

HW wed 28th Q4  
wed 4th Q6

- 1) cap sh
- 2) uses system
- 3) stated scap

Flb Limited  
Statement of comprehensive income for the year ended: .....

(Illustrating the classification of expenses by function)

|   | 2009<br>R'000 | 2008<br>R'000 |
|---|---------------|---------------|
| <b>Revenue</b>  | X             | X             |
| Cost of sales   | (X)           | (X)           |
| Gross profit  | X             | X             |
| Other income  | X             | X             |
| Distribution expenses   | (X)           | (X)           |
| Administrative expenses   | (X)           | (X)           |
| Other expenses  | (X)           | (X)           |
| Finance cost  | (X)           | (X)           |
| <b>Profit before tax</b>  | X             | X             |
| Income tax expenses   | (X)           | (X)           |
| Profit for the year   | X             | X             |
| <b>Other comprehensive income for the year net of tax</b>           | X             | X             |
| Gains on available-for-sale financial assets                        | X             | X             |
| Gains on property revaluation                                       | X             | X             |
| Income tax relating to components of other comprehensive income     | (X)           | (X)           |
| <b>Total comprehensive income for the year</b>                      | X             | X             |
| Profit attributable to:<br>Owners of the parent                     | X             | X             |
| Total comprehensive income attributable to:<br>Owners of the parent | X             | X             |
| Earnings per share<br>Basic and diluted                             | X             | X             |





Fib Ltd  
Notes for the year ended .....

1 Profit before tax is disclosed after taking the following items  
into account, amongst others

Jason →  
NBB

|   | R    |
|---|------|
| Income  |      |
| Revenue consists of:  |      |
| Continuing operations - turnover  | X    |
| Fair value adjustment – financial asset at fair value through profit and loss | X    |
| Profit on financial instruments   | X    |
| Profit on the sale of non-current assets                                      | X    |
| Income from subsidiaries  | X    |
| - Dividends   | X    |
| - Interest  | X    |
| - Management and other fees   | X    |
| - Other Specified income  | X    |
| Income from other financial assets  |      |
| Listed investments – financial asset at fair value through profit and loss    | X    |
| - Dividends   | X    |
| - Interest  | X    |
| - Other income  | X    |
| Unlisted investments – available-for-sale financial asset                     | X    |
| - Dividends   | X    |
| - Interest  | X    |
| - Other income  | X    |
| Expenses  |      |
| Significant items   | X    |
| Fair value adjustment – financial asset at fair value through profit and loss | X    |
| Loss on financial instruments   | X    |
| Loss on the sale of non-current assets  | X    |
| Depreciation on non-current assets  | X    |
| Remuneration for:   |      |
| Management services   | X    |
| Technical services  | X    |
| Administrative services   | X    |
| Secretarial services  | X    |
| Directors' remuneration   | X    |
| Executive directors   |      |
| - Emoluments  | XX   |
| - Pensions paid to directors and past directors                               | XX   |
| - Compensation in respect of loss of office                                   | XX   |
|   | XX   |
| - Less: Paid by subsidiaries and other persons                                | (XX) |
| Total paid by company   | XX   |
| Non-executive directors   |      |
| - Emoluments for services as director   | XX   |
| - Less: Paid by subsidiaries  | (XX) |
| Total paid by company   | XX   |

+ 6 marks

Disclose | Disclosure = show notes

|   |   |
|---|---|
| Auditors' remuneration                            | X |
| - Auditing fees                                   | X |
| - Fees for other services, eg accounting services | X |
| - Expenses  | X |
| 2. Income tax expense                             |   |
| - SA Normal tax                                   | X |
| - Current year                                    | X |
| - Deferred  | X |

### Directors' remuneration

S297(1) of the Companies Act sets out the financial statement disclosure requirements in respect of directors' remuneration. When we disclose, we distinguish between:

- Executive directors
- Non executive directors

#### Executive directors

Executive directors are directors that are involved in the day to day management of the company, eg:

- Managing director
- Marketing director
- Financial director
- Etc

When we disclose executive directors, we distinguish between:

- Emoluments
- Pension
- Compensation for loss of office

#### Emoluments (remuneration)

- Fees for attending director's meetings
- Bonuses and performance related payments
- Salaries/fees
- Allowances (e.g. Travel and entertainment allowance)
- Estimated monetary value of benefits received
- Companies' monthly pension fund contribution to a recognised pension fund

NB. Expenses which have been reimbursed to the directors are NOT disclosable.

