

Aufgabe 12.7 – Gesamtkostenverfahren, Steuern und Gewinnverwendung**(Nature of Expense Method and Appropriation of profit)**

LANGA Ltd ist eine Aktiengesellschaft. Bei der Gründung am 1.01.20X4 leisteten die Aktionäre eine Einlage von 120.000,00 EUR (10.000 Stammaktien zu jeweils einem Nennbetrag von 10,00 EUR). Das Agio beträgt 2,00 EUR/Stammaktien. Die LANGA Ltd arbeitet im Druckereigewerbe. Das Unternehmen wickelt Aufträge zum Drucken von Prospekten und Visitenkarten ab.

Im ersten Geschäftsjahr hat die LANGA Ltd. 4 Kopier/Druckmaschinen zu einem Nettopreis von jeweils 8.000,00 EUR angeschafft. Sie hat sich mit dem Verkäufer darauf geeinigt, 2/3 des Bruttopreises sofort und den Rest im nächsten Geschäftsjahr zu zahlen. LANGA schreibt das Sachanlagevermögen nach linearer Abschreibungsmethode ab. Die Nutzungsdauer beträgt 5 Jahre. Nehmen Sie pro Maschine einen Restbuchwert von 3.000,00 EUR an.

LANGA zahlt während des Geschäftsjahrs 20X4 Löhne in Höhe von 100.000,00 EUR und zusätzlich für den Verkäufer 40.000,00 EUR. Das Unternehmen kauft Material (Photopapier und Pappe) für 130.000,00 EUR netto. Am Ende des Geschäftsjahrs sind noch 20% des Materials am Lager. Weiter sind 10% des Materials im Druckprozess (WIP). Es gibt noch einen abgeschlossenen Auftrag im Fertigwarenkonto für 350 EUR, der Material enthält.

LANGA Ltd. verkauft die Visitenkarten für 35,00 EUR/500 Stück und die Prospekte für 115,00 EUR/1.000 Stück. Der Umsatz ist der Nettowert, Sie müssen die Umsatzsteuer berücksichtigen. Während des Geschäftsjahrs 20X4 hat die LANGA 750.000 Visitenkarten und 4.000.000 Prospekte bar (beide) verkauft.

Am 1.07.20X4 hat LANGA 10.000 Vorzugsaktien zu einem Nennwert von 1,00 EUR ausgegeben. Der Bezugskurs war 1,00 EUR/Aktie. Die Vorzugsaktien haben einen 5%-Dividendenanspruch.

Die Kosten für die Verwaltung betrugen 200.000,00 EUR während 20X4. Nehmen Sie an, der Betrag wurde bar bezahlt.

LANGA wendet nicht das deutsche Aktiengesetz an. Das Unternehmen erklärt eine Dividende von 35% des zur Ausschüttung verfügbaren Betrags und trägt den Restbetrag in die nächste Abrechnungsperiode vor. Der Gesamtsteuersatz beträgt 30%.

Gefragt: Erstellen Sie eine Gewinn- und Verlustrechnung und eine Bilanz für das Geschäftsjahr 20X4.

LANGA Ltd is a company based on shares. At time of incorporation on 1.01.20X4 the shareholders paid in 120,000.00 EUR (10,000 ordinary shares at 10.00 EUR each (face value)). The share premium is 2.00 EUR/ordinary share. LANGA Ltd is in the print service business. The company takes customer orders to print flyers and business cards.

In the first fiscal year LANGA Ltd. bought 4 copy/printing machines for 8,000.00 EUR each (net amount). They agreed in a payment of 2/3 of the gross amount in 20X4 and the remaining amount in the following accounting period. LANGA uses straight line method for depreciation. The useful life is 5 years. Consider a residual value for each machine to be 3,000.00 EUR.

LANGA pays during 20X4 salaries 100,000.00 EUR and additionally for the sales person 40,000.00 EUR. The business bought material (photo paper and cardboard) 130,000.00 EUR (net amount). At the end of fiscal year there are still 20% of the materials on stock. Furthermore there are 10% of the materials in the

printing process (WIP). There is an order completed in the finished goods account 350 EUR which contains materials.

