NAME - OLAWUYI MUQTADIR OREDOLAPO

MATRIC NO - 17/SMS02/049

Course code - Acc 302

1 ⓐ

NUASA Bank

Statment of Profit or loss and Other Comprehensive Income For the year ended 31st December 2019

	₦
Interest Income	185,003,000
Interest expense	(58,000,000)
Net Interest Income	127,003,000
loan Impairment charges	(2,880,000)
Net Interest Income after Impairment charges	124,123,000
Fee and Commission ~~Expense~~ Income	46,651,900
" " " Expense	1,800,000
	44,851,900
Net gross on Financial Instrument	7,690,000
Other Income	3,980,000
other Opreating expenses	(27,273,000)
Depreciation and amortization	(12,115,000)
Net Impairment charge	(150,000)
Personnel expense	(23,700,000)
General and Admin expense	(22500,000)
Opreating lease expense	(807,000)
Profit before taxation	94,099,900
Income tax expense	(17,000,000)
Profit For the year	77,099,900

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1(b)

NUASA BANK

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

	₦	₦
Profit for the year		77,099,900
Other Comprehensive Income to be reclassified to P/L in Subsequent year		
Actual gain	655,769	491,827
Income tax (25%)	(163,942)	
Foreign currency translation differences for foreign Operations	1,039,643	
Income tax (25%)	(259,911)	779,732
Net change in fair Value available for Sale financial assets	4,080,429	
Income tax	(1,020,109)	3,060,322
Total Comprehensive Income for the year		81,431,781

1(b)

NUASA Ltd

Statement of Financial position of NUASA Bank for the Year ended 31st December 2019

Assets	₦
Cash and Bank balances	455,296,196
Debenture Financial asset	2,839,079
Available for Sale Assets	453,089,625
Assets Held to maturity	2,007,283
Assets pleged as collateral	58,961,722
Restricted deposits and Other Assets	433,528,669
Investment in Subsidiaries	46,207,004
Property and equipment	87,979,798
Intangible Assets	4,501,296
Financial Asset held for trading	16652,356
Asset classified as held for sale	
Total Asset	

Liabilities	
Current Income tax liabilities	24,009,770
Debts Securities Issue	92,131,923
Financial liabilities held for trading	2,647,469
loans and advances to bank	49,480
" " " customers	1,265,971,688
Debenture Financial liabilites	2,106,566
Other liabilies	203,019,404
Other borrowed Funds	219,617,384

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2 (a)

NUASA Insurance plc

Statment of Financial Position at 31st December 2017

	₦	₦
cash and Cash equivalent		6,427,403
financial Asset		57,903,833
trade receivable		123 848
Re Insurance asset		2,479,089
Deffered acquisition cost		2,641,842
Other receivable and Prepayment		282,805
Deffered tax asset		1,707,077
Investment Insubsidiaries		2,306,690
Investment Property		1,115,000
Goodwill and Other Intangible Asset		1,120,871
Property and equipment		5,111,424
statutory deposit		530,000
		81,762,266

Liabilities

Insurance contract liabilities		55,379,977
Investment ✓	✓	8,295,046
Trade Payable		1,547,548
Other Payables and accruals		2,432,087
Current tax Payable		~~[illegible]~~ 518 443
Deferred tax liability		263,422
Borrowing		1,134,840
Finance lease Obligation		49,854
Derivative liabilities		319,274
		69,940,491

Equity

	₦
Issued Share capital	3,465,102
Share Premium	2,824,389
Revaluation reserves	1,221,787
available for Sales reserve	(2,723,536)
Exchange gain reserve	148,521
St. contingency reserve	3,482,076
Retained earnings	1,026,516
	79,385,266

3 ⓐ i Compare

Originating timing differences are the timing differences that occur for the first time while, Reversing timing differences, which are timing differences which reverse Originating timing differences from Previous accounting Periods

Contrast

- They are both timing differences.
- They both use accounting Periods.
- They both use the Originating timing differences.

ii compare

Current tax is the amount of Income tax Payable or recoverable by an entity In respect of its taxable profit or loss for Period while, Deffered tax is an accounting measure. it represents tax Payable or ~~recoverabl~~ recoverable in ~~Future~~ Future accounting period.