#### Pensions

Paid to past and present directors.

These amounts are amounts that the company pays DIRECTLY to a past or present director, ie. NOT amounts paid to pension funds.

#### Compensation for loss of office

The payments will be for:

- Loss of office
- Retirement of office

This won't include payments for breach of contract, or restraint of trade.

### **Non executive directors**

These are directors who have no involvement in the day to day running of the company.

- Chairman
- Directors without any specific function

Disclose emoluments

### **How to approach a question**

In your workings, draw up four columns. Two headed 'executive directors', the other two headed 'non – executive directors'. Label subheadings for the parent company and the subsidiary company. Start with a heading for emoluments.

Identify who the directors are of the parent company are. Give each director a heading with his name, and a few lines. Decide whether the director is executive or non executive.

Pay the directors.

Continue with pension and loss of office for executive directors.

Add up columns and disclose

Subtract amounts paid by subsidiary company.

### **Disclosure**

Included in the note 'profit from operations is disclosed after taking the following items into account' is the directors remuneration note.

→ > 50% ord shares

**Question 1**

Con Ltd and his subsidiary, Ron Ltd have the following key personnel

|                     | Con Ltd                            | Ron Ltd                |
|---------------------|------------------------------------|------------------------|
| Chairman            | Mr Abel <del>NE</del>              | Mr Dirk                |
| Directors           | Messrs Ben and Chris <del>NE</del> | Messrs Abel and Frik   |
| Managing directors  | Mr Els <del>E</del>                | Mr Hennie <del>H</del> |
| Company secretaries | Mr Frik <del>F</del>               | Mr Chris <del>C</del>  |
| Financial directors | Mr Dirk <del>D</del>               | Mr Johan <del>J</del>  |
| Marketing managers  | Mr Hennie <del>H</del>             | Mr Gerit <del>G</del>  |

During the current financial year ( 1 March 2004 – 28 February 2005) the above mentioned directors of Con Ltd and Ron Ltd each attended four board meetings. The directors of Ron Ltd received R800 per meeting and the directors of Con Ltd R1 000 per meeting.

The following salaries were paid during the year:

|                     | Con Ltd | Ron Ltd |
|---------------------|---------|---------|
|                     | R       | R       |
| Managing directors  | 100 000 | 80 000  |
| Company secretaries | 75 000  | 65 000  |
| Financial directors | 85 000  | 70 000  |
| Marketing managers  | 70 000  | 60 000  |

Messrs Dirk and Johan went on an overseas business trip. The companies paid all their expenses, which amounted to R10 000 each.

Messrs Els and Hennie received an entertainment allowance of R12 000 per annum.

**Required:**

Draft the note to the statement of comprehensive income of Con Ltd for the year ended 28 February 2005 regarding directors' remuneration. Your answer should comply with the requirements of the companies act, 1973, and generally accepted accounting practice. Show all calculations.

# Workings

Directors Remuneration worksheet

**EMOLUMENTS**

MR Abel  
Fees for meetings (4x800)

Mr Ben  
Fees for meetings

Mr Chris  
Fees for meetings  
salary

Mr els  
Fees for meetings  
salary  
ent allow

Mr Dirk  
Fees for meetings  
salary

|  |                   | EXEC DIR |         | NON EXEC DIR |         |
|--|-------------------|----------|---------|--------------|---------|
|  |                   | CON LTD  | NON LTD | CON LTD      | NON LTD |
|  |                   | H.CO     | S.CO    | H.CO         | S.CO    |
|  |                   |          | CH      | Dir          |         |
|  |                   |          | 4,000   | 3,200        |         |
|  |                   |          | 4,000   |              |         |
|  |                   |          | 4,000   | Co-Sec       |         |
|  |                   |          | 4,000   | 65,000       |         |
|  |                   |          |         |              |         |
|  | M.D               |          |         |              |         |
|  | Fees for meetings | 4,000    |         |              |         |
|  | salary            | 100,000  |         |              |         |
|  | ent allow         | 12,000   |         |              |         |
|  | F.D               |          | CH      |              |         |
|  | Fees for meetings | 4,000    | 3,200   |              |         |
|  | salary            | 85,000   |         |              |         |
|  |                   |          |         |              |         |
|  |                   | 205,000  | 3,200   | 12,000       | 68,200  |
|  |                   | 208,200  |         | 80,200       |         |