LANGA sells the business cards for 35.00 EUR/500 pieces and the flyers for 115.00 EUR/1,000 pieces. The revenue is the net amount you have to add VAT payables. During fiscal year 20X4 LANGA sold 750,000 business cards and 4,000,000 flyers on cash (both).

On the 1.07.20X4 LANGA issued 10,000 preference shares 1.00 EUR face value. The issue price is 1.00 EUR/share. The preference shares come with a 5% preference dividend.

Administration amounts to 200,000.00 EUR during 20X4. Consider the amount paid on cash.

LANGA does not apply the Companies Act in Germany. The business declares a dividend 35 % of the distributable amount and carries forward the remaining amount to the next accounting period. The total tax rate LANGA has to consider is 30%.

Required: Set up a statement of comprehensive income and a statement of financial position for the year ended 31.12.20X4.

Solution (Lösung):

The bookkeeping entries below are to be made as you follow the nature of expense method for the income statement:

(1) Issue of shares at time of incorporation:

| | |
|--------------------------------------|-----------------------|
| DR Bank/Cash | 120,000.00 EUR |
| CR Share Capital – ord. | 100,000.00 EUR |
| CR Share Premium | 20,000.00 EUR |

(2) Acquisition of machinery: $4 \cdot 8,000 = 32,000.00$ EUR:

| | |
|-------------------------------|----------------------|
| DR P, P, E @cost | 32,000.00 EUR |
| DR VAT | 6,400.00 EUR |
| CR A/P | 12,800.00 EUR |
| CR Bank/Cash | 25,600.00 EUR |

(3) Depreciation of the machines: $4 \cdot (8,000 - 3,000)/5 = 4,000.00$ EUR:

| | |
|------------------------------|---------------------|
| DR Depreciation | 4,000.00 EUR |
| CR Acc. Depr. | 4,000.00 EUR |

(4) Payment for labour:

| | |
|---------------------------|-----------------------|
| DR Labour | 100,000.00 EUR |
| CR Bank/Cash | 100,000.00 EUR |

(5) Payment for the sales person:

| | |
|---------------------------|----------------------|
| DR Labour | 40,000.00 EUR |
| CR Bank/Cash | 40,000.00 EUR |

(6) Purchase of materials (photo paper and cardboard)

| | |
|---------------------------|-----------------------|
| DR Purchase | 130,000.00 EUR |
| DR VAT | 26,000.00 EUR |
| CR Bank/Cash | 156,000.00 EUR |

(7) Sales of 750,000 business cards: $750,000 \cdot (35/500) = 52,500.00$ EUR:

| | |
|---------------------------|----------------------|
| DR Bank/Cash | 63,000.00 EUR |
| CR VAT | 10,500.00 EUR |
| CR Revenue | 52,500.00 EUR |

(8) Sales of 4,000,000 flyers: $4,000,000 \cdot (115/1,000) = 460,000.00$ EUR.

| | |
|---------------------------|-----------------------|
| DR Bank/Cash | 552,000.00 EUR |
| CR VAT | 92,000.00 EUR |
| CR Revenue | 460,000.00 EUR |

(9) Issue of preference shares

| | |
|--|----------------------|
| DR Bank/Cash | 10,000.00 EUR |
| CR Share Capital – preference | 10,000.00 EUR |

(10) Admin expenses: 200,000.00 EUR

| | |
|---------------------------|-----------------------|
| DR Admin | 200,000.00 EUR |
| CR Bank/Cash | 200,000.00 EUR |

In order to determine the profit after taxes a Trading Account T/A is in use. There is a closing stock to be considered which contains raw materials, WIP, and finished goods: $26,000 + 13,000 + 350 = 39,350.00$ EUR. The earnings before taxes amount to 77,850.00 EUR, the profit for the period (EAT) is 54,495.00 EUR. In order to pay a dividend to ordinary shareholders LANGA has to pay a preference dividend. It amounts to $10,000 \cdot 5\% \cdot \frac{1}{2} = 250.00$ EUR.

