividends Income |  | 100 |
| Discounts Received |  | 260 |
| Sales |  | 48,500 |
| Loan from Yong |  | 11,000 |
| Capital, 1 April 2017 |  | 45,000 |
| Accounts Payable |  | 5,000 |
|  | 109,860 | 109,860 |

Additional information:

1. Inventory on 30 September 2017 is valued at RM11,209.
2. The non-current tangible assets are depreciated on a reducing balance method at a rate of 10% per annum. Calculation should be done on a monthly basis.
3. One of the machineries of cost RM11,200 was bought on 1 July 2017.
4. Interest on loan of 5% per annum has not been taken into account.
5. The actual dividends income from the investment is RM175 for the half year.
6. Salaries accrued are amounted to RM1,000, while wages in advance are RM400.
7. One of the debtors is unable to settle his remaining balance of RM100.
8. It is to charge 5% on the collectible accounts receivable as at 30 September 2017 as an allowance for doubtful debts.

You are required to prepare:

1. Income Statement for the half year ended 30 September 2017.
2. Statement of Financial Position as at 30 September 2017.