C.ON LTD

Notes to the financial statements for the year ended 28 February 2005

1. Profit from operations | Profit By tax

The following disclosable items are included in profit from operations amongst others:

Director's remuneration (w1)

|                              |               |
|------------------------------|---------------|
| Executive directors          | 208200        |
| - Emoluments                 | -             |
| - pen                        | -             |
| - Comp 4 loss of office      | -             |
| less: paid by subsidiary     | (3200)        |
| Total amount paid by company | <u>205000</u> |
| Non - Executive directors    |               |
| Emoluments                   | 80200         |
| less: paid by subsidiary     | (68200)       |
| Total amount paid by company | <u>12000</u>  |

Note: please go through the example On page 43 of the unisa study guide

**Taxation**

The amount budgeted for taxation for the current financial year, as well as adjustments in the provision for taxation in any previous financial year, must also be disclosed.

When the taxation liability for the year is calculated, the income statement is debited with the income tax expense and "taxation payable" is credited under current liabilities in the balance sheet.

A company is obliged to make three provisional tax payments to the SARS annually. All provisional payments are debited to "provisional taxation payments" under current assets. After the annual liability for taxation has been calculated, these provisional payments are deducted and the net taxation liability is shown under "Taxation payable".



**Statement of changes in equity**

An enterprise should present, as a separate component of its financial statements, a statement showing:

- the total comprehensive income or loss for the period
- capital transactions with owners and distributions to owners
- the balance of retained earnings at the beginning of the period and at the Statement of Financial Position date, and the movements for the period, and
- a reconciliation between the carrying amount of each class of equity capital, share premium and each reserve at the beginning and the end of the period, separately disclosing each movement.

FBL LTD  
Statement Of Changes In Equity For The Year Ended .....

|   | <b>Share<br/>capital<br/>R</b> | <b>Share<br/>premium<br/>R</b> | <b>Revaluation<br/>Surplus<br/>R</b> | <b>Retained<br/>earnings<br/>R</b> | <b>Total<br/>R</b> |
|---|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|--------------------|
| Balance at beginning of year                              | x                              | x                              | x                                    | x                                  | x                  |
| Issue of share capital                                    | x                              | -                              | -                                    | -                                  | x                  |
| Share premium on new issue                                | -                              | x                              | -                                    | -                                  | x                  |
| Share issue expenses written off<br>Against share premium | -                              | (x)                            | -                                    | -                                  | (x)                |
| Redemption of preference shares<br>at par                 | (x)                            | -                              | -                                    | -                                  | (x)                |
| Total comprehensive income for the<br>year                | -                              | -                              | -                                    | x                                  | x                  |
| Dividends   | -                              | -                              | -                                    | (x)                                | (x)                |
| Balance at end of year                                    | <u>x</u>                       | <u>x</u>                       | <u>x</u>                             | <u>x</u>                           | <u>x</u>           |

All bal are at the END  
of the yr, unless they  
tell you otherwise



Question 2

The following balances were extracted from the books of Zebra (pty) Ltd for the year ended 30 June 2005:

|   |           |
|---|-----------|
|   | R         |
| Sales                                   | 1 506 490 |
| Cost of sales                           | 1 201 300 |
| Bank charges                            | 280       |
| Interest on bank overdraft              | 1 300     |
| Salaries and wages                      | 104 000   |
| Land and buildings                      | 110 000   |
| Lease of premises                       | 7 200     |
| Donations paid                          | 700       |
| Dividends paid and proposed             | 10 300    |
| Motor vehicles at cost 1 July 2004      | 18 300    |
| Accumulated depreciation at 1 July 2004 | 9 500     |
| Interest paid on long term liability    | 2 300     |
| Retained earnings at 1 July 2004        | 77 500    |
| Goodwill at cost                        | 22 300    |
| Dividends received                      | 2 300     |
| General expenses (not disclosable)      | 3 300     |
| S A normal taxation                     | 75 400    |

