

**Task 3.10: Jahresabschluss nach IFRSs**

(Financial Statements along IFRSs)

BOKPUNT Ltd. is a store for e-scooters. The company is established by a contribution of its shareholders to the extent of 300,000.00 ZAR.

On 3.01.20X3, the company takes a bank loan 250,000.00 ZAR at the local bank. The rate of interest is 8%/a. It is required to pay-off an amount of 25,000.00 ZAR annually. Disclose short-term and long-term liabilities based on IAS 1 but at settlement amount.

BOKPUNT Ltd. buys 20 e-scooters at 8,000.00 ZAR/u. The amount is the net amount. VAT is 20 % thereof. Hence, the gross amount for one e-scooter is 9,600.00 ZAR. The e-scooters have a useful life of 4 years. Thereafter, the value is nil. Straight-line method for depreciation applies.

Operational expenses for the e-scooters is 95,000 ZAR/a. The amount is the net amount. VAT applies to the VAT rate of 20%.

Labour for the rental store is 150,000.00 ZAR.

The rent (net amount) per e-scooter is 100.00 ZAR/d. The company rents out its e-scooters for  $220 \times 20 = 4,400$  days during the Accounting period 20X3.

No appropriation of profits applies for the Accounting period 20X3. All profits are carried forward to the next Accounting period.

**Required: Prepare a balance sheet, an income statement and a statement of cash flows for the Accounting period 20X3.**

Solution:

(1) Contribution from the owners: 300,000.00 ZAR.

<b>DR Cash/Bank</b> .....	<b>300,000.00 ZAR</b>
<b>CR Issued Capital</b> .....	<b>300,000.00 ZAR</b>

(2) Taking a bank loan of 250,000.00 ZAR.

<b>DR Cash/Bank</b> .....	<b>250,000.00 ZAR</b>
<b>CR Interest Bearing Liabilities</b> ...	<b>250,000.00 ZAR</b>

(3) Interest is amounting to:  $250,000 \times 8\% = 20,000.00$  ZAR.



DR Interest .....	20,000.00	ZAR
CR Cash/Bank .....	20,000.00	ZAR

(4) Pay-off amount for the bank loan is 25,000.00 ZAR per year.

DR Interest Bearing Liabilities ...	25,000.00	ZAR
CR Cash/Bank .....	25,000.00	ZAR

DR Interest Bearing Liabilities ...	25,000.00	ZAR
CR Short-term Liabilities .....	25,000.00	ZAR

Acquisition of e-scooters. The gross amount of the e-scooters is  $9,600 \times 20 = 192,000.00$  ZAR.

DR P, P, E Account .....	160,000.00	ZAR
DR VAT .....	32,000.00	ZAR
CR Cash/Bank .....	192,000.00	ZAR

Depreciation on the e-scooters is  $160,000/4 = 40,000.00$  ZAR.

DR Depreciation .....	40,000.00	ZAR
CR P, P, E Account .....	40,000.00	ZAR

Payment for operational expenses is:  $95,000 \times 120\% = 114,000.00$  ZAR.

DR Operational Expenses .....	95,000.00	ZAR
DR VAT .....	19,000.00	ZAR
CR Cash/Bank .....	114,000.00	ZAR

Revenue for renting out e-scooters is amounting to:  $220 \times 100 \times 20 = 440,000.00$  ZAR. The gross amount (proceeds) is amounting to:  $440,000 \times 120\% = 528,000.00$  ZAR.

DR Cash/Bank .....	528,000.00	ZAR
CR VAT .....	88,000.00	ZAR
CR Revenue .....	440,000.00	ZAR

(9) Labour: 150,000.00 ZAR



DR Labour .....	150,000.00 ZAR
CR Cash/Bank .....	150,000.00 ZAR

See below the balance sheet:

BOKPUNT Ltd.'s STATEMENT of FINANCIAL POSITION as at 31.12.20X3			
A			C, L
<i>Non-current assets</i>	[ZAR]	<i>Equity</i>	[ZAR]
P, P, E	120,000.00	Share capital	300,000.00
Intangibles		Reserves	
Financial assets		Retained earnings	94,500.00
<i>Current assets</i>		<i>Liabilities</i>	
Inventory		Long-term liab.	200,000.00
Accounts receivables		Short-term liab.	62,000.00
Prepaid expenses		Provisions	
Cash/Bank	577,000.00	Tax liabilities	40,500.00
<b>Total assets</b>	<b>697,000.00</b>	<b>Total equity and liab.</b>	<b>697,000.00</b>

**Figure 1:** BOKPUNT Ltd.'s balance sheet

The income statement is disclosed below in Figure 2.



