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Matric No: 181smso21031

Department: Accounting

Course code: Acc 206

Level: 200

Location

ABUAD FARMS

Statement of Reconciliation showing the changes in fair value during the year 2019.

Jan 1st	1300 day old chicks @ 200 (1300×200)	260,000
Jan 1st	800 2 year old chickens @ 3500 (800×3500)	2,800,000
June 1st	600 6 months old chicken @ 1500 (600×1500)	750,000
		3,810,000
	Dead chickens during the year (120×1800)	(216,000)
		3,594,000
	Changes in fair value	3,217,000

31st Dec	1 year old chickens ($1300 - 60 = 1,240 \times 3000$)	3,720,000
31st Dec	1 1/2 year old chickens ($600 - 50 = 470 \times 3300$)	1,551,000
31st Dec	3 year old chickens ($800 - 30 = 770 \times 2000$)	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/d	6,595,000
31/12/19 Profit	3,217,000		
	<u>6,811,000</u>		
2/1/20 Bal b/f	6,595,000		<u>6,811,000</u>

ABUND FARMS

Statement of Profit or Loss for the year ended 31/12/11

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Sales: Farm products		6,423,840
Opening Inventory	1,500,000	
Purchased: 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	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	
Scarf cost	770,000	
Fuel and oil	168,000	
Marketing cost	105,000	
Repairs	52,500	
Insurance	77,600	
Hire of tractors	100,000	
Bad debts	175,500	
Other operating expenses	272,750	(1,999,400)
Net Profit		6,189,330

Statement of Financial Position as at 31/12/19

Non-current Asset	Cost	Accum. dep	Carrying Value
Land	12,567,850	-	12,567,850
Farm trade	27,850,000	$(192,900 + 96,000)$ $= 288,900$	27,561,100
Farm machinery	13,290,750	$(825,500 + 160,450)$ $= 985,950$	12,304,800
Biological Asset	$(6,870,000 + 3,217,000)$ $= 10,087,000$	-	7,027,000
			<u>59,960,450</u>
<u>Current Asset</u>			
Inventory		1,850,000	
Bank and cash		13,146,550	
Receivables		2,578,870	<u>24,602,420</u>
Total Asset			<u>77,535,870</u>
<u>Equity</u>			
Capital		45,000,000	
Net Profit		6,184,330	
Drawing		$(1,590,000)$	<u>49,594,330</u>
<u>Non-current Liabilities</u>			
Loan		26,000,000	
<u>Current Liabilities</u>			
Payables		1,936,540	<u>27,936,540</u>
			<u>77,535,870</u>