A review of the ledger Leasing SA Accountants at December 31. 2020. produces the following data pertaining to the preparation of annual adjusting entries.

1. Prepaid Insurance €10,340. The company has separate insurance policies on its buildings and its motor vehicles. Policy B4564 on the building was purchased on April 1, 2019. for €7,920. The policy has a term of 3 years. Policy A2958 on the vehicles was purchased on January 1, 2020, for €4.400. This policy has a term of 2 years.

2. Unearned Rent Revenue €378.000. The company began subleasing (تأجير) office space in its new building on November I. At December 31. the company had the following rental contracts that are paid in full for the entire term of the lease.

|  |  |  |  |
| --- | --- | --- | --- |
| Start date تاريخ بدأ عقد الاجار | Term ( in month) مدة عقد الاجار | monthly rent مبلغ الاجار شهريا | Number of leases  عدد العقارات التي تم تأجيرها بنفس العقد |
| Nov.1 | 9 | 5,000 | 5 |
| Dec.1 | 6 | 8,500 | 3 |

3. Notes Payable €120,000. This balance consists of a note for 9 months at an annual interest rate of 4%, dated October 1.

4. Salaries and Wages Payable €0. There are eight salaried employees. Salaries are paid every Friday for the current week. Five employees receive a salary of €700 each per week, and three employees earn €500 each per week. Assume December 31 is a Wednesday. Employees do not work weekends. All employees worked the last 3 days of December.

Instructions

Prepare the adjusting entries at December 31.2020.