ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΚΑΙ ΑΝΩΤΑΤΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2015

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 21 Μαΐου 2015
08:00 - 11:00

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΕΝΝΕΑ (9) ΣΕΛΙΔΕΣ

ΟΔΗΓΙΕΣ:

- Να απαντήσετε σε όλες τις ερωτήσεις (Answer all questions)
- Όλοι οι υπολογισμοί πρέπει να φαίνονται καθαρά στο τετράδιό σας
- Επιτρέπεται η χρήση μη προγραμματισμένης υπολογιστικής μηχανής
- Δεν επιτρέπεται η χρήση διορθωτικού υγρού

QUESTION 1

Exercise 1

The following balances were extracted from the books of Amaliada Plc on 31 December 2014:

	€
Plant and Machinery at cost	358.600
Office Furniture and Equipment at cost	16.800
Provisions for Depreciation, 1 January 2014:	
Plant and Machinery	38.600
Office Furniture and Equipment	5.400
Stocks on 1 January 2014:	
Raw Materials	12.200
Work in Progress (at prime cost)	7.200
Finished Goods	27.300
Purchases of Raw Materials	116.700
Carriage Inwards	1.680
Direct Factory wages	30.400
Fuel & Power	6.780
Factory Rent	14.000
Direct Factory Expenses	11.000
Rates and Insurance	1.750
Salaries:	
Factory	32.300
Office	36.840
Heat and Light	2.850
Repairs of Plant and Machinery	2.620

Additional information on 31 December 2014:

1. Value of stocks:
   Raw Materials € 13.700
   Work in Progress € 7.700 (at prime cost)
   Finished Goods € 28.100
2. Depreciation is provided on Plant and Machinery at 10% using the Reducing balance method and the Office Furniture at 10% using the Straight line method
3. Rates accrued amounted to €250
4. The monthly Factory Rent is €1.000
5. Heat & Light and Rates & Insurance should be apportioned as follows: Factory 3/5, Office 2/5.

REQUIRED:

Prepare the Manufacturing Account for Amaliada Plc for the year ended 31 December 2014, showing clearly the following:

a) Cost of Raw Materials used (Marks 2,5)
b) Prime Cost (Marks 3)
c) Cost of Factory overheads (Marks 6)
d) Cost of Production. (Marks 0,5)

Exercise 2

On 31 December 2012 the Motor Vehicles account of Victoria Plc, showed a balance of €80.000. The Provision for depreciation of Motor Vehicles on the same date was €15.000.
The following transactions took place during the following years:

2013 January 31 Bought two Motor Vehicles for €9.000 each paid by cheque
October 1 Bought a Motor Vehicle for €19.000 on credit from Alpha Plc
2014 August 1 A Motor Vehicle which had been bought on 1 October 2010 at a cost €12.000, was sold for the amount of €6.750.

Depreciation is provided at the rate of 10% per annum using the Straight Line Method for each month of ownership.

REQUIRED:

Prepare the following accounts for the years ended 31 December 2013, 2014 :

a) Motor Vehicles Account (Marks 2)
b) Provision for Depreciation of Motor Vehicle Account (Marks 4)
c) Motor Vehicles Disposals Account (Marks 2)

Show all your workings

(Total Marks 20)

Question 1
Exercise 1

Manufacturing A/c of Amaliada Plc
for the year ended 31 December 2014

	€	€		€
Raw Materials:				
Opening Stock		12.200	Trading A/c	246.390
Add Purchases		116.700		
Add Carriage Inwards		1.680		
		130.580		
Less Closing Stock		13.700		
Cost of Raw Materials used		**116.880**		
Add Direct Factory Wages	30.400			
Add Direct expenses	11.000	41.400		
		158.280		
Work in Progress:				
Add Opening Stock	7.200			
Less Closing Stock	7.700	(500)		
Prime Cost		**157.780**		
Factory overhead expenses:				
Fuel and Power	6.780			
Factory Rent (€1.000x12)	12.000			
Rates and Insurance (1.750 + 250) x 3/5	1.200			
Heat and Light (2.850x3/5)	1.710			
Factory Salaries	32.300			
Depreciation on Plant & Mach. (358.600 – 38.600) x 10%	32.000			
Repairs of Plant & Machinery	2.620			
Total Factory Overheads		**88.610**		
Total Cost of Production		**246.390**		**246.390**