LANGA appropriates the profit at a ratio 35 : 65 as dividend : profit carried forward (R/E account). $35\% \cdot (54,495 - 250) = 18,985.75$ EUR.

| | |
|----------------------------------|---------------|
| DR R/E | 250.00 EUR |
| CR Shareholders 4 Dividend | 250.00 EUR |
| | |
| DR R/E | 18,985.75 EUR |
| CR Shareholder 4 Dividend | 18,985.75 EUR |

See exhibit 21 which displays the accounts relevant:

In Exhibit 22 the statement of financial position is displayed. The items are computed as below:

- (a) P, P, E: $32,000 - 4,000 = \mathbf{28,000.00 \text{ EUR}}$.
- (b) Inventories: $26,000 + 13,000 + 350 = \mathbf{39,350.00 \text{ EUR}}$.
- (c) Share capital: $100,000 + 10,000 = \mathbf{110,000.00 \text{ EUR}}$.
- (d) Liabilities: $12,800 + 70,100 + 250 + 18,985.75 = \mathbf{102,135.75 \text{ EUR}}$.

| D | | Bank/Cash | C |
|-----|-------------------|-----------|-------------------|
| (1) | 120.000,00 | (2) | 25.600,00 |
| (7) | 63.000,00 | (4) | 100.000,00 |
| (8) | 552.000,00 | (5) | 40.000,00 |
| (9) | 10.000,00 | (6) | 156.000,00 |
| | | (10) | 200.000,00 |
| | | c/d | 223.400,00 |
| | <u>745.000,00</u> | | <u>745.000,00</u> |
| b/d | 223.400,00 | | |

| D | | SCap - ord | C |
|-----|------------|------------|------------|
| c/d | 100.000,00 | (1) | 100.000,00 |
| | | b/d | 100.000,00 |

| D | | Share Prem | C |
|-----|-----------|------------|-----------|
| c/d | 20.000,00 | (1) | 20.000,00 |
| | | b/d | 20.000,00 |

| D | | PPE | C |
|-----|-----------|-----|-----------|
| (2) | 32.000,00 | c/d | 32.000,00 |
| b/d | 32.000,00 | | |

| D | | VAT | C |
|-----|-------------------|-----|-------------------|
| (2) | 6.400,00 | (7) | 10.500,00 |
| (6) | 26.000,00 | (8) | 92.000,00 |
| c/d | 70.100,00 | | |
| | <u>102.500,00</u> | | <u>102.500,00</u> |
| | | b/d | 70.100,00 |

| D | | A/P | C |
|-----|-----------|-----|-----------|
| c/d | 12.800,00 | (2) | 12.800,00 |
| | | b/d | 12.800,00 |

| D | | Depr | C |
|-----|----------|------|----------|
| (3) | 4.000,00 | T/A | 4.000,00 |

| D | | Acc Depr | C |
|-----|----------|----------|----------|
| c/d | 4.000,00 | (3) | 4.000,00 |
| | | b/d | 4.000,00 |

| D | | Labour | C |
|-----|-------------------|--------|-------------------|
| (4) | 100.000,00 | P&L | 140.000,00 |
| (5) | 40.000,00 | | |
| | <u>140.000,00</u> | | <u>140.000,00</u> |

| D | | Purchase | C |
|-----|------------|----------|------------|
| (6) | 130.000,00 | T/A | 130.000,00 |

| D | | Sales | C |
|-----|-------------------|-------|-------------------|
| T/A | 512.500,00 | (7) | 52.500,00 |
| | | (8) | 460.000,00 |
| | <u>512.500,00</u> | | <u>512.500,00</u> |

| D | | SCap - pref | C |
|-----|-----------|-------------|-----------|
| c/d | 10.000,00 | (9) | 10.000,00 |
| | | b/d | 10.000,00 |

