

ALABI JOY DAMILOLA

171SMJ021009

Acc 302

Question 1

NUASA - Banis

Statement of Profit or Loss for the year ended 31st December, 2019

	₦
Interest income	1,85,003,000
Interest expense	(58,000,000)
Net interest income	<u>127,003,000</u>
Loan impairment charges	127,003,000
Net interest income after loan impairment charges	<u>(2,880,000)</u>
Fee commission income	124,123,000
Fee commission expense	(6,651,900)
Net fee and commission	<u>117,471,100</u>
Net gains on financial instruments held for trading	797,690,000
Other income	3,980,000
Net impairment charges on financial instruments held for trading	(150,000)
Personal Expense	(23,700,000)
General and Admin Expense	(22,500,000)
Operating lease Expenses	(807,000)
Depreciation and Amortization	(12,115,000)
Other operating expense	(27,273,000)
Profit before income tax	<u>94,100,900</u>
Income tax expense	(17,000,000)
Profit for the year	<u>77,100,900</u>

Statement of Other Comprehensive Income

for the year ended 31st December 2019

	₦
Profit for the year	77,100,900
Other Comprehensive income to be re-classified to P/L in subsequent years;	
Actuarial gain	657,769
Income Tax (25%)	(163,942)

ALABI JOY DAMILOLA

1715MS021009

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Question 1

NUASA Bank

Statement of Profit or Loss for the year ended 31st December, 2019

	N
Interest income	185,003,000
Interest expense	(58,000,000)
Net interest income	<u>127,003,000</u>
Loan impairment charges	(2,880,000)
Net interest income after loan impairment charges	<u>124,123,000</u>
Fee commission income	46,651,900
Fee commission expense	(1,800,000)
Net fee and commission	<u>44,851,900</u>
Net gains on financial instruments held for trading	77,690,000
Other income	3,980,000
Net impairment charges on financial instruments held for trading	(150,000)
Personal Expense	(23,700,000)
General and Admin Expenses	(22,500,000)
Operating lease Expenses	(807,000)
Depreciation and Amortization	(12,115,000)
Other operating expense	(27,273,000)
Profit before income tax	<u>94,100,900</u>
Income tax expense	(17,000,000)
Profit for the year	<u>77,100,900</u>

Statement of Other Comprehensive Income

for the year ended 31st December 2019

	N
Profit for the year	77,100,900
Other Comprehensive income to be re-classified to P/L in subsequent years;	
Actuarial gain	657,769
Income Tax (25%)	<u>(163,942)</u>
	491,827

Foreign currency translation
differences for foreign
operations;
income tax @ 25%

1,039,643
(259,911)

779,732

Net change in fair value of available
for sale financial assets
income tax @ 25%

(1,020,107)

3,060,322

Total Comprehensive Income for the year

MUSA BANK

Statement of Financial Position for the year ended 31st December, 2017

Assets

Cash and Bank Balances

455,296,196

Financial Assets held for trading

16,652,356

Derivative Financial Assets

2,839,025

Investment securities;

453,089,625

Available for sale Assets

Assets pledged ^{net} as collateral

2,007,253

Assets held to maturity

58,961,722

Assets pledged as collateral

~~453~~ 433,528,669

Restricted deposits and other assets

46,207,004

Investment in subsidiaries

84,979,798

Property and Equipment

4,501,296

Intangible Assets

43,480

Loans and Advances to banks

1,265,971,688

Loans and Advances to customers

850,820

Assets classified as held for sale

2,824,928,932

Liabilities

Deposits from banks

42,360

Deposits from customers

1,697,560,947

Financial Liabilities held for trading

2,647,469

Derivative Financial Liabilities

2,606,586

Other liabilities

203,019,404

Current Income Tax liabilities

241,009,770

Debt securities issued

92,131,923

Other borrowed funds

210,671,384

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Question One continuation

Defered Tax liabilities	12,814,766
Liabilities included in assets classified as held for sale	847,600
TOTAL LIABILITIES	22,455,046,09
CAPITAL AND RESERVES	
Share Capital	14,715,590
Share Premium	123,471,114
Retained earnings	109,594,239
Other components of equity	330,795,833
	5,78,576,776

