

* Question 2

Formatone plc produced the following trial balance as at 30 June 20X6:

	£000	£000
Land at cost	2,160.0	—
Buildings at cost	1,080.0	—
Plant and Equipment at cost	1,728.0	—
Intangible assets	810.0	—
Accum. depreciation – 30.6.20X5		
Buildings	—	432.0
Plant and equipment	—	504.0
Interim dividend paid	108.0	—
Receivables and payables	585.0	532.8
Cash and bank balance	41.4	—
Inventory as at 30.6.20X6	586.8	—
Taxation	—	14.4
Deferred tax	—	37.8
Distribution cost	529.2	—
Administrative expenses	946.8	—
Retained earnings b/f	—	891.0
Sales revenue	—	9,480.6
Cost of sales	5,909.4	—
Ordinary shares of 50p each	—	2,160.0
Share premium account	—	432.0
	14,484.6	14,484.6

The following information is available:

- (i) A revaluation of the Land and Buildings on 1 July 20X5 resulted in an increase of £3,240,000 in the Land and £972,000 in the Buildings. This has not yet been recorded in the books.
- (ii) Depreciation:
Plant and Equipment are depreciated at 10% using the reducing balance method.
Intangible assets are to be written down by £540,000.
Buildings have an estimated life of 30 years from date of the revaluation.
- (iii) Taxation
The current tax is estimated at £169,200.
There had been an overprovision in the previous year.
Deferred tax is to be increased by £27,000.
- (iv) Capital
150,000 shares were issued and recorded on 1 July 20X5 for 80p each.
A further dividend of 5p per share has been declared on 30 June 20X6.

Required:

Prepare for the year ended 30 June 20X6 the statement of comprehensive income, statement of changes in equity and statement of financial position.