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Matric No: 17/sms02/055

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Acc302 test

a) **NUSA BANK**  
Statement of profit or loss for the year ended 31st December  
2013

	#
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 and commission income	46,651,900
Fee and commission expense	(1,800,000)
Net fee and commission income	<u>44,851,900</u>
Net gains on financial instruments held for trading	7,690,000
Other income	3,980,000
Net impairment charge on financial asset	(150,000)
Personnel expenses	(23,700,000)
General and administrative expenses	(22,500,000)
Operating lease expenses	(807,000)
Depreciation and amortization	(12,115,000)
Other operating expenses	(27,273,000)
Income tax expense	<u>94,099,900</u>
Profit for the year	<u>(17,000,000)</u>
	<u>77,099,900</u>

Statement of other comprehensive income for the year ended  
31st December, 2019

	#
Profit for the year	77,099,900
Other comprehensive income <sup>not</sup> to be re-classified to P/L in subsequent years	655,769
Actuarial gains	<del>(103,942)</del>
Income tax relating to actuarial gain	<del>491,822</del>

Other comprehensive income to be reclassified  
to profit or loss in subsequent years:

Foreign currency translation differences  
for foreign operations

Income tax (25%)

1,039,643

(259,911)

Net change in fair value available for  
sale financial assets

Income tax (25%)

4,080,429

(1,020,107)

Total comprehensive income for the year

81,431,781

b) Nuasa Bank

Statement of financial position at 31 December 2019

Asset

Cash and bank balances

455,296,196

Financial assets held for trading

16,652,356

Derivative financial asset

2,839,078

Investment securities:

Available for sale assets

453,089,625

Held to ~~amortized~~ ~~cost~~ maturity

2,007,253

Assets pledged as collateral

58,961,722

Loans and advances to bank

43,480

Loans and advances to customers

1,265,971,688

Restricted deposits and other assets

433,528,669

Investment in subsidiaries

46,207,004

Property and equipment

84,979,798

Intangibles asset

4501,296

Assets classified as held for sales

850,520

26) Nuasa Insurance Plc  
 Statement of Profit or Loss ~~for~~ for the year ended 31st  
 December 2017

Gross premium written	32,449,376
reinsurance expense	(3,662,162)
Net premium income	<u>28,787,214</u>
Commission income:	744,069
Insurance contract	13,558,466
Pension and other contract	<u>30,887,125</u>
Net underwriting income	13,045,452
Claims expenses	(2,327,750)
Gross claim expenses	<u>19,667,702</u>
Claim expenses received from reinsurers	<del>15,252,280</del>
Net claims expenses	<u>4,415,422</u>
Underwriting expenses	26,471,794
Underwriting profit	5,717,056
Investment income	7,630,227
Net realised gains	(88,000)
Net fair value losses	569,965
Other operating income	30,393,533
Personnel expenses	3,540,411
Other operating expenses	87,121
Finance cost	<u><u>20,496,133</u></u>

Q 3: Comparing:

1. Originating timing and reversing timing difference are both difference that are temporary and they both make accounting profit and taxable profit different

Contrasting

Originating difference is a timing difference that occurs for the first time. It ~~occurs~~ ~~is~~ is originating only for the period it occurs ~~and~~ as it is possible to be reversed subsequently.

While

Reversing difference is a timing difference which reverses an originating timing difference from a subsequent period.

2. Comparing

Current tax and deferred tax are both provisions made by the company

Contrasting

Current tax

Its the income tax payable from the taxable income for a period. It is the tax that is expected ~~from~~ <sup>by</sup> the tax authorities to be paid from the taxable income in an accounting period

While

Deferred tax refers to tax that is recoverable in subsequent periods from events that have already taken place. It is the effect of timing differences

b) It is important because it is like an approximation of future taxes to be recovered ~~so~~ <sup>hence</sup> provision can be made for it.

c) Current tax a/c

Bank	₹ 35,000	Bal b/d	₹ 65,500
Bal b/d	65,000	Prov L	34,500
	<u>100,000</u>		<u>100,000</u>

Deferred tax a/c

Bal b/d	₹ 16,760	Bal b/d	₹ 15,800
		Prov L	960
	<u>16,760</u>		<u>16,760</u>

Debenture interest receivable	
Port	17,500
Bank	<del>16625</del>
WHT	875
	<del>875</del>
	<u>17,500</u>

Debenture interest	
Bank	<del>17800</del>
WHT	<del>1111</del>
	940
	<u>18800</u>

Current tax	
Debenture receivable	16625
Bank	17860
	35,000

Withholding tax account	
Deb rec	875
Bank	65
	<u>940</u>
Debenture	940
	<u>940</u>

Statement of profit or loss	
Net profit	470,500
Interest income	17,500
Interest paid	(18,800)
	<u>469,200</u>

Capital Taxation	
Current	34,500
Deferred	(960)
	<u>(33,540)</u>
	<u>435,660</u>

Capital allowance : 38,700  
 Depreciation (35,500)  
 30% of 3,200 = 960

4) Night fury:

Dividend payout ratio:

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

$$\begin{aligned} * \text{DPS} &= \frac{\text{Gross dividend}}{\text{No of ord shares}} \\ &= \frac{70,550,000}{250,000,000} \\ &= 0.2822 \end{aligned}$$

$$\begin{aligned} * \text{EPS} &= \frac{\text{PAT} - \text{Preference dividend}}{\text{No of ord share issues}} \\ &= \frac{118,000,000 - 10,000,000}{250,000,000} \\ &= 0.47196 \end{aligned}$$

$$\begin{aligned} \text{Therefore ; } & \frac{0.2822}{0.47196} \times 100 \\ &= 59.8\% \end{aligned}$$

$$\begin{aligned} \text{light fury: } & \frac{0.2807}{0.4930} \\ &= 56.9\% \end{aligned}$$

Night fury has a higher dividend payout ratio, hence pays more dividend to its ord share holders than light fury.

Earning yield

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

Night fury

$$\begin{aligned} & \frac{0.472}{3.25} \times 100 \\ &= 14.5\% \end{aligned}$$

light fury

$$\begin{aligned} & \frac{0.493}{2.55} \times 100 \\ &= 19.3\% \end{aligned}$$

light fury has more potential return on the shareholders investment