

b It is important for company to compute and account
 increased tax because paying in-advance to
 assets can hold a business
 - tax liability
 - net

NUASA Insurance PLC 29

State of finance position as at 31st December
 2017.

Assets.	R	R
Cash & cash equivalent		6,727,905
Financial assets		6,437,403
Trade Receivables		57,903,833
Reinsurance Assets		123,848
Deferred Acquisition cost		2,479,069
Other receivables & prepayment		264,842
Deffered tax assets		282,805
Investment in subsidiaries		1,707,077
Investment in property		2,308,690
Goodwill and other other intangible assets		1,115,000
Property & equipment		4,201,201,871
Statutory deposit		5,111,828
		530,000
		79,385,266
Liabilities		
Finance lease obligation	49,854	
Borrowing	1,134,840	
Derivative liabilities	319,274	
Insurance contract liabilities	55,899,977	
Investment contract liabilities	8,295,046	
Current tax payable	518,443	
Deffered tax liability	263,442	
Trade payables	1,547,548	
Other payables & accruals	2,432,087	
		69,940,497

	B	A
Equity		
Issued share capital	31465,102	
Share premium	21824,389	
Reserves		
Revaluation reserves	12221,707	
Auditable for sale reserve (2,728,536)		
Exchange gains reserve	148,521	
Contingency reserve	3,482,076	
Retained earnings	4026,516	
		<u>914441775</u>
	215	<u>791385,266</u>

OKHUMODE BERNADETTE OMOSONI

17/SMS02/042

Accounting

5-6-2020

- cl. 3) Differences
- i) Current tax: This is the amount of income tax payable or recoverable by an entity in respect to its taxable profit or loss for a period of time.
- ii) Deferred tax: This is an accounting measure rather than a tax levied by government. The deferred tax represent tax payable or recoverable in future accounting periods in relation to transactions which have already taken place.

Similarities

Differences
Originating timing difference includes timing difference between pretax accounting income and taxable income. This include both credit and debit entries to deferred income taxes

Reversing difference: This include the journal entries required to eliminate the impact timing differences on deferred income taxes in prior periods.

Similarities
The timing differences will occur when calculations of pretax net income for income for accounting purposes (book) varies from determined for income tax purposes.

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 190
 Night r.
 Capt
 Net Profit
 Interest
 Payment of Profit or Le
 161,760
 17,150
 4701
 17,150
 C18,800
 469,200
 38700
 C35,500
 3200
 3200
 3200
 3200

b It is important for company to compute and account for deferred tax because paying in-advance to create deferred tax assets can hold a business or company looking to decrease their tax liability in the future period. The deferred tax is accounted for in accordance with IAS 12 Income taxes. Deferred tax normally results in liability being recognised with the statement of financial position.

JAVIEE LTD

Debenture receivable

	₹		₹
Por L	17,300	Bank	16,625
		WHT	875
	<u>17,500</u>		<u>17,500</u>

Debenture interest

	₹		₹
Bank	17,860	Por L	18,000
WHT	940		
	<u>18,000</u>		<u>18,000</u>

Withholding tax

Debenture received	₹ 875	Debenture Interest	₹ 940
Bank	25		
	<u>940</u>		<u>940</u>
	Bank		

Debenture received	₹ 16,625	Debenture Interest	₹ 17,500
		Current tax	35,000

1,977
 5,046
 3
 42
 7,540
 1062

Current tax

Bank	35,000	bal bld	65,500
bal cld	65,000	Por L	34,500
	<u>100,000</u>		<u>100,000</u>

Deffered tax

Bal cld	16,760	bal bld	15,800
		Por L	960
	<u>16,760</u>		<u>16,760</u>

Statement of Profit or Loss

Net Profit	470,500
Interest Income	17,500
Interest paid	(18,800)
	<u>469,200</u>
Capital allowance	38,700
Depreciation	(35,500)
Timing difference	32,000 3,200

$$\text{Deffered tax} = 30\% \times 32,000 = 9,600$$

7,403
 03,83
 849
 19,106
 1842
 2,80
 0710
 061
 151
 20

	N	N
Issued share capital	3,146,510.2	
Share premium	2,182,413.89	
Revaluation		
Revaluation reserves	1,122,170.7	
Auditable for sale reserve	(2,723,526)	
Exchange gains reserve	148,521	
Contingency reserve	3,148,076	
Retained earnings	1,026,516	
		<u>9,444,775</u>
		<u>79,385,766</u>

