

Service Accounts 2003

6. Service Company Accounts

Included in the assets and liabilities of the Slimline Health Centre Ltd on 1/1/2002 were the following:

Buildings and Grounds at cost €520,000; Equipment at cost €90,000; Furniture at cost €25,000; Stock of health food for sale €1,500; Heating oil €660; Contract cleaning prepaid €300; Creditors for supplies to health centre €1,450; Clients' Fees paid in Advance €5,500, Investments €80,000; Authorised Capital, €450,000; Issued Capital €320,000;

All fixed assets have 3 years accumulated depreciation on 1/1/2002.

Receipts and Payments Account of Slimline Health Centre Ltd for the year ended 31/12/2002

Receipts	€	Payments	€
Current a/c balance	7,560	Wages and salaries	88,240
Client's fees	262,600	Insurance	6,300
Interest	2,160	Light and heat	2,900
Shop receipts	67,000	Purchases - shop	41,300
Balance	9,500	Purchases - supplies	38,600
		Laundry	4,100
		New extension 1/1/2002	80,000
		Contract Cleaning	2,700
		Telephone and postage	1,880
		Equipment	16,000
		Repayment of €60,000 loan on 1/6/2002 with 17 months interest	66,800
	<u>€348,820</u>		<u>€348,820</u>

You are given the following additional information and instructions:

1. Closing stock at 31/12/2002: Shop €1,800; Heating Oil €360; Electricity due 31/12/2002 €290.
2. Cleaning is done by contract payable monthly in advance and includes a payment of €400 for January 2003.
3. Clients' fees include fees for 2003 of €4,000.
4. Clients' fees in arrears at 31/12/2002 €650.
5. Wages and salaries include €16,000 per annum paid to the receptionist who also runs the shop. It is estimated that 60% of this salary and €220 of the light and heat, €600 of the insurance and €360 of the telephone is attributable to the shop.
6. Slimline Health Centre Ltd decided to re-value buildings and grounds at €700,000 on 31/12/2002.
7. Depreciation to be provided as follows:
 - Buildings - 2% of cost for a full year.
 - Equipment - 20% of cost per annum.
 - Furniture - 20% of cost per annum.
8. Creditors for supplies to health centre at 31/12/2002 €1,600.

You are required to:

- (a) Calculate the company's reserves on 1/1/2002. (20)
 - (b) Calculate the Profit/loss from the health shop for the year ended 31/12/2002. (12)
 - (c) Prepare a Profit and Loss Account for the year ended 31/12/2002. (36)
 - (d) Prepare a Balance Sheet on 31/12/2002. (32)
- (100 marks)**

