

Name: Faringha Deborah Ebotimi

Matric No: 18/SMS02/024

ACC206 ASSIGNMENT 1

(a)

ABUAD Farms

Statement of Reconciliation to Show Changes in Fair Value during the year 2019

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

(b)

Statement of Profit or Loss for the year ended 31st December, 2019

	#	#
Sales: Farm Produce (Eggs)		6,423,340
Opening Inventory	1,500,000	
Purchases: Feeds	2,096,570	
Insecticide	156,000	
	<u>3,752,570</u>	
Closing Inventory	<u>(1,850,000)</u>	
Cost of Goods sold		<u>(1,902,570)</u>
Gross profit		4,520,770
Change in fair value	3,217,000	
Miscellaneous Income	<u>450,960</u>	<u>3,667,960</u>
		8,188,730
Expenses:		
Depreciation: Farm house	96,000	
Farm machinery	160,750	
Staff Cost	770,000	
Fuel and oil for machines	168,000	
Marketing cost	105,500	
Repairs	52,500	
Insurance	77,600	
Hire of Tractors	100,800	
Bad debts	175,500	
Other operating Expenses	<u>292,750</u>	<u>(1,999,400)</u>
Net profit		<u><u>6,189,330</u></u>

Statement of Financial Position as at 31st December, 2019

Non-Current Assets	R Cost	R Acc. Dep.	R Carrying Value
Land	12,567,850	—	12,567,850
Farm house	27,850,000	288,900	27,561,100
Farm Machinery	18,290,750	486,250	12,804,500
Biological Asset	7,027,000	—	7,027,000
			59,960,450
<u>Current Assets</u>		1,850,000	
Inventory		18,850,000	
Bank and Cash		13,146,550	
Receivables		2,578,870	17,575,420
<u>Total Assets</u>			77,535,870
<u>Equity</u>			
Capital		45,000,000	
Net profit		6,189,330	
Drawings		<u>(1,590,000)</u>	49,599,330
<u>Non-Current Liabilities</u>			
Loan			26,000,000
<u>Current Liabilities</u>			
Payables			1,936,540
<u>Total Equity & Liabilities</u>			77,535,870