

Aufgabe 3.7: Jahresabschluss nach IFRSs

(Financial Statements along IFRSs)

GRETSCH Ltd is based on shares. It was established by a share issue 100,000 shares 1.00 EUR/share. The company is a production firm for handbags. The company provides after the first accounting period the trial balance as set out below:

Account	Debit entries	Credit entries
Share capital		100.000,00
P, P, E	80.000,00	
Interest bearing liabilities		197.000,00
Interest	7.000,00	
Purchase	120.000,00	
Labour	63.000,00	
Acc Depr		20.000,00
Depr	20.000,00	
Returns outwards		10.000,00
A/R (voucher)	12.000,00	
VAT		12.000,00
Rent (free of VAT)	13.000,00	
Insurance (free of VAT)	27.000,00	
Sales revenue		250.000,00
Cash/Bank	247.000,00	
Total	589.000,00	589.000,00

Exhibit 1: Trial balance as at 31.12.20X1

At the end of fiscal year 20X1 there is a closing stock which amounts to 30,000.00 EUR.

Required: Prepare an adjusted trial balance and derive a profit and loss account. Consider an income tax rate of 30 %. Prepare a full set of financial statements for 20X1 along IFRSs which comprises a statement of financial position and a statement of comprehensive income. Ignore § 150 Companies Act in Germany. GRETSCH tends to make an appropriation of profit which provides a 50 % of the distributable amount to the shareholders, the remaining amount is put into the other earnings reserves. (Prepare the financial statements under appropriation of profit.)

Lösung (solution)

Account	Debit entries	Credit entries
Share capital		100.000,00
P, P, E	80.000,00	
Interest bearing liabilities		197.000,00
VAT		12.000,00
Acc Depr		20.000,00
A/R (voucher)	12.000,00	
Cash/Bank	247.000,00	
Income tax liability		12.000,00
Dividend (A/P)		14.000,00
Other reserves		14.000,00
Inventory	30.000,00	
Total	369.000,00	369.000,00

Exhibit 2: Adjusted T/B

Observe the accounts relevant for profit and loss in exhibit 2:

T/A		C	P&L		C	Inv		C	
Purch	120.000,00	Sales	250.000,00	Int	7.000,00	T/A	30.000,00	c/d	30.000,00
GpC/d	170.000,00	R.O.	10.000,00	Lab	63.000,00	b/d	30.000,00		
		cl. st.	30.000,00	Depr	20.000,00				
	290.000,00		290.000,00	Rent	13.000,00				
P&L	170.000,00	b/d	170.000,00	Ins	27.000,00				
				NpC/d	40.000,00				
					170.000,00		170.000,00		
				Itax	12.000,00	b/d	40.000,00		
				R/E	28.000,00				
					40.000,00		40.000,00		

R/E		C	SH4D		C	Reserves		C	
SH4D	14.000,00	P&L	28.000,00	c/d	14.000,00	R/E	14.000,00	c/d	14.000,00
Res	14.000,00					b/d	14.000,00	b/d	14.000,00
	28.000,00		28.000,00						

Exhibit 3: Accounts

The set of financial statements looks like in exhibit 4 and 5:

Gretsch Ltd's
STATEMENT of FINANCIAL POSITION
as at eoy 20X1

A		C,L	
Non-c. assets	20X1	SHs' capital	20X1
P,P,E	60.000	Issued capital	100.000
Int. assets		Other reserves	14.000
Financial assets		Retained ear.	0
Current assets		Liabilities	
Inventory	30.000	Int. bear. liab.	197.000
A/R	12.000	A/P	26.000
Prepaid exp.		Provisions	
Cash	247.000	Def. income	
		Tax liabilities	12.000
	<u>349.000</u>		<u>349.000</u>

Exhibit 4: Statement of Financial Position

Gretsch Ltd.'s
STATEMENT of COMPREHENSIVE INCOME
at end of year 20X1

	20X5
Revenue	250.000,00
less Depreciation	(20.000,00)
less Material expenses	(80.000,00)
less Labour	(63.000,00)
less Rent	(13.000,00)
less Insurance	(27.000,00)
less Interest	(7.000,00)
EBT	<u>40.000,00</u>
less Taxes	(12.000,00)
EAT	<u>28.000,00</u>
less Dividend	(14.000,00)
less f Reserves	(14.000,00)
to R/E	<u><u>0,00</u></u>

Exhibit 5: Statement of Comprehensive Income