Contrast

- They are both taxes
- They are both amount of tax Payable

3 ⓑ The reason is because a deffered tax liability will Ultimately translate itself Into an actual liability by for example resulting in a larger tax liability in ~~B~~ Future Periods and Ignoring it may lead to the reported Profit in a Period being misinterpreted.

3(c)

JAYTEE Ltd

Dr Debenture Receivable Cr

	₦		₦
P or L	17500	Bank	16,625
		WHT	875
	17500		17,500

Dr Debenture Interest Cr

	₦		₦
Bank	17860	P or L	18,800
WHT	940		
	18800		18,800

Dr Withholding tax Cr

	₦		₦
debenture Rec	875	Debenture Int	940
Bank	65		
	940		940

Dr Bank Cr

	₦		₦
Debenture Rec	16,625	Debenture Int	17860
		Current tax	35000

Dr Current tax Cr

	₦		₦
Bank	35000	Bal b/d	65,500
Bal c/d	65000	P or L	34,500
	100,000		100,000

Dr Deferred tax Cr

	₦		₦
Bal c/d	16,760	Bal b/d	15800
		P or L	960
	16760		16,760

Statement Profit or Loss

	₦
Net Profit	470,500
Interest Income	17,500
Interest Paid	(18,800)
	469,200

Capital allowance	38,700
Depreciation	(35,500)
Timing difference	3200

Deferred tax 30% × 3200 = ~~960~~ 960

4.

Night Fury & Light Fury Nig

- Computation and Interpretation of accounting ratios

a.i) Dividend Pay Out ration

$$\frac{Dps}{Eps} \times 100$$

For Night Fury

$$Dps = \frac{60,550,000}{25,000,000}$$

$$= 0.2422$$

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

$$= \frac{118,000,000}{250,000,000}$$

$$= 0.472$$

$$DpR = \frac{0.2\cancel{82}2}{0.43\cancel{2}} \times 100$$

$$= \cancel{51.3\%}\ 65.3$$

For Light Fury

$$Dps = \frac{56,250,000}{220,000,000}$$

$$= 0.02557$$

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

$$\frac{108,450,000}{220,000,000}$$

$$= 0.493$$

$$DpR = \frac{0.\cancel{2557}\ 2561}{0.4\cancel{68}} \times 100$$

$$= \cancel{51.9\%}\ 64\%$$

ii) Earning yied

ii) $\frac{Eps}{Mps}$

$$\frac{0.468}{0.255} = 1.7 \text{ time}$$

ii) $E.Y = \frac{Eps}{Mps}$

$$\frac{0.468}{0.255} = 1.7 \text{ times}$$

(iii) Gearing ration — Night

$$\frac{\text{Debt}}{\text{Total capital}}$$

$$\frac{26,000,000}{390,275,500} = 0.067$$

$= 0.07$

light Fury

$$\frac{\text{Debt}}{\text{capital}} = \frac{27,200,000}{327,250,000}$$

$= 0.08$

iv Quick ration

$$\frac{\text{Current A} - \text{Inv}}{\text{Curren L}}$$

$$\frac{84,400,000 - 45,500,000}{65,670,000}$$

$= 0.6 : 1$

$$\frac{\text{Current A} - \text{Inv}}{\text{Current L}}$$

$$\frac{95,400,000 - 50,000,000}{30,650,000}$$

$1.5 : 1$

v ROCE $= \frac{\text{PBIT}}{\text{C.E}}$

$$\frac{150,000,000}{390,275,500} = 0.4$$

$$\frac{\text{PBIT}}{\text{C.E}}$$

$$\frac{138,250,00}{327,250} = 0.4$$

Interpretation

DPR - They give more Percentage of divident than light Fury

They give lesser Percentage to Share holdder that night Fury

4: Contd

Night Fury	Light Fury
(ii) E.Y Their potential returns is more than light fury	Their potential returns is less
(iii) G.R - They use less of their debt to finance	They use more of their debt to finance
iv Quick ratio - They can hardly cover up their liabilities	They can cover up their liabilities
v ROCE: They are more efficient than profitable	they are also more efficient than profitable

b: Investors should invest in Night fury because it more viable

ii Bank should grant loan to light fury because they can easily offset their liability