Question 1
Exercise 2

Motor Vehicles A/c

2013		€	2013		€
Jan. 1	Balance b/d	80.000	Dec.31	Balance c/d	117.000
Jan.31	Bank (9.000 x 2)	18.000			
Oct. 1	Creditor Alpha Plc	19.000			
		117.000			117.000
2014			2014		
Jan. 1	Balance b/d	117.000	Aug. 1	Disposal	12.000
			Dec.31	Balance c/d	105.000
		117.000			117.000
2015					
Jan. 1	Balance b/d	105.000			

Provision for depreciation of Motor Vehicles A/c

2013		€	2013		€
Dec.31	Balance c/d	25.125	Jan. 1	Balance b/d	15.000
			Dec.31	P&L -Depreciation (W1)	10.125
		25.125			25.125
2014			2014		
Aug.1	Disposal (W2)	4.600	Jan.1	Balance b/d	25.125
Dec.31	Balance c/d	31.725	Dec.31	P&L- Depreciation (W3)	11.200
		36.325			36.325
			2015		
			Jan.1	Balance b/d	31.725

Motor Vehicle Disposal A/c

2014		€	2014		€
Aug.1	Motor Vehicle (cost)	12.000	Aug. 1	Provision for depreciation	4.600
			Aug. 1	Bank	6.750
			Aug. 1	Loss on sale	650
		12.000			12.000

Workings

W1.

80.000 x10% = 8.000
18.000 x 10% x11/12 = 1.650
19.000 x10% x 3/12 = 475
10.125

W3

(117.000 – 12. 000) x 10% = 10.500
12.000 x 10% x 7/12 = 700
11200

W2.

	Μήνες
1 Oct. 2010	3
2011	12
2012	12
2013	12
1 Aug. 2014	7
	46

12.000 x 10% x 46/12 = **4.600**

QUESTION 2

Andreas, Nicolas and Loizos were partners in a retail business. The partnership agreement stated that:

(i) Profits and losses were shared equally

(ii) Interest on capital at the rate of 6% per annum is allowed

(iii) Annual salary of €5.500 is allowed to partner Andreas

(iv) 4% per annum interest is allowed on Partners' Loan

(v) 4% per annum interest is charged on Partners' Drawings.

The following balances were extracted from the books of the partnership at 31 December 2014 before any appropriations:

	Andreas	Nicolas	Loizos
	€	€	€
Partners' Capital account	10.000	15.000	12.000
Partners' Current account	500 DR	1.000 CR	2.500 DR
Partners' Drawings	7.000	6.000	5.000

The Net Profits for the year to 31 December 2014	
(Before interest on partner's Loan)	22.100
Loan from partner Loizos (**Dated 1 July 2014**)	5.000
Freehold premises	50.000
Accrued expenses	800
Debtors	2.000
Fixtures and Fittings	8.000
Bank Overdraft	2.500
Creditors	5.510
Loan from a Bank	20.000
Stock	5.500
Cash	7.410

On 1 January 2015 Nicolas retired from the partnership and the following agreement was made:

a. The following Assets would be revalued as follows:
   Freehold premises €60.000, Fixtures and Fittings €6.000, Stock €6.500

b. Goodwill would be valued at 1 (one) year's purchase of the average profits of the last three years. These were:
   Year 2012 50.000 profit
   Year 2013 (27.000) loss
   Year 2014 22.000 profit

c. Nicolas will take over the following assets as part of his capital:
   Cash €2.000, all the Fixtures and fittings and the balance remains as a Loan to the new partnership.

d. Profits and Losses would be shared between Andreas and Loizos in the ratio of 2:1 respectively and Goodwill is to be written off.

