

Able and Beckett are in partnership as architects. Their accounts to 31 October show:

Office Salaries & Wages	£47,40	Gross Fees	£97,730
Rent	9,783		
Repairs	1,649		
Telephone & Stationery	4,924		
Motoring Expenses	5,662		
Professional Fees	1,519		
Bad Debts	862		
Miscellaneous	327		
Net Profit	25,602		
	<u>£97,730</u>		<u>£97,730</u>

1. Repairs include:

Redecoration of offices	£762
Electrical Repairs	237
Conversion of alcove to toilet	650
	<u>1649</u>

2. The motoring expenses do not include any private element.

3. Professional fees include:

Defence of action for professional negligence	£487
Drafting of staff service contracts	502
Renewal of 25 year office lease	320
Defence of drink driving charge against Beckett	210
	<u>£1519</u>

4. Bad Debts show:

Increase in allowance	£340
Specific Debt written off	527
Loan to employee w/o	100
Bad Debt Recovered	(105)
	<u>£862</u>

5. Miscellaneous Expenses include:

Subscription to Chamber of Commerce	£25
Charitable Donations (Oxfam)	112
Wedding Present to staff member	50
Other allowable expenses	140
	<u>£327</u>

6. The Partnership Agreement allowed for partners salaries (charged to office salaries) of:-

Able	£5000
Beckett	£6000

Calculate the adjusted profits for the partnership.