

ROTIMI MARY ANUOLUKLARI

17/SMS02/056

Question One

NUASA BANK

Statement 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	(2880 000)
Net interest income after loan impairment charges	124 123 000
Fee and Commission Income	46 651 900
Fee and commission expense	(1 800 000)
Net fee and commission income	44 851 900
Net gains on financial instruments held for trading	7 690 000
Other Income	3 980 000
Personnel Expenses	(23 700 000)
General and Administrative expenses	(22 500 000)
Operating lease expenses	(807 000)

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17/8/2020

1)

Net impairment charge on Financial assets	(150 000)	
Depreciation & Amortization	(12 115 000)	
Other operating expenses	(27 273 000)	
Profit before interest and Tax		9 40 999 00
Income tax expense	(17 000 000)	
Profit after tax		7 70 999 00
Profit after tax		7 70 99 900
<u>Comprehensive Income:</u>		
Actuarial gain		6 55 769
Foreign currency translation differences for Foreign operation	1 039 643	
	(259 911)	
Income tax relating to Foreign currency translation differences		7 79 732 5

Net change in Fair Value of available for sale financial assets

516

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assets	4080429	4080429
Income tax relating to net change in fair value of available for sale financial assets (10/20/07)		<u>3060322</u>
Total comprehensive income for the year		<u>8,595,723</u>

NUASA BANK

Statement of Financial Position as at 31st December 2019.

<u>Assets</u>	*	*
Cash & Bank balances		455296196
Financial Assets held for trading		16652356
Derivative Financial Assets		2839078
Available for sale assets		453089625
Assets held to maturity		2007523
Assets pledged as collateral		58961722
Restricted deposits & other Assets		433528699

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Investment in subsidiaries	46 207 004
Asset classified as held for sale	850 820
Property & equipment	849 797 799
Intangible Assets	4 501 296
Loans & advances to banks	43 480
Loans & advances to customers	1 265 971 685
Liabilities included in assets held for sale	847 600
	<u>2,82 4,92 6062</u>

Liabilities

Current income tax liabilities	24 009 770
Debt, ^{securities} issued	92 131 923
Deposit from bank	4 236 0
Deposit from customers	1 697 560 947
Financial liabilities for trading	2 647 469
Derivative financial liabilities	260 658 6
Other liabilities	203 019 400
Other borrowed funds	210 671 389
Deferred tax liabilities	1 281 476 6
	<u>2,24 55 04 600</u>

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17/5/15 02/05/16

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<u>Equity</u>		
Share capital	14715590	
Share premium	123471114	
Retained earnings	109594231	
Other components of equity	330795833	
	<u>578576776</u>	
Total equity & liab.	<u>2824051385</u>	

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17/15/2017/056

2) a)

MUASA Insurance Plc

Statement of Financial Position
as at 31st December 2017

Assets

Cash and Cash equivalent	6 437 403
Financial assets	5 790 833
Trade Receivable	123 848
Re-insurance assets	2 479 069
Deferred tax asset	1 707 077
Other Receivable & Prepayments	282 805
Investment in subsidiaries	2 308 670
Investment property	1 115 000
Goodwill and other intangible assets	1 120 871
Property and equipment	5 111 828
Statutory deposit	530 000
Deferred acquisition cost	264 842

(57121)

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Total Assets

79,385,266

Liabilities

Finance lease obligation

49854

Borrowing

1,134,840

Derivative liabilities

319,274

Insurance contract liabilities

5,537,977

Investment contract liabilities

8,295,046

Current tax payable

518,443

Deferred tax liability

263,422

Trade payables

1,547,548

Other payables & accruals

2,432,087

Total Assets liabilities

69,940,491

Equity

Issued share capital

3,465,102

Share premium

2,824,389

Contingency reserve

3,482,078

Retained earnings

1,026,516

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Revaluation reserves	1 221 707
Available for sale reserve	(2723536)
Exchange gains reserve	148 521
Total total equity	944,775
Total equity & liabilities	<u>79 385 266</u>

b)

b) N U A S A

Statement of profit or loss

and other comprehensive income

For the year ended 31st December 2017.

