**UEB 2005 Question 1**

The Trial Balance of You Li Bhd as at 31 March 2005 was as follows:

|  |  |  |
| --- | --- | --- |
|  | **Dr** | **Cr** |
|  | **RM** | **RM** |
| Ordinary Shares of RM1 each, issued and fully paid |  | 200,000 |
| 12% Preference Shares of RM1 each, issued and fully paid |  | 100,000 |
| Investments, at cost (Markey Value RM80,000) | 100,000 |  |
| Mortgage Loan (Secured on Freehold Property) |  | 50,000 |
| Profit and Loss Account, 1 April 2004 |  | 33,000 |
| Purchases and Sales | 210,000 | 429,000 |
| Inventory, 1 April 2004 | 53,000 |  |
| Discounts | 5,000 | 7,000 |
| Wages and Salaries | 96,000 |  |
| Trade Receivables and Trade Payables | 114,000 | 108,000 |
| Carriage Outwards | 6,000 |  |
| Carriage Inwards | 5,000 |  |
| Water and Electricity | 4,000 |  |
| Returns | 8,000 | 5,000 |
| Investment Income |  | 5,000 |
| Bad Debts | 2,000 |  |
| Freehold Property | 200,000 |  |
| Selling and Distribution Expenses | 38,000 |  |
| Motor Vehicles | 70,000 |  |
| Accumulated Depreciation - Motor Vehicles |  | 19,000 |
| Cash at Bank | 35,000 |  |
| Petty Cash | 2,000 |  |
| Allowance for Doubtful Debts |  | 4,000 |
| Interest on Mortgage Loan | 5,000 |  |
| Interim Preference Dividend Paid | 6,000 |  |
|  | 960,000 | 960,000 |

**Notes:**

1. Stock at 31 March 2005 was RM62,000.
2. Accrued selling and distribution expenses amounted to RM2,000.
3. The allowance for doubtful debts was to be increased by RM2,000.
4. Depreciation of motor vehicles was 10% per annum on cost.
5. Directors’ remuneration amounted to RM15,000 per annum.
6. Proposed a final dividend on the preference shares and a dividend of RM0.15 per share on the ordinary shares.

**You are required to prepare** an Income Statement for the year ended 31 March 2005.