REQUIRED:

a) Prepare for the year ended 31 December 2014
   (i) The Profit and Loss Appropriation account (Marks 6)

b) Prepare for the period ended 1 January 2015
   (i) The partners Current accounts (Marks 8)
   (ii) The partners Capital accounts (Marks 3)
   (iii) The Revaluation account (Marks 3)

(Total Marks 20)

Question 2 **A N L**

Profit and Loss Appropriation A/c

	€	€			€
Interest on Capital:			**Adjusted** Net Profit (W1)		22.000
Andreas (10.000 x 6%)	600		Interest on drawings:		
Nicolas (15.000 x 6%)	900		Andreas (7.000 x 4%)	280	
Loizos (12.000 x 6%)	720	2.220	Nicolas (6.000 x 4%)	240	
Partner Salary of Andreas		5.500	Loizos (5.000 x 4%)	200	720
Share of Profit:					
Andreas (15.000 x 1/3)	5.000				
Nicolas (15.000 x 1/3)	5.000				
Loizos (15.000 x 1/3)	5.000	15.000			
		22.720			22.720

W1.	Net Profit before Interest on Loan	22.100
	Less Interest on Loan (5.000 x 4% x 6/12)	100
	Adjusted Net Profit after Interest on Loan	22.000

Partners' Current A/cs

	A	N	L		A	N	L
Balances b/d	500		2.500	Balance b/d		1.000	
Drawings	7.000	6.000	5.000	Interest on loan			100
Inter. on Drawings	280	240	200	Interest on capital	600	900	720
Balance c/d	3.320	660		Salary	5.500		
				Share of Profit	5.000	5.000	5.000
				Balance c/d			1.880
	11.100	6.900	7.700		11.100	6.900	7.700
Balance b/d			1.880	Balances b/d	3.320	660	
Capital N		660					

Partners' Capital A/cs

	A	N	L		A	N	L
Cash		2.000		Balances b/d	10.000	15.000	12.000
Fixture& Fittings		6.000		Current a/c		660	
Loan		15.660		Profit on revaluation	8.000	8.000	8.000
Goodwill 2:1	10.000		5.000				
Balances c/d	8.000		15.000				
	18.000	23.600	20.000		18.000	23.660	20.000
				Balances b/d	8.000		15.000

Revaluation A/c

	€	€		€
Fixtures and Fittings		2.000	Goodwill (W2)	15.000
Profit on revaluation:			Freehold Premises	10.000
A (24.000 x 1/3)	8.000		Stock	1.000
N (24.000 x 1/3)	8.000			
L (24.000 x 1/3)	8.000	24.000		
		26.000		26.000

W2. Calculation of Goodwill

Year	Profit/Loss (€)
2012	50.000
2013	(27.000)
2014	22.000
	45.000/3 = 15.000 Average Profit
	X1
	€15.000 Goodwill

QUESTION 3

The following Balance Sheet was extracted from the books of Agathi, a sole trader on 31 March 2014:

	€	€	€		€	€
Fixed Assets				**Capital**		374.000
Premises		220.000				
Machinery		87.000		**Long term Liab**.		
Fixture & Fittings		25.000		Loan		20.000
Delivery Vans		35.000	367.000			
				Current Liabil.		
Current Assets				Creditors	40.000	
Stock		40.000		Bank	16.000	56.000
Debtors	24.000					
Less Prov.for B.D.	1.000	23.000				
Cash in hand		20.000	83.000			
			450.000			450.000

On 31 March 2014 Agathi decided to convert her business into a public limited company, the Agatha Plc, with an authorized share capital of €900.000 in Ordinary Shares of €0.50 each.

It was agreed that the company should take over all the Assets and Liabilities with the exceptions of: Cash in hand, Bank, and one of the Delivery Vans, which was taken over by Agathi at a book value of €5.200.

An amount of €10.200 of the creditors was settled by Agathi. The remaining creditors were taken over by the company Agatha Plc.

The assets taken over by the company were revalued as follows:

Premises €250.000, Machinery €100.000, Fixtures and Fittings €20.000, Delivery Vans €30.000, Stock €35.000.

The provision for bad debts should be adjusted to 5% of debtors.

The Goodwill was valued at €10.000.

The purchase consideration should be discharged by the issue to Agathi of 800 000 Ordinary Shares at par and the balance in cash.

Preliminary expenses paid by the company amounted to €4.000.

After allotting shares to Agathi, the company issued to the public 400 000 Ordinary shares at a premium of 20%.

The company also issued 800, 6% Debentures bonds, of €100 each at €96 per bond.