| D | | T/A | C |
|-------|-------------------|-------|-------------------|
| Purch | 130.000,00 | Sales | 512.500,00 |
| | | CISTk | 39.000,00 |
| c/d | 421.850,00 | FG | 350,00 |
| | <u>551.850,00</u> | | <u>551.850,00</u> |
| P&L | 421.850,00 | b/d | 421.850,00 |

| D | | FG-Inv | C |
|-----|--------|--------|--------|
| T/A | 350,00 | c/d | 350,00 |
| b/d | 350,00 | | |

| D | | WIP-Inv | C |
|-----|-----------|---------|-----------|
| T/A | 13.000,00 | c/d | 13.000,00 |
| b/d | 13.000,00 | | |

| D | | RMat | C |
|-----|-----------|------|-----------|
| T/A | 26.000,00 | c/d | 26.000,00 |
| b/d | 26.000,00 | | |

| D | | P&L | C |
|--------|-------------------|-----|-------------------|
| Depr | 4.000,00 | T/A | 421.850,00 |
| Admin | 200.000,00 | | |
| Labour | 140.000,00 | | |
| EBT | 77.850,00 | | |
| | <u>421.850,00</u> | | <u>421.850,00</u> |
| TaxLia | 23.355,00 | b/d | 77.850,00 |
| R/E | 54.495,00 | | |
| | <u>77.850,00</u> | | <u>77.850,00</u> |

| D | | Admin | C |
|------|------------|-------|------------|
| (10) | 200.000,00 | P&L | 200.000,00 |

| D | | Tax Liabilities | C |
|-----|-----------|-----------------|-----------|
| c/d | 23.355,00 | P&L | 23.355,00 |
| | | b/d | 23.355,00 |

| D | | R/E | C |
|------|------------------|-----|------------------|
| SH4D | 250,00 | P&L | 54.495,00 |
| SH4D | 18.985,75 | | |
| c/d | 35.259,25 | | |
| | <u>54.495,00</u> | | <u>54.495,00</u> |
| | | b/d | 35.259,25 |

| D | | SH4D | C |
|-----|------------------|------|------------------|
| c/d | 19.235,75 | R/E | 250,00 |
| | | R/E | 18.985,75 |
| | <u>19.235,75</u> | | <u>19.235,75</u> |
| | | b/d | 19.235,75 |

Exhibit 1: LANA Ltd's accounts

**Langa Ltd's
STATEMENT of FINANCIAL POSITION
as at 31.12.20X4**

| | 20X4 | 20X3 |
|---------------------------------------|--------------------------|--------------------|
| | [EUR] | [EUR] |
| Non-current assets | | |
| Property, plant and equipment | 28.000,00 | |
| Investment property | | |
| Intangible assets | | |
| Financial assets | | |
| Investment accounted [...] | | |
| <i>Total of non-current assets</i> | <u>28.000,00</u> | <u>0,00</u> |
| Current assets | | |
| Inventories | 39.350,00 | |
| Trade and other receivables | | |
| Cash and cash equivalents | 223.400,00 | |
| Prepaid expenses | | |
| <i>Total of current assets</i> | <u>262.750,00</u> | <u>0,00</u> |
| Total assets | <u>290.750,00</u> | <u>0,00</u> |
| Liabilities | | |
| [...] Interest bearing liabilities | | |
| Trade and other payables | 102.135,75 | |
| Provisions | | |
| Liabilities and assets [...] IAS 12 | 23.355,00 | |
| Deferred tax liabilities [...] IAS 12 | | |
| Deferred income | | |
| <i>Total of liabilities</i> | <u>125.490,75</u> | <u>0,00</u> |
| Capital | | |
| Issued capital | 110.000,00 | |
| Other reserves | 20.000,00 | |
| Retained earnings | 35.259,25 | |
| <i>Total of shareholder's equity</i> | <u>165.259,25</u> | <u>0,00</u> |
| Total equity and liabilities | <u>290.750,00</u> | <u>0,00</u> |

Exhibit 2: LANGA Ltd's Statement of Financial Position