

Bashir Mustapha Muhammed

18/sms02/054

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Test

No 1a

Statement of Profit/Loss and other comprehensive
Income for NUASA Bank for the year ended 3rd
December 2019

	#	#
Interest		
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 Income	46,651,900	
Fee and commission expenses	(1,800,000)	
Net fee income		<u>44,851,900</u>
Net gains on financial investment	7,690,000	
Other income	3,980,000	
Depreciation and Amortization	(12,115,000)	
Other operating Am Expense	(27,273,000)	
Net impairment charge	(150,000)	
Personnel Expense	(23,700,000)	
General and Administrative expenses	(22,500,000)	
operating lease expense	(807,000)	
Profit before taxation		<u>94,099,900</u>
Income Tax expense		(17,000,000)
Profit For the year		<u><u>77,099,900</u></u>

NUASA Bank

Statement of Other Comprehensive Income for the Year ended 31st december 2014

	#	
Profit For the Year		77,099,900
Other comprehensive income		
Actual gain	655,769	
Income Tax (25%)	<u>(163,942)</u>	491,827
Foreign Currency translation differences for foreign operation	1,039,643	
Income tax (25%)	<u>(259,911)</u>	779,732
Net change in fair value Available for sale Asset	4,080,429	
Income Tax (25%)	<u>(1,020,107)</u>	3,060,322
Total comprehensive income of the year		<u>81,431,781</u>

No 2 a)

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Statement of Financial Position as at
31st December 2017

<u>Assets</u>	#	#
Cash and cash equivalents	6,437,403	
Financial Assets	57,903,833	
Trade Receivable	123,848	
Reinsurance Asset	2,479,069	
Deffered acquisition cost	264,842	
Other receivable and prepayment	282,805	
Deffered Tax asset	1,707,077	
Investment in Subsidiaries	2,308,690	
Investment property	1,115,000	
Goodwill and other tangible Asset	1,120,871	
Property and equipment	5,111,828	
Statutory deposit	<u>530,000</u>	<u>81,762,266</u>
Total Asset		<u><u>81,762,266</u></u>

LIABILITIES

Insurance Contract Liabilities	55,379,977	
Investment contract Liability	8,295,046	
Trade payable	1,547,548	
Other payables and accruals	2,432,087	
Borrowing	1,134,840	
Deffered tax liability	263,422	
Current tax payable	518,443	
Finance Lease obligation	49,854	
Derivative Liability	<u>319,274</u>	<u>69,940,491</u>
		<u>69,940,491</u>

Equity

Issued Share capital	3,465,102
Share premium	2,824,389

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Revaluation reserve
Available for sale reserve
Exchange gains reserve
Contingency reserve
retained earnings
Total Liability Equity

~~112~~ 1,221,707
12,723,536
148,521
3,482,076
1,026,516
19,385,266

No 3 a

i) Originating timing Differences, are timing differences that occur for the first time while, Reversing timing Differences, are timing differences which reverse originating timing differences from previous accounting periods. They are both temporary in nature as they reverse in subsequent accounting periods.

ii) ~~Current tax~~

i) Current tax, is the amount of income tax of companies payable, or recoverable, by an entity in respect of its taxable profit, or loss for a period. while Deferred tax, is an accounting measure rather than a tax levied by government; it represents tax payable or recoverable in future periods in relation to transactions which have already taken place.

b) It is important to compute and account for deferred tax because it does not ^{alter} the tax to be paid only the means by which it is reflected in the financial statement

c) Jay Tee Ltd.

<u>Debenture Receivable</u>			
Profit or loss	17,500	bank	16,625
		with-hold	875
	<u>17,500</u>		<u>17,500</u>

<u>Debenture Interest</u>			
Bank	17,960	Profit or loss	18,800
WHT	940		
	<u>18,800</u>		<u>18,800</u>

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With-Holding Tax		Bank	
Debenture 875	Debenture 940	Debenture 16,625	
Bank 65			
<u>940</u>	<u>940</u>		

Current Tax		Deferred Tax	
Bank 35,000	bal b/d 65,500	Bal c/d 16,760	bal b/d 15,800
bal c/d 65,000	Profit or Loss 34,500		Profit or Loss 960
<u>100,000</u>	<u>100,000</u>	<u>16,760</u>	<u>16,760</u>

Statement of Profit or Loss

Net profit	470,000
Interest Income	17,500
Interest Paid	(18,800)
	<u>469,200</u>
Capital allowance	38,700
Depreciation	(35,500)
Timing difference	<u>3,200</u>
Deferred tax	30% × 3,200 = 960

NO 4

i Night fury

$$DPS = \frac{10,000,000 + 60,650,000}{250,000,000}$$

$$= 0.2822$$

$$(150-32)$$

$$EPS = \frac{18,000,000 - 10,000,000}{250,000,000}$$

$$= 0.432$$

$$DPR = \frac{0.282}{0.432} \times 100$$

$$= 65.3\%$$

ii Earnings Yield

$$= \frac{EPS}{MPS} = \frac{\text{Earnings per share}}{M \cdot P \cdot S}$$

$$\frac{0.432}{0.325} = 1.33 \text{ times}$$

iii Gearing ratio = $\frac{\text{Debt}}$

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

Total Capital

$$\approx 0.07$$

iv Quick Ratio

$$= \frac{84,900,000 - 45,500,000}{65,670,000}$$

$$= 0.6:1$$

v ROCE = $\frac{PBIT}{\text{Capital employed}}$

$$\frac{150,000,000}{390,275,000}$$

$$= 0.4$$

∴ They give higher percentage than Light fury.

Light Fury

$$i) \text{DPS} = \frac{5,505,000 + 56,250,000}{220,000,000}$$

$$= 0.281$$

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$$\text{EPS} = \frac{108,450,000 - 5,505,000}{220,000,000}$$

$$= 0.468$$

$$\text{DRR} = \frac{0.281}{0.468} \times 100$$

$$= 64\%$$

$$ii) \text{Earnings Yield} = \frac{\text{EPS}}{\text{MAS}}$$

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

$$iii) \text{Gearing ratio} = \frac{\text{Debt}}{\text{Capit}}$$

$$\frac{27,200,000}{327,250,000}$$

$$= 0.08$$

$$iv) \text{Quick Ratio} = \frac{\text{Current asset} - \text{inventory}}{\text{Current liability}}$$

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

$$= 1.5:1$$

$$v) \text{ROCE} = \frac{\text{PBIT}}{\text{Capital employed}}$$

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

$$= 0.4$$

∴ They give less Percentage to Share holders than Light Fury