

### Question 1

Statement of Other Comprehensive Income for the year ended Day 2019

|   |              |                            |
|---|--------------|----------------------------|
| Profit for the year   | <del>A</del> | <del>A</del><br>77,099,900 |
| Other Comprehensive Income to be re-classified to P/L in subsequent years |              |                            |
| Actuarial gain  |              |                            |
| Income tax (25%)  | 655,769      | 491,827                    |
|   | (163,942)    |                            |
| Foreign Currency translation difference for foreign operation             | 1,039,643    |                            |
| Income tax (25%)  | (259,911)    | 779,732                    |
| Net Change in fair value available for sale financial asset               | 4,080,429    |                            |
| Income tax (25%)  | (1,020,107)  | 3,060,322                  |
| Total Comprehensive Income for the year                                   |              | 81,431,78                  |

### Question 005: 1A

### KUNSA BANK

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR KUNSA BANK FOR THE YEAR ENDED 31<sup>ST</sup> Dec 2019

|                                  |               |
|----------------------------------|---------------|
| Interest Income                  | 186,003,000   |
| Interest expenses                | (68,000,000)  |
| Net interest income              | 127,003,000   |
| Loan impairment charges          | (280,000)     |
| Fee & Commission income          | 124,123,000   |
| Fee & " expense                  | (46,600,000)  |
| Net gain on financial instrument | 168,974,900   |
| Other income                     | 7,600,000     |
|                                  | 3,980,000     |
| Net loan and charges             | 180,644,900   |
| Personnel expenses               | (100,000)     |
| Leases & advertising expenses    | (23,700,000)  |
| Operating lease expenses         | (62,000,000)  |
| Depreciation & amortization      | (607,000)     |
| Other operating expenses         | (12,115,000)  |
|                                  | (204,273,000) |
| Profit before tax                | 94,099,900    |
| Income tax expenses              | (17,000,000)  |
| Profit for the year              | 77,099,900    |

Question 2

Statement of Financial Position as at 31st December 2017

| Assets                             | £                    |
|------------------------------------|----------------------|
| Cash & cash equivalents            | 6,143,140            |
| Financial assets                   | 57,903,837           |
| Trade receivables                  | 123,822,8            |
| Term finance asset                 | 2,447,906,9          |
| Deferred acquisition cost          | 264,842              |
| Other receivables & prepayment     | 282,805              |
| Deferred tax assets                | 1,707,077            |
| Investment in subsidiaries         | <del>2,307,690</del> |
| Investment property                | 1,116,000            |
| Goodwill & other intangible assets | 1,120,871            |
| Property & equipment               | 5,111,822            |
| Intangible asset                   | 630,000              |
| <b>Total assets</b>                | <b>81,762,261</b>    |
| <b>Liabilities</b>                 |                      |
| Current contract liabilities       | 65,379,977           |
| Current contributions              | 8,215,046            |
| Trade payables                     | 1,577,845            |
| Current tax payables               | 316,415              |
| Other payables and accruals        | 2,432,105            |
| Deferred tax liabilities           |                      |
| Borrowings                         |                      |
| Finance lease obligations          |                      |
| Dividends payable                  |                      |
| <b>Total</b>                       |                      |

Question 3

It is important for companies to account for deferred tax in the books of accounts ensure that payment in advance to create deferred tax assets can aid a business company looking to decrease their tax liability in the future period. In accordance of IAS 12, 'Income taxes'. It normally results in a liability being recognized within the Statement of Financial Position.

- Current tax: This is the amount of tax payable by an entity from its taxable profits or loss in a period.
- Deferred tax: This represents the tax payable in future periods in relation to transactions that have taken place.
- Originary timing difference: These differences occur for the first time.
- Reversing timing difference: These are timing differences that flow to originary timing difference from the previous period.

e)

| Debitive Receivable |               | Debitive Interest |               |
|---------------------|---------------|-------------------|---------------|
| Bank                | 17,800        | Bank              | 17,800        |
| WHT                 | 875           | WHT               | 940           |
| <b>Total</b>        | <b>18,675</b> | <b>Total</b>      | <b>18,740</b> |

  

| WHT HOLDING TAX     |              | Bank         |               |
|---------------------|--------------|--------------|---------------|
| Debitive Receivable | 875          | Debitive Rec | 16,625        |
| Bank                | 613          | Interest     | 940           |
| <b>Total</b>        | <b>1,488</b> | <b>Total</b> | <b>17,565</b> |

Question Three

|         | Current Tax    |          |                |
|---------|----------------|----------|----------------|
| Current | 55,000         | Bal. b/d | 65,000         |
| Balance | 45,000         | P/L      | 34,000         |
|         | <u>100,000</u> |          | <u>100,000</u> |

|          | Deferred Tax  |          |               |
|----------|---------------|----------|---------------|
| Bal. b/d | 6,760         | Bal. b/d | 15,000        |
|          |               | P/L      | 960           |
|          | <u>16,760</u> |          | <u>15,960</u> |

Statement of Profit / Loss

|                   |              |                 |
|-------------------|--------------|-----------------|
| Net profit        |              | 4,70,000        |
| Interest income   |              | 17,800          |
| Interest paid     |              | <u>18,800</u>   |
| Capital allowance | 38,700       | <u>4,69,200</u> |
| Depreciation      | (35,000)     |                 |
| Tinomy difference | <u>3,200</u> |                 |

Deferred tax  $80\% \times 3,200 = 960$

Mbaka Emmanuela  
17/8ms02/032