Cik Husna started a business called Butik Lawa Nana on 1 June 2019. His business makes transactions using cash only. The following balances were extracted from his books.

**Butik Lawa Nana**

**Trial Balance As At 31 May 2020**

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Capital |  | 60,200 |
| Cash | 560 |  |
| Bank | 28,300 |  |
| Furniture and Fixtures | 13,600 |  |
| Motor Vehicles | 20,000 |  |
| Purchases and Sales | 34,000 | 60,860 |
| Utility Expenses | 3,600 |  |
| Rent | 6,000 |  |
| Wages and Salaries | 14,400 |  |
| Insurance | 600 |  |
|  | 121,060 | 121,060 |

**Additional information:**

1. Closing inventory was valued at RM10,200, ant its net realizable value was RM36,000.
2. Unpaid electricity bill at 31 May 2020 amounted RM470.
3. Unearned sales revenue amounted RM3,800.
4. Commission from Butik Laila not yet received RM920.
5. Depreciations for all non-current assets were 10% on diminishing balance method.
6. Cik Husna took goods worth RM1,730 for his own use.
7. A bank loan of RM30 000 with an interest rate of 2.35% per annum was received on 31 May 2020. The repayment of the loan starts on 1 August 2020 and ends on 31 July 2025. No entry was recorded in the books.

**You are required to prepare:**

1. Income Statement for the year ended 31 May 2020.
2. Statement of Financial Position as at 31 May 2020.