Question Two

NUASA Insurance PLC

Statement of Financial position

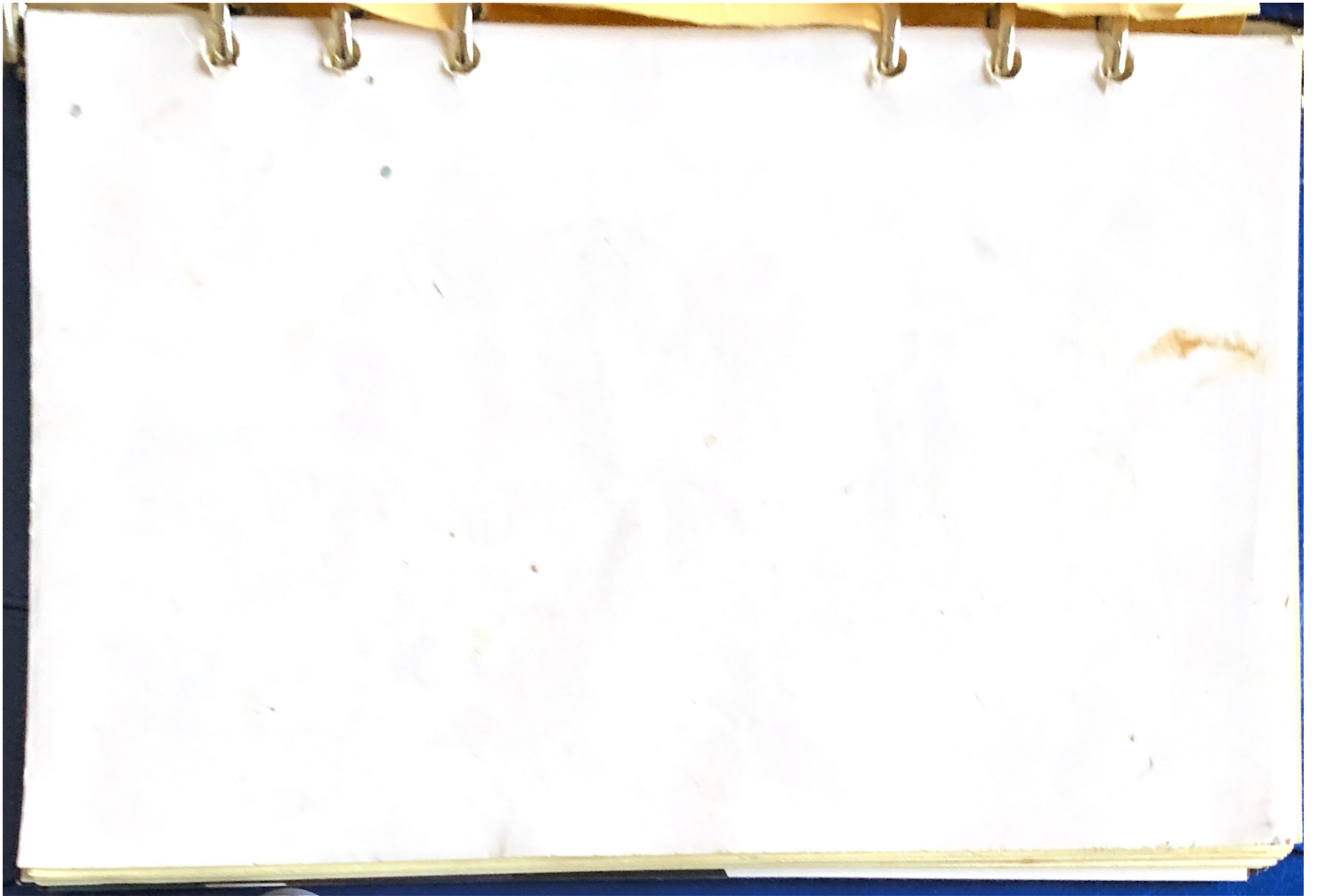
Cash and cash equivalents	6,437,403
Financial Assets	57,903,833
Trade Receivable	123,842
Reinsurance Assets	2,479,069
Deferred Acquisition cost	264,842
Other receivables and prepayments	2,82,805
Deffered Tax Asset)	1,707,077
Investment in Subsidiaries	2,308,690
Investment in Property	1,115,000
Goodwill and other intangible Assets	1,120,871
Property and Equipment	5,111,828
Statutory deposit	530,000
	<u>79,385,266</u>