Additional information:

- Value added tax amounting to R5 050 was not yet paid over at 30 June 2005. This amount is included in sales.
- A motor vehicle costing R6 000 on 1 January 2004 was sold for R4 000 on 30 June 2005. Since payment was not received on 30 June 2005 no entry has been made in the books. No other assets were purchased or sold during the year.
- It is company policy to calculate depreciation on motor vehicles at 20% per annum on the reducing balance method.

Dividends were received from the following companies:

|  |       |
|--|-------|
| Ike (pty) Ltd  | R 660 |
| Bratt Ltd (which is listed on the JSE)   | 300   |
| Knicker (pty) Ltd  | 1 050 |
| (Knicker (pty) Ltd declared a total dividend of R1 500 to all ordinary shareholders. Each share has one vote.) |       |

Salaries and wages were made up as follows:

|   |          |
|---|----------|
| Salesmen's salaries                             | R 30 000 |
| Directors fees for attending directors meetings |          |
| Paid to the managing and financial director     | 2 000    |
| Paid to the chairman                            | 2 500    |
| Chairman's salary                               | 18 000   |
| Accountants salary                              | 15 000   |
| Sundry salaries and wages                       | 12 500   |
| Managing director's salary                      | 24 000   |
|   | 104 000  |

Depn  
TR / 1025

$\frac{1050}{1500} = 70\%$

unlisted — listed

3050

3000

Depn 1700

2000

75

5. The land and buildings are situated on erf 702 Ballito. The cost prices of the land and buildings are R30 000 and R80 000 respectively. The land was purchased during 1999 and the buildings were erected during 2001. On the 20 June 2005 the land and buildings were revalued by Mr Brand, an appraiser, at R170 000 on a replacement basis. The directors decided to adjust the value of the land and buildings in the books of the company for the 2005 financial year, according to the revaluation.

**Required:**

Draft the Statement of comprehensive income, and the statement of changes in equity of Zebra (pty) Ltd for the year ended 30 June 2005 according to the specific requirements of the companies act, 1973, as well generally accepted accounting practice. (Show all calculations. Comparatives are not required. Ignore accounting policy notes.)



**Zebra (pty) Ltd**

**Statement Of Comprehensive Income For The Year Ended 30 June 2005**

|  | Note | R        |
|--|------|----------|
| <b>Revenue</b>                                 |      | 150140   |
| Cost of sales                                  |      | (120100) |
| Gross profit                                   |      | 30040    |
| Other income                                   |      | 2000     |
| Distribution costs                             |      | -        |
| Administration expenses                        |      | (11800)  |
| Other expenses (cc3)                           |      | (3800)   |
| Finance cost (1800 + 2000)                     |      | (3800)   |
| <b>Profit before tax</b>                       |      | 18064    |
| Income tax expense                             | 1.   | (7540)   |
| <b>Profit for the year</b>                     | 2.   | 105240   |
| <b>Other comprehensive income:</b>             |      | 6000     |
| Gains on available-for-sale financial assets   |      | -        |
| Gains on property revaluation                  |      | 6000     |
| <b>Total comprehensive income for the year</b> |      | 165240   |

**Zebra Ltd**

**Statement of changes in equity for the year ended 30 June 2005**

|   | Revaluation surplus | Retained earnings | Total   |
|---|---------------------|-------------------|---------|
| Balance beginning of year               | -                   | 77500             | 77500   |
| Total comprehensive income for the year | 6000                | 105240            | 111240  |
| Dividends paid - ordinary               |                     | (10000)           | (10000) |
| Balance end of year                     | 6000                | 172740            | 178740  |

