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 Course code: ACC 206

ABUAD FARMS

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

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

Flock of chickens

1/1/19 Bal b/f	3,060,000	31/12/19 Loss of chickens	216,000
1/7/19 Cash	750,000	31/12/19 Bal c/c	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/loss for the year ended 31/12/19

	₦	₦
		6,423,340
Sales: Farm produce		
Opening inventory	1,500,000	
Purchases: Feeds	2,096,570	
Insecticides	156,000	
	2,252,570	
Cost of goods available for sale	2,752,570	
Closing inventory	1,850,000	(1,902,570)
Gross profit		4,520,770
Miscellaneous income	150,960	
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	105,000	
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

## Statement of Financial Position as at 31/12/19

Non-current Asset	Cost #	Accum. deprec. #	Carrying value #
Land	12,567,850	—	12,567,850
Farm house	27,850,000	(192,900 + 96,000) = 288,900	27,561,100
Farm machinery	13,290,750	(325,500 + 160,750) = 486,250	12,804,500
Biological Asset	(3,810,000 + 3,217,000) = 7,027,000	—	7,027,000
			<u>59,960,450</u>

### Current Asset

Inventory	1,850,000	
Bank and cash	13,146,550	
Receivables	2,578,870	24,602,420
<b>Total Asset</b>		<u>77,535,870</u>

### Equity

Capital	45,000,000	
Net profit	6,184,330	
Drawing	(1,590,000)	49,594,330

### Non-current Liabilities

Loan	26,000,000	
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### Current Liabilities

Payables	1,936,510	27,936,510
		<u>77,535,870</u>