REQUIRED:

a) Make the necessary journal entries, including those relating to cash, in the books of Agatha Plc. (Narrations are not required) (Marks 10)

b) The opening balance sheet of the Agatha Plc, after the completion of the above transactions. (Marks 10)

(Total Marks 20)

Question 3 (a)

Journal Entries	DR	CR
	€	€
Premises	250.000	
Machinery	100.000	
Fixtures and Fittings	20.000	
Delivery Van	30.000	
Stock	35.000	
Debtors	24.000	
Goodwill	10.000	
Provision for Bad Debts (24.000 x 5%)		1.200
Creditors 40.000 – 10.200		29.800
Loan		20.000
Vendor Agathi (purchase price)		418.000
Vendor Agathi	418.000	
Ordinary Share Capital (800.000 x €0.50)		400.000
Bank		18.000
Preliminary expenses	4.000	
Bank		4.000
Ordinary shareholders (400.000 x €0,60)	240.000	
Ordinary Share Capital (400.000 x €0,50)		200.000
Share Premium [400.000 x (€0,50 x 20%)		40.000
Bank	240.000	
Ordinary shareholders (400.000 x €0,60)		240.000
Debentureholders (800 bonds x €96)	76.800	
Debenture discount (800 bonds x €4)	3.200	
6% Debentures (800bondsx€100)		80.000
Bank	76.800	
Debentureholders		76.800
Share Premium	7.200	
Debenture discount		3.200
Preliminary expenses		4.000

Q 3 (b)

Balance Sheet of Agatha Plc as at 31 March 2014

FIXED ASSETS	€	€		€	€
INTANGIBLE ASSETS			**AUTHORISED CAP.**		
Goodwill		10.000	1.800.000 Ordinary Shares of €0,50 each	900.000	
TANGIBLE ASSETS					
Premises	250.000		**ISSUED SHARE CAPITAL**		
Machinery	100.000		1.200.000 Ordinary		
Fixtures &Fittings	20.000		Shares of €0,50 each		600.000
Delivery Van	30.000	400.000	**RESERVES & SURPLUSES**		
CURRENT ASSETS			Share Premium		32.800
Stock	35.000		**LONG TERM LIABILITIES**		
Debtors 24.000			6% Debentures	80.000	
Less Provision for Bad Debts 1.200	22.800		Loan	20.000	100.000
			CURRENT LIABILITIES		
Bank	294.800	352.600	Creditors		29.800
		762.600			762.600

Workings: Bank A/c

	€		€
Ordinary shareholders	240.000	Vendor	18.000
Debenture holders	76.800	Preliminary expenses	4.000
		Balance c/d	294.800
	316.800		316.800
Balance b/d	294.800		

QUESTION 4

Antonios, Marcos and Panayiotis have been in partnership for several years, sharing profits and losses in the ratio 3:2:1.

The following Trial Balance was extracted from the books of the partnership on 30 September 2014:

Account name	**DR €**	**CR €**
Partners' Capital Accounts:		
Antonios		8.000
Marcos		8.000
Panayiotis		2.000
Partners' Current Accounts:		
Antonios		2.000
Marcos		4.000
Panayiotis	4.000	
Debtors - Creditors	21.000	13.000
Bank		17.000
Stock	15.000	
Motor Vehicles	16.000	
Provision for Depreciation of Motor Vehicles		2.000
Totals	**56.000**	**56.000**

It was decided that the partnership should be dissolved on 1 October 2014 under the following terms:

(1) Andreou, a debtor who owed the partnership €20.000, became bankrupt and was able to pay only 10 cent per € of his outstanding balance, while all other debtors paid their debts in full.

(2) Stock was sold for €12.998 cash.

(3) A motor vehicle was taken over by Antonios at an agreed price of €7.000. The remaining Vehicles were sold for €8.000 cash.

(4) The costs of dissolution were €3.200 and discounts received from creditors amounted to €842.

(5) Panayiotis was unable to meet his liability to the partnership as he was declared insolvent, but Antonios was solvent.