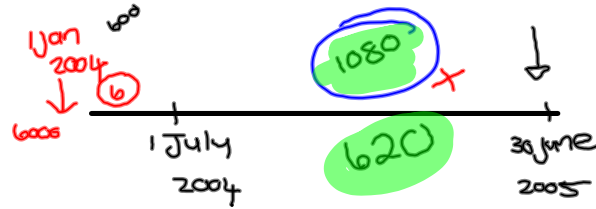
Zebra Ltd

Notes to the Statement of comprehensive income for the year ended 30 June 2005

|  | <u>R</u>     |
|--|--------------|
| <u>1. Profit before tax</u>  |              |
| profit before tax is disclosed after taking the following items into account, amongst others |              |
| <u>Income</u>  |              |
| Revenue (1506490 - 5050)<br>Revenue consists of sales of goods                               | 1501440      |
| <u>Income from subsidiaries</u>  |              |
| Dividends received   | 1050 ✓       |
| <u>Income from other financial assets</u>  |              |
| listed investments - financial assets at fair value through profit and loss                  |              |
| Div rec  | 300 ✓        |
| unlisted investments - available for sale financial asset                                    |              |
| Div rec  | 650 ✓        |
| <u>expenses</u>  |              |
| Depreciation - motor vehicles (21)   | 1700 ✓       |
| loss on sale of non-current asset (22)   | 320 ✓        |
| <u>Directors' remuneration</u>   |              |
| Executive directors  |              |
| Emoluments (2000 + 24000)  | 26000        |
| less: paid by subsidiary   | <u>-</u>     |
| Total paid by company  | <u>26000</u> |
| Non-Executive directors  |              |
| Emoluments (2500 + 18000)  | 20500        |
| less: paid by subsidiary   | <u>-</u>     |
| Total paid by company  | <u>20500</u> |
| <u>2. Income tax expense</u>   |              |
| SA Normal taxation   |              |
| - current year   | <u>75400</u> |

Workings

①



Sold: 2004:  $6000 \times 20\% \times \frac{6}{12} = 600$

2005:  $(6000 - 600) \times 20\% = 1080$

} 1680

Rest: 2005:  $(18000 - 6000) = 12000$

Acc dep  $(9500 - 600) = 8900$

$3100 \times 20\% = 620$

Depn:  $1080 + 620 = \underline{\underline{1700}}$

② Sold

|              |             |
|--------------|-------------|
| c. p         | 6000        |
| Acc dep      | (1680)      |
|              | <u>4320</u> |
| (worth) c. A | 4320        |
| proceeds     | 4000        |
|              | <u>320</u>  |
| loss         |             |

3) Other exp

|               |               |
|---------------|---------------|
| Bank ch       | 280           |
| S+W           | 104000        |
| lease of prem | 7200          |
| Don pd        | 700           |
| loss on sale  | 320           |
| Depn          | 1700          |
| gen exp       | 3800          |
|               | <u>118000</u> |

Q3 HW



**QUESTION 5 (30 marks) (36 minutes)**

The following is an extract from the trial balance of Goblet Limited at 31 August 2004:

|   | R         |
|---|-----------|
| Ordinary share capital.....                                     | 1 000 000 |
| Retained earnings (1/9/2003).....                               | 465 000   |
| 15% Redeemable preference shares of R1 each.....                | 400 000   |
| Motor vehicle at carrying amount.....                           | 30 625    |
| (cost R239 200 and accumulated depreciation R208 575)           |           |
| Equipment at cost.....  | 152 000   |
| Accumulated depreciation – Equipment (R22 500 at 1/9/2003)..... | 31 950    |
| Land at cost.....   | 160 000   |
| Buildings at cost.....  | 340 000   |
| Accumulated depreciation – Buildings.....                       | 102 000   |
| General reserve.....  | 160 000   |
| Revenue.....  | 9 400 000 |
| Other income.....   | 82 875    |
| Other expenses (including depreciation).....                    | 980 000   |
| Administration expenses.....                                    | 2 491 000 |
| Sales returns.....  | 1 200 000 |
| Distribution costs.....   | 750 000   |
| Profit on sale of other financial assets (shares).....          | 40 000    |

**Additional Information**

1. Investments consists of:

*s.co* 60 000 Ordinary shares of R2 each in Bobbin Ltd. Bobbin Ltd's total issued ordinary share capital consists of 100 000 shares. Bobbin Ltd's shares are traded on the Johannesburg Securities Exchange.