Gross premium written	32 449 376
Re-insurance expenses	(3 662 162)
Net premium income	<u>28 787 214</u>

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17/12/2020

Commission Income

Insurance Contract 744 069

Pension & other contract 1 355 846

Net underwriting income 2 099 915

Claim expenses

Gross claim expense 13 045 452

Claim expense recovered (2 377 750)

Net claim expenses 10 667 702

Underwriting expenses 3 679 535

Underwriting loss (1 579 620)

Investment income 5 717 056

Investment income on
deposit administration 1 47 772

Net realized gains 7 630 227

Net fair value losses (88 000)

Other operating income 569 965

Personel expenses (3 039 353)

Other operating expenses (3 540 411)

Finance cost (87 121)

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Profit before tax

5,730,515

Income tax

(603,688)

Profit after tax

5,126,827

Profit after tax

5,126,827

Comprehensive income
net loss on available
for sale financial
assets

3,305,507
~~148~~

148,521

Exchange gains on
available for sale
financial assets

Total comprehensive
income

8,580,855

Kotimi Mary Anuolunapo

17/8/2021/056

Question 3

Originating timing difference

Reversing timing difference

These are timing differences which occur for the first time

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

Current tax

Deferred tax

This is the amount of tax payable, recoverable by an entity for its taxable profit for a period

This is tax payable or recoverable in future accounting periods in relation to transactions that have already taken place

Importance

Ignoring it may lead to misinterpretation of profit for the period a deferred tax liability becomes an actual liability.

the matching of items follows IAS 1

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Q. Question Four.

$$\text{Dividend Pay-out Ratio} = \frac{\text{DPS}}{\text{EPS}} \times 100$$

$$\text{DPS} =$$

Night Fury

$$= \frac{60\,550\,000}{250\,000\,000}$$

$$= 0.2422$$

$$= \frac{0.2422}{0.072} \times 100 = 336\%$$

Light Fury

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

Dividend Pay out ratio

$$= 0.2557$$

$$\frac{0.2557}{0.2427} \times 100 = 105\%$$

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17/11/2021

Q1

Earning Yield

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

EPS =

PAT - preference dividend

no. of ord. shares.

Night Fury

$$= \frac{118000000 - 100000000}{250000000}$$

$$= \frac{18000000}{250000000}$$

$$= \frac{0.072}{325} = 2.2/\text{share}$$

50

Light Fury

108 450 000

= ~~82 000 000~~ - 55 050 000

220 000 000

= 0.2427

Earning yield

= $\frac{0.2427}{255}$

₹9.52 / Share

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Earning

= ~~Fixed Interest + loans~~

= long term debts + Preferred Capital $\times 100$

Capital employed

Weighted Avg

= $26,000,000 + 100,000,000$ $\times 100$

$390,275,000$

= 6.69%

Weighted Avg

= $27,200,000 + 55,050,000$ $\times 100$

$327,250,000$

= ~~6~~ 25.13%

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y) ROCE
Night Fury
$$= \frac{\text{Profit}}{\text{Capital employed}} \times 100$$

$$= \frac{150\,000\,000}{390\,275\,500} \times 100$$

$$= 38.4\%$$

light Fury

$$= \frac{138\,250\,000}{327\,250\,000} \times 100$$

$$= 42.2\%$$

Rotimi Anu

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ex) Quick Ratio

Light Fury

$$\frac{\text{Current Assets} - \text{Inventory}}{\text{current liabilities}}$$

$$= \frac{84900000 - 45500000}{65670000}$$

$$= 0.6:1$$

Light Fury

$$= \frac{95400000 - 44500000}{30650000}$$

$$= 1.6:1$$

Question 4b.

i) The investor should invest in Light Fury.
From the analysis Light Fury has a better Financial Standing compared to Night Fury.

ii) The bank would grant a loan to Light Fury because it has a higher ROCE compared to the others.