2b)

NUASA Insurance PLC

Statement of Profit and Loss

Gross Premium written	32,449,376
Re-insurance expenses	(3,662,162)
Net premium income	28,787,214
Commission income;	
Insurance contract	744,069
Pension and other contract	1,355,846
Net underwriting income	<u>30,887,129</u>
Claims expenses;	
Gross claim expenses	13,045,452
Claims expenses recovered from reinsurers	(2,377,730)
Net claim expenses	10,667,702
Underwriting ^{expense} profit	<u>41,415,425</u>
Investment income U-W profit	26,471,701
Net realised gains investment income	5,717,056
Net fair value losses	
Net realised gains	7,630,227
Other operating income	
Net fair value losses	(88,000)
Other	
Other operating income	569,965



Question Three

Originating Timing Difference
 These are timing differences that is occurring for the first time

Reversing Timing Difference
 These are timing differences which reverses originating timing difference from previous accounting periods

OMP

OMP

Current Tax
 This is the income tax payable or recoverable by an entity as a result of the activities of the company

Deferred Tax
 This is an accounting measure rather than a tax levied by government, it represent the tax payable liability or

- It is payable in respect of its taxable profit for a period

recoverable (Asset) in future accounting period

- It is the amount shown in the statement of Profit or Loss as an expense and financial position as liability

- If this provision is not made, you might be understating or overstating profit, you might not be knowing the true position of the business

JAYTEE LTD

Debtors Receivable		17,500	
P or L	17,500	Bank	16,625
		WHT	875
	<u>17,500</u>		<u>17,500</u>

Debtors Interest Account

Bank	17,800	P or L	18,000
WHT	940		
	<u>18,000</u>		<u>18,000</u>

Question Three

Originating Timing Difference

These are timing differences that is occurring for the first time

Reversing Timing Difference

These are timing differences which reverses originating timing differences from previous accounting periods

OHP

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Current Tax

This is the income tax payable or recoverable by an entity as a result of the activities of the company

- It is payable in respect of its taxable profit for a period
- It is the amount stated in the statement of profit or loss as an expense and included in the financial position as liability

Defered Tax

This is an accounting measure rather than a tax levied by government. It represents the tax payable liability or recoverable (Asset) in future accounting periods

If this provision is not made, you might be understating or overstating profit, you might not be showing the true position of the business

JAYTEE LTD

Debtenture Receivable		Debtenture Interest Account	
P or C	17,500	Bank	17,860
		WHT	940
	<u>17,500</u>	P or C	18,000
			<u>18,000</u>

Question 4

a) Computation and Interpretation of Accounting Ratios

1) Dividend Pay-out Ratio

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

For Night Fury

$$\text{DPS} = \frac{60,550,000}{250,000,000} = 0.2422$$

$$\text{EPS} = \frac{150,000,000 - 32,000,000}{250,000,000} = 0.472$$

$$\therefore \text{DPR} = \frac{0.2422}{0.472} \times 100 = 51.3\%$$

For Light Fury

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

$$\text{EPS} = \frac{138,250,000 + 29,800,000}{220,000,000} = 0.493$$

$$\therefore \text{DPR} = \frac{0.2557}{0.493} \times 100 = 51.9\%$$

2) Earnings Yield = $\frac{\text{EPS}}{\text{MPB}} \times 100$

For Night F

$$= \frac{0.472}{3.25} \times 100 = 14.5\%$$

For Light Fury

$$= \frac{0.493}{2.55} \times 100 = 19.3\%$$

3) Gearing Ratio = $\frac{\text{Debt}}{\text{Equity}}$

For Night Fury

$$= 26,000,000 + 65,670,000$$

$$= 91,670,000$$

$$= 91,670,000$$

$$= 91,670,000$$

$$= 0.23$$

For Night Fury

$$= 27,200,000 + 30,650,000$$

$$= 57,850,000$$

$$= 57,850,000$$

$$= 57,850,000$$

$$= 0.18$$

Quick Ratio

For Night Fury

$$39,400,000 - 45,500,000$$

$$= -6,100,000$$

$$= -0.15$$

$$= -0.15$$

For Night Fury

$$45,400,000 - 50,000,000$$

$$= -4,600,000$$

$$= -0.10$$

$$= -0.10$$

Current Asset - Inventory

Current Liabilities