

Financial Accounting  
1st semester / 1st  
Accounting  
Acc 302 1st

7/16/2020

ALUNDA BANK

Statement of Profit or Loss & Comprehensive Income for the year ended 31st Dec, 2019.

	=	-
Interest Income		195,003,000
Interest Expenses		<u>(58,000,000)</u>
Net Interest Income		127,003,000
Loan impairment charges		<u>(2,880,000)</u>
		124,123,000
Fee & Commission Income		46,651,900
Fee & Commission Expenses		<u>(1,800,000)</u>
		169,974,900
Net gains on financial instrument		7,670,000
Other <del>Income</del> Income		<u>3,980,000</u>
		180,644,900
Net impairment charges		<u>(150,000)</u>
Personnel Expenses		<u>(23,700,000)</u>
General & Admin Expenses		<u>(22,500,000)</u>
Operating lease expenses		<u>(907,000)</u>
Depreciation & amortization		<u>(12,115,000)</u>
Other operating expenses		<u>(27,273,000)</u>
Profit before tax		94,099,900
Income tax expenses		<u>(17,000,000)</u>
		<u>77,099,900</u>

NIASA INSURANCE PLC

(2) Statement of Financial Position as at 31st December 2015

<u>ASSETS</u>	#	#
Cash and cash equivalent:		6,417,103
Financial assets		57,403,833
Trade receivables		123,848
Re-insurance assets		2,499,069
Deferred Acquisition Cost		264,872
Other receivable & prepayments		1,707,077
Deferred tax asset		2,509,690
Investment in subsidiaries		1,118,000
Investment property		1,120,871
Goodwill & other intangible assets		5,111,828
Property & equipment		5,300,000
Statutory deposit		<u>79,355,266</u>

<u>Liabilities</u>	#	#
Finance lease obligation	49,854	
Borrowing	1,134,840	
Derivatives liabilities	319,271	
Insurance Contract liabilities	55,374,977	
Investment liabilities	5,275,046	
Current Tax payable	515,443	
Trade payables	<u>1,517,548</u>	
Other payables and accruals	2,432,057	
Deferred tax liability	<u>203,422</u>	<u>69,940,491</u>

<u>Equity</u>	#
Issued Share Capital	3,469,102
Share premium	2,824,389
Revaluation reserves	<u>1,221,909</u>
Contingency reserves	3,482,096
Available-for-sale reserve	(2,723,536)
Exchange gains reserve	149,521

44 Night fury Mgtd & Light fury Mgtd  
 in Computation and Interpretation of Account Ratios

(ii) Dividend pay-out Ratio

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

For Night fury

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

For Light fury

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

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

$$= \frac{118,000,000}{250,000,000} = 0.472$$

$$\text{EPS} = \frac{138,250,000 - 29,900,000}{220,000,000}$$

$$= \frac{108,350,000}{220,000,000} = 0.493$$

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

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

(iii) Earning yield

$$= \frac{\text{EPS}}{\text{MPS}} \times 100$$

For Night fury

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

For Light fury

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

(iv) Gearing Ratio

$$= \frac{\text{Debt}}{\text{Equity}}$$

for Night fury

$$= \frac{26,000,000 + 65,670,000}{390,295,500}$$

for Light

$$= \frac{27,200,000 + 30,650,000}{307,250,000}$$

$$= \frac{91,670,000}{370,275,500}$$

$$= 0.23$$

$$= \frac{59,750,000}{327,250,000}$$

$$= 0.19$$

Both Companies are lowly geared meaning that they have more equity capital than debts to be paid. However fury is less geared.