REQUIRED:

Prepare the following accounts in the books of the partnership to record the above transactions:

a. Realization Account (Marks 8)

b. Partners' Capital Accounts (in columnar form) (Marks 5)

c. Bank Account (Marks 7)

(Total Marks 20)

Question 4

Realization Account			
	€		**€**
Motor Vehicles (16.000-2.000)	14.000	Bank – Debtors (20.000x10c) +1.000	3.000
Stock	15.000	- Stock	12.998
Debtors	21.000	- Motor Vehicles	8.000
Bank – Dissolution Expenses	3.200	Capital A – Motor Vehicles	7.000
		Creditors – Discount Rec.	842
		Loss on Realization:	
		A (3/6 x 21.360) 10.680	
		M (2/6 x 21.360) 7.120	
		P (1/6 x 21.360) 3.560	21360
	53.200		53.200

Bank Account			
	€		**€**
Realization - Stock	12.998	Balance b/d	17.000
Realization – Motor Vehicles	8.000	Creditors (13.000 – 842)	12.158
Realization - Debtors	3.000	Realisation - Expenses	3.200
Capital A	10.460	Capital M	2.100
	34.458		34.458

Partners Capital Accounts							
	A	**M**	**P**		**A**	**M**	**P**
	€	**€**	**€**		**€**	**€**	**€**
P. Current a/c			4.000	Balances b/d	8.000	8.000	2.000
Realiz–M.Vehicles	7.000			P. Current a/cs	2.000	4.000	
Loss on Realizat	10.680	7.120	3.560	Capital A			2.780
Capital P	2.780	2.780		Capital M			2.780
Bank		2.100		Bank	10.460		
	20.460	12.000	7.560		20.460	12.000	7.560

QUESTION 5

Pegasos Plc with an Authorized Share Capital of €1.000.000, divided into 400 000 Ordinary shares of €2 and 200 000, 6% Preference shares of €1 each.

On 31 December 2014 the following Trial Balance was extracted from the books of the company, after the preparation of the Trading Account:

Account name	DR €	CR €
Ordinary Share Capital		400.000
6% Preference Share Capital		140.000
Premises	660.000	
Motor Cars	50.000	
Debtors - Creditors	48.800	64.000
General Reserves		22.000
Investment	100.000	
Goodwill	48.000	
Provision for Bad Debts (1/1/2014)		1.200
8% Debentures (issued 1/4/2014)		240.000
Gross Profit		180.000
Investment Income		9.200
Salaries	75.500	
Bad Debts	2.300	
Cash at Bank	32.000	
Audit Fees	10.000	
Profit and Loss Balance (1/1/2014)		71.600
Stock (31/12/2014)	107.000	
Interim Dividends: Ordinary shares	12.600	
Interim Dividends: 6% Preference shares	4.800	
Ordinary Share Premium		20.000
8% Debentures Interest	3.200	
8% Debentures Discount	2.400	
Provision for Depreciation of Motor Cars		15.000
Discount Allowed – Discount Received	1.200	2.000
Calls in arrear (for 20 000 Ordinary Shares)	5.000	
Cash in Hand	2.200	
Totals	**1.165.000**	**1.165.000**

The following information is to be taken into consideration:

1. An amount of €800 included in Debtors is to be written off as bad
2. Salaries prepaid on 31 December 2014 were €1.500
3. Provide for Debenture Interest due
4. Provision for Bad Debts should be adjusted to 5% on the remaining balance of Debtors
5. Provide for Depreciation at 10% on book value of Motor Cars.

The Directors decided to:

1. Provide for 10% Corporation Tax
2. Provide for the final dividend of 6% Preference Shares and for a final dividend on Ordinary Shares of 10 cent per share
3. Write off the whole amount of Debentures Discount and Goodwill by €8.000
4. Transfer additional €2.000 to General Reserves.

