AJANAKU PLC

Statement of Profit or Loss for the year ended 31/12/2014

	₦
Revenue (all on credit)	2,000,000
Profit after charging all expenses except debenture interest	220,000
Debenture interest(gross)	20,000
Profit before taxation	200,000
Taxation Expense	88,000
Profit for the year	112,000

Statement of Financial Position as at 31/12/2014

	₦	₦
Non-current Assets (carrying valu		
Property plant and equipment		840,000
Current Assets		
Inventory	500,000	
Receivables	200,000	
Investments	60,000	760,000
		1,600,000
Equity and Liabilities		
400,000 ₦1 ordinary share		400,000
Issued and fully paid 200,000 ₦1 ordinary shares		200,000
Capital Reserves		100,000
Revenue Reserves		400,000
		700,000
Non-current Liability		
200,000 10% Debentures (secured on freehold property) 200,00(		200,000
		900,000
Current Liabilities		
Trade Payables	172,800	
Bank overdraft	439,200	
Current Taxation	88,000	700,000
		1,600,000

Additional Notes:	₦
Dividends during the year end	53,600
Purchases for the year	1,080,000
Cost of Sales for the year	1,500,000
The market price of Ajanaku Plc ordinary share as 31/12/2014	4

RATIO ANALYSIS FOR 2014

PROFITABILITY RATIO

Return on (long term) Capital Employed (ROCE)
ROCE=Profit before interest and tax/capital employed * 100

Returns on Equity (ROE)
ROE=Profit after taxation and preference dividend/share capital and reserves(excluding prefrence share capital) X 100

Operating Profit Margin (OPM)
OPM=Profit after interest and taxation/Revenue *100

Gross Profit Margin(GPM)
GPM=Gross profit/Revenue*100%

LIQUIDITY RATIO

Current Ratio(CR)
CR=Current Assets/Current Liabilities

Quick/Acid Test Ratio(ATR)
ATR=Current Asset – Inventories/Current liabilities

WORKING CAPITAL EFFICIENCY RATIO

Average Collection Period
ACP=Trade Receivables/Credit Sales*365 days

Inventory Turnover Period
ITP=Inventory/Cost of sales*365days

Average Payble Period
APP=Trade Payables/Purchases*365days

Working Note	₦
nt asset-Inventory	260,000
Capital Employed	900,000
Gross Profit	500,000

Name	Ikrokoto	orezi	Jessica
Matric nc	18/sms03/017		

#REF!

16%

5.6%

#REF!

1.1:1

#REF!

Days

36.5

121.7

58.4