# Beacon and Dobbs have been in partnership as tailors for six years. Their incomplete trial balance at 31 December 19X8 is as follows.

Debit Credit

£ £

Capital (at 1.1.X8):

- Beacon 8,000

- Dobbs 5,000

Purchases/sales 45,620 74,750

Debtors/creditors 1,210 4,360

Leasehold shop at cost 18,000

Equipment at cost 8,500

Accumulated depreciation

on equipment at 1.1.X8 1,200

Shop assistant wages 5,320

Stationery 320

Light and heat 1,850

Bank charges 45

Stock at 1.1.X8 6,630

Bank 3,815

Drawings:

- Beacon 2,200

- Dobbs 1,800

Additional information:

(i) At the end of the year there is electricity accrued to the value of £60.

(ii) Stationery unused at the end of the year was valued at £50.

(iii) The equipment is depreciated at 10% per annum on a reducing balance basis. The leasehold property is not depreciated.

(iv) The stock at 31 December 19X8 was valued at £5,970.

(v) Dobbs made further drawings of £8,000 on 10 January 19X9.

(vi) Beacon and Dobbs have a partnership agreement which states that:

- each partner receives interest on their opening capital balances at 10% per annum

- salaries are to be paid at £6,200 per annum for Beacon and £4,875 for Dobbs

- the remainder of the profit is to be split equally between the partners.

(vii) Beacon paid £2,000 of capital into the business on 15 December 19X8.

**Required**

Prepare the profit and loss account for Beacon and Dobbs for the year ended 31 December 19X8.