REQUIRED:

a. Prepare the Profit and Loss and Appropriation Account for the year ended 31 December 2014 (Marks 10)

b. Prepare the Balance Sheet as at 31 December 2014 **(in vertical form)** (Marks 10)

(Total Marks 20)

(GRAND TOTAL MARKS 100)

--- THE END ---

Question 5 (A)

Profit and Loss and Appropriation Account of Pegasos Plc
for the year ended 31 December 2014

	€	€		€
Salaries	75.500		Gross profit	180.000
Less prepaid	(1.500)	74.000	Discount received	2.000
Bad debts (2.300 + 800)		3.100	Investment income	9.200
Audit fees		10.000		
Debenture interest paid	3.200			
Add due (€240.000 X 8% X 9/12 - 3.200)	11.200	14.400		
Discount allowed		1.200		
Provision for depreciation:				
-Motor cars (€50.000-15.000) X 10%)		3.500		
Provision for bad debts (W1)		1.200		
Net profit		83.800		
		191.200		**191.200**
Corporation tax (€83.800 X 10%)		8.380	Balance b/d	71.600
Interim dividends:			Net profit	83.800
-Ordinary shares	12.600			
-6% Pref. shares	4.800	17.400		
Proposed Dividends:				
-Ordin. Sh. (200.000-20.000X €0.10)	18.000			
-6% Preference shares (€140 000 X 6%=8.400 - €4.800)	3.600	21.600		
Goodwill written off		8.000		
General reserve		2.000		
Debentures Discount		2.400		
Balance c/d		95.620		
		155.400		**155.400**
			Balance b/d	95.620

W1.

Provision for bad debts Account

	€		€
Balance c/d (€48.000 X 5%)	2.400	Balance b/d	1.200
		Profit & loss	1.200
	2.400		**2.400**

Question 5 (B)

Balance Sheet of Pegasos Plc
as at 31 December 2014

	€	€	€
FIXED ASSETS	**Cost**	**Acc. Depr.**	**Book value**
Intangible assets:			
Goodwill	48.000	8.000	40.000
Tangible assets			
Premises	660.000		660.000
Motor cars	50.000	18.500	31.500
Total Fixed Assets	758.000	26.500	731.500
Investment			100.000
CURRENT ASSETS			
Stock	107.000		
Debtors (€48.800 - €800) = 48.000			
Less provision for bad debts 2.400	45.600		
Calls in Arrear	5.000		
Salaries prepaid	1.500		
Bank	32.000		
Cash in hand	2.200	193.300	
CURRENT LIABILITIES			
Creditors	64.000		
8% Debentures interest due	11.200		
Corporation tax	8.380		
Proposed dividends: ordinary shares	18.000		
Proposed dividends: 6% preference shares	3.600	105.180	
Working capital (Net Current Assets)			88.120
TOTAL ASSETS LESS CURRENT LIABILITIES			**919.620**
SHARE CAPITAL	Authorised	Called Up	
Ordinary share capital shares 400 000 of €2 each	800.000	400.000	
6% preference share capital 200 000 of €1 each	200.000	140.000	540.000
	1.000.000		
RESERVES & SURPLUSES			
General reserve (€22.000 + €2.000)		24.000	
Share Premium		20.000	
P & L appropriation (balance c/d)		95.620	139.620
LONG TERM LIABILITIES			
8% Debentures			240.000
TOTAL CAPITAL EMPLOYED			**919.620**

Question 5 (B) **VERTICAL STYLE**

Profit and Loss and Appropriation Account of Pegasos Plc
for the year ended 31 December 2014

Gross profit		180.000	**€**
Discount received		2.000	
Investment income		9.200	191.200
Less expenses: Salaries paid	75.500		
Less salaries prepaid	(1.500)	74.000	
Bad debts (2.300 + 800)		3.100	
Audit fees		10.000	
Debenture interest paid	3.200		
Add due (€240.000 X 8% X 9/12 - 3.200)	11.200	14.400	
Discount allowed		1.200	
Provision for depreciation:			
-Motor cars (€50.000-15.000) X 10%)		3.500	
Provision for bad debts (W1)		1.200	107.400
Net profit			83.800
Less: Corporation tax (€83.800 X 10%)		8.380	
Interim dividends:			
-Ordinary shares	12.600		
-6% Pref. shares	4.800	17.400	
Proposed Dividends:			
-Ordin. Sh. (200.000-20.000X €0.10)	18.000		
-6% Preference shares (€140 000 X 6%=8.400 - €4.800)	3.600	21.600	
Goodwill written off		8.000	
General reserve		2.000	
Debentures Discount		2.400	59.780
Balance c/d			24.020
Add Balance b/d			71.600
Retained profits c/d			95.620