<b>Bokpunt Ltd.'s STATEMENT of PROFIT &amp; LOSS and OTHER COMPREHENSIVE INCOME for the year ended 31.12.20X3</b>	
	[EUR]
Revenue	440,000.00
Other income	0.00
	<u>440,000.00</u>
Materials	0.00
Labour	(150,000.00)
Depreciation	(40,000.00)
Other expenses	(95,000.00)
<b>Earnings before int. &amp; taxes (EBIT)</b>	<u>155,000.00</u>
Interest	(20,000.00)
<b>Earnings before taxes (EBT)</b>	<u>135,000.00</u>
Income tax expenses	(40,500.00)
Deferred taxes	
<b>Earnings after taxes (EAT)</b>	<u>94,500.00</u>

**Figure 2:** BOKPUNT Ltd.'s income statement



**Bokpunt Ltd.'s  
STATEMENT of CASH FLOWS  
for the period ended 31.12.20X3**

	[EUR]	[EUR]
<i>Cash flow from operating activities</i>		
EBT	135,000.00	
add Interest paid	20,000.00	
add Depreciation	40,000.00	
	<u>195,000.00</u>	
<i>changes in working capital</i>		
changes in A/R		
changes in inventory		
changes in A/P less pay-off	69,000.00	
changes in VAT/r only materials		
changes in VAT/p		
		<u>264,000.00</u>
<i>Cash flow from investing activities</i>		
Investments	(192,000.00)	
		<u>(192,000.00)</u>
<i>Cash flow from financing activities</i>		
Share issue	300,000.00	
interest	(20,000.00)	
Bank loan receipt less pay-off	225,000.00	
		<u>505,000.00</u>
<b>Total cash flow</b>		<u><u>577,000.00</u></u>

**Figure 3:** Statement of cash flows

Observe below in Figure 4 the accounts. The structure of the accounts is that asset accounts are on the left and equity and liability accounts on the right.

D	<b>Property, Plant, Equipment PPE</b>	C	D	<b>Share capital ISS</b>	C
(5)	160,000.00	(6)	40,000.00	(1)	300,000.00
		c/d	120,000.00	b/d	300,000.00
	<u>160,000.00</u>		<u>160,000.00</u>		
b/d	120,000.00				

**Figure 4:** Accounts



D <b>Accounts receivables A/R</b> C		D <b>Retained earnings R/E</b> C	
		c/d <u>94,500.00</u>	P&L <u>94,500.00</u>
			b/d <u>94,500.00</u>
D <b>Cash / Bank C/B</b> C		D <b>Profit and Loss P&amp;L</b> C	
(1) 300,000.00	(3) 20,000.00	DPR 40,000.00	REV 440,000.00
(2) 250,000.00	(4a) 25,000.00	LAB 150,000.00	
(8) 528,000.00	(5) 192,000.00	OEX 95,000.00	
	(7) 114,000.00	INT 20,000.00	
	(9) 150,000.00	EBT <u>135,000.00</u>	
	c/d <u>577,000.00</u>	<u>440,000.00</u>	<u>440,000.00</u>
<u>1,078,000.00</u>	<u>1,078,000.00</u>	ITL 40,500.00	b/d <u>135,000.00</u>
b/d <u>577,000.00</u>		R/E 94,500.00	
		<u>135,000.00</u>	<u>135,000.00</u>
D C		D <b>Revenue REV</b> C	
		c/d <u>440,000.00</u>	(8) <u>440,000.00</u>
		P&L 440,000.00	b/d <u>440,000.00</u>
D C		D <b>Depreciation DPR</b> C	
		(6) <u>40,000.00</u>	c/d <u>40,000.00</u>
		b/d 40,000.00	P&L 40,000.00
D C		D <b>Operational expenses OEX</b> C	
		(7) <u>95,000.00</u>	c/d <u>95,000.00</u>
		b/d 95,000.00	
D C		D <b>Labour LAB</b> C	
		(9) <u>150,000.00</u>	c/d <u>150,000.00</u>
		b/d 150,000.00	P&L 150,000.00

Figure 4: Accounts – continued



<div>D</div> <div>C</div>	<div>Labour LAB</div> <div>(9) 150,000.00 c/d 150,000.00</div> <div>b/d 150,000.00 P&amp;L 150,000.00</div>
<div>D</div> <div>C</div>	<div>Interest INT</div> <div>(3) 20,000.00 c/d 20,000.00</div> <div>b/d 20,000.00 P&amp;L 20,000.00</div>
<div>D</div> <div>C</div>	<div>Long-term liabilities IBL</div> <div>(4a) 25,000.00 (2) 250,000.00</div> <div>(4b) 25,000.00</div> <div>c/d 200,000.00</div> <div>250,000.00 250,000.00</div> <div>b/d 200,000.00</div>
<div>D</div> <div>C</div>	<div>Tax liabilities ITL</div> <div>c/d 40,500.00 P&amp;L 40,500.00</div> <div>b/d 40,500.00</div>
<div>D</div> <div>C</div>	<div>Value added tax VAT</div> <div>(5) 32,000.00 (8) 88,000.00</div> <div>(7) 19,000.00</div> <div>c/d 37,000.00</div> <div>88,000.00 88,000.00</div> <div>b/d 37,000.00</div>
<div>D</div> <div>C</div>	<div>Short-term liabilities A/P</div> <div>c/d 25,000.00 (4b) 25,000.00</div> <div>b/d 25,000.00</div>

Figure 4: Accounts