### Quick Ratio

$$= \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

For Light

$$= \frac{39,400,000 - 45,500,000}{65,670,000}$$

$$= -0.0928$$

$$= \frac{45,400,000 - 50,000,000}{30,650,000}$$

$$= -0.150$$

### ROCE

$$= \frac{\text{Profit (Return)}}{\text{Capital Employed}}$$

For Light fury

$$= \frac{150,000,000}{370,275,000}$$

$$= 0.3845$$

$$= 0.38$$

For Light fury

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

$$= 0.4224$$

$$= 0.42$$

Dividend ratio =  $\frac{0.2022}{0.172}$

$$= 0.428$$

$$\frac{0.2307}{0.113}$$

$$= 0.468$$

Retained earnings	1,026,516	9,449,795
		<u>79,355,266</u>

6. MILISA Insurance PIC

Statement of profit or loss

		*
Gross premium written		32,499,376
Reinsurance expenses		<u>(3,662,162)</u>
Net premium income		281,787,214
Commission income		
Insurance Contract		744,069
Pension and other Contract		<u>1,355,846</u>
Net Underwriting income		30,897,129
Claims expenses:		
Gross Claim expenses		13,045,452
Claim expenses recovered from resources		<u>(2,377,750)</u>
Net Claim expenses		10,667,702
Underwriting expenses		<u>4,415,429</u>
Investment income		26,471,701
Net realized gains		5,717,056
Net fair value losses		7630,227
Other Operating Income		<u>(88,000)</u> 7,630,227
Personnel expenses		569,965
Other operating expenses		<u>3,540,411</u> 569,965
Finance cost		87,121
		<u>20,496,133</u> 87,121

NIUSA BANK

Statement of Other Comprehensive Income for the year ended

31st December, 2019

	#	#
Profit for the year		77,099,900
Other Comprehensive Income to be re-classified to P/L in subsequent years:		77,099,900
Actuarial gain	655,769	
Income Tax (25%)	(163,942)	491,827
Foreign Currency translation different for foreign operations	1,039,643	
Income Tax (25% of 1,039,643)	(259,911)	779,732
Net Change in Fair value available for sale financial assets	4,080,429	
Income Tax (25% of 4,080,429)	(1,020,107)	3,060,322
<b>Total Comprehensive Income of the year</b>		<b>81,431,781</b>

Question 1 B

Statement of financial position as at 31st December 2019

	#	#
<u>Assets:</u>		
Cash and Bank Balances	4,552,296,196	
<u>Financial assets:</u>	2,839,078	
Available for sale Assets	453,089,625	
Assets held to maturity	2,007,253	
Assets pledged as collateral	58,961,722	
Restricted deposits and other Assets	433,528,669	
Investment in subsidiaries	46,207,004	
Property and equipment	84,979,998	
<u>Intangible Assets:</u>	4,501,296	
Financial assets held for trading	16,652,356	1,558,913,917
Assets Classified as held-for-sale	850,820	1,558,913,917

Liabilities

Current Income Tax Liabilities	2,109,770	
Debt Securities Issued	92,131,923	
Finance Liabilities held-for-trading	2,642,469	
Loans and advances to banks	143,416,000	
Loans and advances to customers	1,265,471,686	
Provision financial liabilities	2,600,556	
Other Liabilities	203,019,404	
Other borrowed funds	210,671,584	
Deposits from customer	1,697,560,747	
Deposits from banks	42,360	
Deferred Tax Liabilities	12,912,766	
Liabilities included in Assets classified as held for sale	847,600	3,512,469,377

Total Liabilities 3,512,469,377

Equity

Retained Earnings	108,594,239	
Other Components of equity	330,945,833	
Share Capital	14,716,570	
Share premium	123,471,114	<del>548</del>
Total equity		548,576,226

5,649,957,970

NIJASH BANK

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

		<u>77,099,900</u>
Profit for the year		77,099,900
<u>Other Comprehensive Income to be re-classified</u>		
<u>to P/L in subsequent years:</u>		
Actuarial gain	655,769	
Income Tax (25%)	<u>(163,942)</u>	491,827
Foreign Currency translation		
different for foreign operations	1,039,643	
Income Tax (25% of 1,039,643)	<u>(259,911)</u>	779,732
Net change in fair value	4,080,429	
available for sale financial assets		
Income Tax (25% of 4,080,429)	<u>(1,020,107)</u>	3,060,322
<u>Total Comprehensive Income of the year</u>		<u>81,471,791</u>



Retained earnings

1,026,516

9,449,775  
79,365,266