2b

NUASA Insurance Plc

Gross Statement of Profit or Loss

Gross premium written	32,449,376
Reinsurance expenses	(3,662,162)
Net premium income	<u>28,787,214</u>
Commission income:	
Insurance extract	744,069
Pension & other contract	1,335,846
Net underwriting income	<u>30,867,129</u>
Claim expenses:	
Gross claims expenses	
claims expenses recovered	
Net claim expenses	13,045,432
underwriting profit	<u>(2,377,750)</u>
Investment income	10,667,702
Net realised gains	<u>4,415,428</u>
Net fair value losses	26,471,701
Other operating income	5,717,056
Personnel expenses	(88,000)
Other operating expenses	589,965
financial cost	3,540,411
	<u>87,121</u>

Foreign currency translation

differences for foreign

1,039,643

Operations

779,732

Income tax (25%)

(259,911)

Net change in fair value
available for sale financial

4,080,429

Assets

3,060,332

Income tax

(1,020,107)

81,431,781

Total comprehensive
income for the year

↳

NUASA Bank

Statement of financial position of NUASA

Bank for the yr ended 31 Dec, 2019

⊗

Assets

Cash and Bank Balances

453,296,196

Derivative Financial Assets

2,839,078

Available for sale Assets

433,089,623

Assets held to maturity

2,100,233

Assets pledged as collateral

58,961,722

Restricted deposits and other assets

433,520,669

Investment in subsidiaries

46,207,004

Property and equipment

89,979,798

Intangible assets

4,501,296

Financial Assets held for trading

6,652,356

Trading

Assets classified as held for sale 850,820

Total assets

Employed

4
Q Dividend payout ratio.

$$= \frac{DPS}{EPS} \times 100$$

for night fury

$$DPS = \frac{60,550,000}{2250,000,000} = 0.2422$$

for light fury

$$DPS = \frac{56,250,000}{220,000,000} = 0.2557$$

$$EPS = \frac{150,000,000 - 32,000,000}{250,000,000}$$

$$= 0.472$$

$$EPS = \frac{138,250,000 - 29,800,000}{220,000,000}$$

$$= 0.493$$

$$= 0.493$$

$$\therefore DPR = \frac{0.2422 \times 100}{0.472}$$

$$= 51.39\%$$

$$DPR = \frac{0.2557 \times 100}{0.493}$$

$$= 51.9\%$$

D Gearing ratio

$$= \frac{EPS}{mps} \times 100$$

for night fury

$$= \frac{0.472 \times 100}{3.25}$$

$$= 14.5\%$$

for light fury

$$= \frac{0.493 \times 100}{2.55}$$

$$= 19.31$$

$$= 19.31$$

$$③ \text{ ROCE} = \frac{\text{Profit}}{\text{Return}} \text{ Capital employed}$$

Capital employed

Night King

$$= 150,000,000$$

$$\frac{390,295,000}{150,000,000}$$

$$= 0.3845$$

$$= \underline{\underline{0.58}}$$

Light King

$$= 138,250,000$$

$$\frac{327,250,000}{138,250,000}$$

$$= 0.4224$$

$$= \underline{\underline{0.44}}$$

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NUASA BANK 19

Statement of ~~Other Comprehensive~~ Profit or Loss and ~~Other Comprehensive~~ Income for NUASA Bank for the year 31st December 2019

	R	R
Interest Income		185,003,000
Interest expenses		(58,000,000)
Net interest income		<u>127,003,000</u>
Loan impairment charges		(2,880,000)
		<u>124,123,000</u>
Fee & commission income		46,651,900
Fee & commission expenses		(1,800,000)
		<u>168,974,900</u>
Net gains on financial interest		7,690,000
Other income		<u>3,980,000</u>
		<u>180,644,900</u>
Net impairment charges		(150,000)
Net personal expense		(23,700,000)
General & Admin expenses		(22,500,000)
Operating lease expense		(807,000)
Depreciation & amortization		(12,115,000)
Other operating expenses		<u>(27,273,000)</u>
Profit before tax		<u>94,099,900</u>
Income tax expenses		(17,000,000)
		<u>77,099,900</u>

NUASA BANK

Statement of Other Comprehensive Income for the year ended 31st December 2019.

	R	R
Profit for the year		77,099,900
<u>Other comprehensive income</u> <u>to be re-classified to Profit or loss</u> <u>in the subsequent year</u>		
Actuarial gain	655,769	
Income tax (25%)	<u>(163,942)</u>	491,827