*listed* 40 000 Ordinary shares of R1 each in Sunbake Ltd. Sunbake Ltd's issued share capital consists of 300 000 shares.

2. Goblet Ltd maintained a gross profit percentage of 60% on sales during the year.

3. Goblet Ltd sells merchandise and sales is net of VAT.

4. The key personnel are as follows:

|                     | Goblet Ltd                  | Bobbin Ltd                     |
|---------------------|-----------------------------|--------------------------------|
| Chairmen            | Mr Pin <i>NE</i>            | <del>Mr. Swart</del>           |
| Directors           | Messrs Blue, Pink <i>NG</i> | <del>Messrs White, Green</del> |
| Marketing Managers  | <del>Mr. Hank</del>         | <del>Mr. Horns</del>           |
| Financial Directors | Mr Dye <i>E</i>             | <del>Mr. Good</del>            |
| Managing Directors  | Mr. White <i>E</i>          | <del>Mr. Purple</del>          |
| Company Secretaries | <del>Mr. Green</del>        | <del>Mr. Orange</del>          |

During the current financial year the above mentioned directors of Goblet Limited and Bobbin Limited each attended four directors meetings. The directors of Goblet Limited received R700 per meeting and the directors of Bobbin Ltd R350 per meeting.

5. Included in the salaries paid during the year are the following amounts:

|                     | Goblet Ltd<br>R | Bobbin Ltd<br>R |
|---------------------|-----------------|-----------------|
| Marketing managers  | 110 000         | 90 000          |
| Financial directors | 140 000         | 120 000         |
| Managing directors  | 160 000         | 140 000         |
| Company Secretaries | 85 000          | 70 000          |

6. Messrs Dye and Good each received an entertainment allowance of R15 000 per annum.

7. On 1 December 2003 equipment with an original cost price of 60 000 and accumulated depreciation of R9 000 at the beginning of the year, was sold at its carrying amount and replaced with a new machine at a cost of R62 000.

8. On 28 February 2004 a motor vehicle which originally cost R25 000 and on which depreciation of R21 875 has already been written off up to that date, was traded in for R6 000 on a new vehicle with a cost price of R35 000. All motor vehicles were purchased on 1 September 2000.

9. The following rates of depreciation are applicable:

|                |                             |
|----------------|-----------------------------|
| Equipment      | 15% reducing balance method |
| Motor Vehicles | 25% straight – line method  |
| Buildings      | 5% straight line method     |

10. Administration expenses include the following:

|                          |           |
|--------------------------|-----------|
| Bad debts                | R 130 000 |
| Stationery               | 45 000    |
| Salaries and wages       | 2 000 000 |
| Fees paid to auditor     |           |
| - for traveling expenses | 46 000    |
| - for audit work done    | 220 000   |
| Interest paid            | 50 000    |

2471000

11. Other income consists of the following:

|                                 |          |
|---------------------------------|----------|
| Dividends received              | R 32 275 |
| - Bobbin Ltd                    | 35 000   |
| - Sunbake Ltd                   | 20 000   |
| Interest received               |          |
| - Debtors                       | 15 000   |
| - Sunbake Ltd                   | 10 000   |
| Profit on sale of motor vehicle | 2 875    |

12. The redeemable preference shares are redeemable on 31 December 2004 and is thus regarded as a liability for the company.

13. Normal tax of R228 563 must still be provided for.

14. Bad debts written off over the previous two years amounted to:

|      |          |
|------|----------|
| 2003 | R 15 000 |
| 2002 | 14 300   |



15. The rate of tax is 30%.

**REQUIRED**

Draw up the Statement of comprehensive incomes and applicable notes of Goblet Limited for the financial year ended 31 August 2004. Your answer must comply with the requirements of the Companies Act, 1973 and Generally Accepted Accounting Practice. (Ignore the note on accounting policy, comparative figures and the statement of changes in equity).

