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 MATRIC NO: 18/SMS02/029  
 DEPARTMENT: ACCOUNTING  
 COURSE: ACCOUNTING FOR SPECIALISED BUSINESSES; ACC206

ABUAD FARMS

Statement of reconciliation showing the changes in fair value during the year

2019		#
Jan 1st	1300 day old chicks @ 200 (1300 x 200)	260,000
Jan 1st	800 2 yr old chickens @ 3500 (800 x 3500)	2,800,000
June 1st	500 6 months old chickens @ 1500 (500 x 1500)	<u>750,000</u>
		3,810,000
	Dead chicken during the year (120 x 1800)	<u>(216,000)</u>
		3,594,000
	Changes in fair value	3,217,000
Dec 31st	1 yr old chicken (1300 - 60 = 1240 x 3000)	3,720,000
Dec 31st	1 1/2 yrs old chicken (800 - 30 = 470 x 3300)	1,551,000
Dec 31st	3 yrs old chicken (500 - 30 = 770 x 2000)	<u>1,540,000</u>
		<u>6,811,000</u>

Flock of Chickens #

1/1/19	Bal b/d	3,060,000	31/12/19	Loss of chicken	216,000
1/7/19	Cash	750,000	31/12/19	Bal b/d	6,595,000
31/12/19	Por l	<u>3,217,000</u>			
		<u>6,811,000</u>			<u>6,811,000</u>
1/1/20	Bal b/d	6,595,000			

## ABUAD FARMS

Statement of profit or loss for the year ended 31st Dec 2019.

Sales: Farm Produce		6,423,340
Opening Inventory	1,500,000	
Purchases: Feeds	2,096,570	
Insecticides	156,000	
	2,252,570	
COGAS	3,752,570	
Closing Inventory	(1,850,000)	(1,902,570)
Gross profit		4,520,770
Micellaneous Income	450,960	
Change in fair value	3,217,000	3,667,960
		8,188,730
 Expenses		
Depreciation: Farm House	96,000	
Farm Machinery	160,750	
Staff cost	770,000	
Fuel and oil	168,000	
Marketing cost	105,500	
Repairs	52,500	
Insurance	77,600	
Hire of Tractors	100,800	
Bad debts	175,500	
Other operating expenses	292,750	(1,999,400)
Net profit		6,189,330

## ABUAD FARMS

Statement of financial position as at 31st December, 2019

<u>Non Current Asset</u>	Cost	Accum. depre	Carrying value
Land	12,567,850	—	12,567,850
Farm House	27,850,000	(192,900 + 96,000) = 288,900	27,561,100
Biological Asset (3,810,000 + 3,217,000)	7,027,000		7,027,000
Farm Machinery	13,290,950	(325,500 + 160,950) = 486,250	12,804,500
			59,960,450
 <u>Current Asset</u>			
Receivables		2,578,870	
Bank and Cash		13,146,550	
Inventory		1,850,000	24,602,420
			77,535,870
 <u>Equity</u>			
Capital		45,000,000	
Net profit		6,184,330	
Drawing		(1,590,000)	49,594,330
 <u>Non current liabilities</u>			
Loan		26,000,000	
 <u>Current liabilities</u>			
Payables		1,936,540	27,936,540
			77,535,870