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Dept: Accounting

course: Intermediate financial accounting

course code: ACC 301

matric NO: 18/BMS 02/015

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Askan Limited

Statement of Financial Position as at 31st December, 2014.

<u>Non Current Assets</u>	<u>Headoffice</u>		<u>Branch</u>		<u>Combined</u>	
	₦	₦	₦	₦	₦	₦
<u>Property Plant & Equipment</u>						
Freehold Land and Building		14,000		7875		21875
Machinery		48100		8662		56762
Total Non Current Assets		62100		16537		78637
<u>Current Assets</u>						
Inventory	29275		1389		30535	
Receivables	8900		4500		13400	
Branch current A/c	6381		—		—	
Remittances to H/o	—		3000		—	
Cash en transit	200		—		200	
Bank	4600	49356	9900	18789	14500	58635
Total Assets		111456		35326		137272
<u>Equity and liabilities</u>						
<u>Equity</u>						
Capital		35000		—		35000
Net profit		60900		—		60900
<u>Reserves</u>						
Revenue Reserves		927		—		927
Retained profit		2000		—		2000
Total Equity		98827		—		98827

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Statement of Financial position cont'd

Liabilities	Headoffice		Branch		Combined	
	₹	₹	₹	₹	₹	₹
<u>Noncurrent liabilities</u>						
Loan	—	—		25000	—	25000
<u>Current liabilities</u>						
Head office current A/c	—		6381			
Payables	9500		3945		—	13445
Remittances from Branch	3000		—			
Provision for unrealised profit on branch closing inventory	129	12629	—	10326		
Total Equity and Liabilities		<u>111456</u>		<u>85326</u>		<u>137272</u>

Working Notes

1) Non current Assets

	A	B	C = (A-B)
	Cost	Accumulated Dep	Carrying value
Head office	₹ 60000	₹ 11900	₹ 48100 *
Branch	15750	7088	8662

- 2) Combined Inventory is both head office and Branch inventory at cost all elements of unrealised profit have been removed. It also includes goods in transit
- Head office inventory includes goods in transit
 - Branch inventory includes unrealised profit.

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Headoffice;

		Branch current A/c	
			₹
Bal b/d		10100	500
			9600
		<u>10100</u>	<u>10100</u>
Bal b/d	9600		4146
Revenue Reserves	927		6381
		<u>10527</u>	<u>10527</u>
Bal b/d		6381	

Branch;

4)

		Head office current A/c	
			₹
Statement of pool		4146	9600
Bal b/d		6381	927
		<u>10527</u>	<u>10527</u>
			6,381