**BLOG WORKSHEET-10-T**

**ACCOUNTS**

IDC Ltd has share capital of 400,000 ordinary shares of £1 each and 200,000 5 per cent preference

shares of £1 each.

The net profits for the first three years of business ended 31 December are: 20X4, £109,670;

20X5 £148,640; and 20X6 £158,220.

Transfers to reserves are made as follows: 20X4 nil; 20X5, general reserve, £10,000; and 20X6,

fixed assets replacement reserve, £22,500.

Dividends were proposed for each year on the preference shares at 5 per cent and on the

ordinary shares at: 20X4, 10 per cent; 20X5, 12.5 per cent; 20X6, 15 per cent.

Corporation tax, based on the net profits of each year, is 20X4 £41,000; 20X5 £52,500; 20X6

£63,000.

Make a profit and loss appropriation account for the year 20x4 only