Goblet Ltd

St of Comp Inc 4 yr ended 31 Aug 2004

|  | <u>note</u> | <u>R</u>              |
|--|-------------|-----------------------|
| Revenue  |             | 8200 000              |
| c.o.s  |             | * (3280 000)          |
| gross $\Pi$ ( $8200\ 000 \times 60\%$ )        |             | 4920 000              |
| Other Inc ( $82875 + 40\ 000$ )                |             | 122 875               |
| Dist costs                                     |             | (750 000)             |
| Admin exp ( $2491\ 000 - 50\ 000$ )            |             | (2441 000)            |
| Other exp                                      |             | (980 000)             |
| Finance Costs $50000 + (400\ 000 \times 15\%)$ |             | (110 000)             |
| $\Pi$ B4 tax                                   | 1.          | 761 875               |
| Income tax exp                                 | 2.          | (228 563)             |
| $\Pi$ 4 the yr                                 |             | <u>533 312</u>        |
| Other comp inc 4 the yr                        |             | -                     |
|  |             | ..                    |
| Total Comp Inc 4 yr                            |             | <u><u>533 312</u></u> |

Goblet Ltd

Notes to the SOC) 4 the yr ended 31 Aug 2004 R

1. Profit before tax

IT 64 tax is disclosed after taking the following items into account:

Incomes  
Revenue (9400 000 - 1200 000) 8200 000  
Revenue consists of sales of goods  
Income from S.CO

Div Rec 35000

Income from other financial assets

listed inv - held @ fair value through  
IT or loss 20 000  
div rec 10 000  
int rec -  
unlisted inv -

profit on sale of firm asset 40000

profit on sale of non-current asset (C2) 2875

Expenses

Directors Remuneration (W1)

Exec Dir

Emoluments 322000

less: pd by S.CO (1400)

Total pd by CO 320600

Non-Exec dir

Emoluments 8400

less: pd by S.CO -

Total pd by CO 8400

Deprn (C2) (20363 + 58550 + 17000) 95913

Aud Rem

- travel exp 46000 ✓

- audit fees 220000 ✓

Significant Items

Credit losses 130000

2. Inc tax exp

SA normal tax - current yr 228563 ✓

workings

1. Dir Rem

Emoluments

- Mr. An  
Fees for meetings (4 x 700)
- Mr. Blue  
Fees & meetings
- Mr. Pink  
Fees & meetings
- Mr. Dye  
Fees & meetings  
Salary  
ent. allow
- Mr. White  
Fees & meetings (4 x 350)  
Salary

| EXEC DIR      |             | NON-EXEC    |          |
|---------------|-------------|-------------|----------|
| Gov           | Bob         | Gov         | Bob      |
|               |             | CA          |          |
|               |             | 2800        |          |
|               |             | Dir         |          |
|               |             | 2800        |          |
|               |             | Dir         |          |
|               |             | 2800        |          |
| F.D           |             |             |          |
| 2800          |             |             |          |
| 440000        |             |             |          |
| 15000         |             |             |          |
| M.P           | Dir         |             |          |
| 2800          | 1400        |             |          |
| 160000        |             |             |          |
| <u>320600</u> | <u>1400</u> | <u>8400</u> | <u>-</u> |
| 322000        |             |             |          |

2. Depn Equip



Sold:  $(60000 - 9000) \times 15\% \times \frac{3}{12} = 1912.50$

| Acc depn - equip       |                     |
|------------------------|---------------------|
| A. Acc (sold) 10912.50 | bal b/d 22500       |
| bal d/d 31950          | Depn 4 yr 20362.5 * |
| <u>42862.5</u>         | <u>42862.5</u>      |

| Total Acc Depn  |  |
|-----------------|--|
| 9000            |  |
| 1912.50         |  |
| <u>10912.50</u> |  |

MV

- Sold:  $25000 \times 25\% \times \frac{1}{2} = 3125$
- New:  $35000 \times 25\% \times \frac{1}{2} = 4375$
- 604
- Rest:  $(239200 - 35000) \times 25\% = 51050$
- Total Depn on MV 4 yr 58550

veh sold

|           |             |
|-----------|-------------|
| CP        | 25000       |
| Acc depn  | (21875)     |
| CA        | 3125        |
| proceeds  | 6000        |
| <u>TT</u> | <u>2875</u> |

Buildings!  $340000 \times 5\% = \underline{\underline{17000}}$