

Aufgabe QR-4.4: Erstellen eines Jahresabschlusses nach IAS 1

(Preparing Financial Statements along IAS 1)

Trading business KALTENWEIDE AG prepares financial statements along IFRSs. The company trades with USB flash drives. In fiscal year 20X4 KALTENWEIDE AG's opening statement of financial position looks as displayed below:

**Kaltenweide AG's
STATEMENT of FINANCIAL POSITION
as at 31.12.20X3**

| A | | C,L | |
|---------------------------|----------------|---------------------|----------------|
| Non-current assets | [EUR] | SH's capital | [EUR] |
| P,P,E | 50.000 | Issued capital | 40.000 |
| Intang. assets | | Other reserves | 20.000 |
| Financial assets | | R/E | 5.000 |
| Current assets | | Liabilities | |
| Inventory | 30.000 | Int. bear. liab. | 30.000 |
| A/R | 3.000 | A/P | |
| Prepaid exp. | | Provisions | |
| Cash | 17.000 | Def. income | |
| | | Tax liabilities | 5.000 |
| | 100.000 | | 100.000 |

Exhibit 1: Statement of financial position as at 31.12.20X3

Inventory recognised in the statement of financial position contains 1,000 units of USB-4GB, 20.00 EUR each and 400 units of USB-8GB, 25.00 EUR each. During fiscal year 20X4 KALTENWEIDE AG's bookkeeper makes bookkeeping entries for the business activities below:

- (1) KALTENWEIDE AG pays the tax liabilities.
- (2) KALTENWEIDE AG purchases 3,000 units USB-4GB and 600 units USB-8GB. Purchase price (net of VAT) are 20.00 EUR/USB-4GB and 25.00 EUR/USB-8GB. The purchases were on credit.
- (3) KALTENWEIDE AG sells during 20X4 3,500 units USB-4GB for a net selling price 26.00 EUR/unit. The business sells 900 USB-8GB for a net selling price 32.00 EUR/u. All sales are on cash.
- (4) Some of KALTENWEIDE AG's customers returned back USB-4GB flash drives and got their money back – on cash: 100 units were sent back during the accounting period.
- (5) KALTENWEIDE AG pays the purchase price to its supplier per bank transfer.
- (6) KALTENWEIDE AG sends back the remaining 100 USB-8GB flash drives to the supplier and makes a bookkeeping entry as debit entry in the supplier's creditor (A/P) account.
- (7) KALTENWEIDE AG pays labour 16,000.00 EUR labour on cash.
- (8) For business rates KALTENWEIDE AG pays 750.00 EUR/0.5 years in advance. Do not consider VAT for business rates. The payments take place on 1.01.20X4, 30.06.20X4 and on 29.12.20X4. Consider the accrual concept of accounting.
- (9) KALTENWEIDE AG pays interest 10 % for the bank loan.

Required: Make all bookkeeping entries and derive statement of financial position. Consider income tax rate to be 30 %, VAT rate to be 20 % and rate of interest for the bank loan 10 %. Assume KALTENWEIDE AG follows a periodic system for inventory management. Appropriation of profit is 50:50 as dividend:reserves. Ignore § 150 AktG.

Lösung: (Solution)

Bookkeeping entries are as below:

(1) KALTENWEIDE AG pays the tax liabilities.

| | |
|---------------------------------|---------------------|
| DR Tax liabilities | 5,000.00 EUR |
| CR Bank | 5,000.00 EUR |

(2) KALTENWEIDE AG purchases 3,000 units USB-4GB and 600 units USB-8GB. Purchasing prices are 20.00 EUR/USB-4GB and 25.00 EUR/USB-8GB. The purchases were on credit.

| | |
|--------------------------|----------------------|
| DR Purchase | 60,000.00 EUR |
| DR VAT | 12,000.00 EUR |
| CR A/P | 72,000.00 EUR |

| | |
|--------------------------|----------------------|
| DR Purchase | 15,000.00 EUR |
| DR VAT | 3,000.00 EUR |
| CR A/P | 18,000.00 EUR |

(3) KALTENWEIDE AG sells during 20X4 3,500 units USB-4GB for a net selling price 26.00 EUR/unit. The business sells 900 USB-8GB for a net selling price 32.00 EUR/u. All sales are on cash. The net amount is $3,500 \cdot 26 + 900 \cdot 32 = 119,800.00$ EUR.

| | |
|-------------------------------|-----------------------|
| DR Bank | 143,760.00 EUR |
| CR VAT | 23,960.00 EUR |
| CR Sales revenue | 119,800.00 EUR |

(4) Some of KALTENWEIDE AG's customers returned back USB-4GB flash drives and got their money back – on cash: 100 units were sent back during the accounting period. $100 \cdot 26 = 2,600.00$ EUR.

| | |
|---------------------------------|---------------------|
| DR Returns inwards | 2,600.00 EUR |
| DR VAT | 520.00 EUR |
| CR Bank | 3,120.00 EUR |

(5) KALTENWEIDE AG pays the purchase price to its supplier per bank transfer. The amount due is $72,000 + 18,000 = 90,000.00$ EUR.

| | |
|----------------------|----------------------|
| DR A/P | 90,000.00 EUR |
| CR Bank | 90,000.00 EUR |

(6) KALTENWEIDE AG sends back the remaining 100 USB-8GB flash drives to the supplier and makes a bookkeeping entry as debit entry in the supplier's creditor (A/P) account. The net amount is $100 \cdot 25 = 2,500.00$ EUR.

| | |
|----------------------------------|---------------------|
| DR A/P | 3,000.00 EUR |
| CR VAT | 500.00 EUR |
| CR Returns outwards | 2,500.00 EUR |

(7) KALTENWEIDE AG pays labour 16,000.00 EUR labour on cash.

| | |
|------------------------|----------------------|
| DR Labour | 16,000.00 EUR |
| CR Bank | 16,000.00 EUR |

(8) For business rates KALTENWEIDE AG pays 750.00 EUR/0.5 years in advance. Do not consider VAT for business rates. The payments take place on 1.01.20X4, 30.06.20X4 and on 29.12.20X4. Consider the accrual concept of accounting. For sake of simplification the bookkeeping entries are combined. $3 \cdot 750 = 2,250.00$ EUR.

| | |
|----------------------------------|---------------------|
| DR Business Rates | 2,250.00 EUR |
| CR Bank | 2,250.00 EUR |
| DR Prepaid Expenses | 750.00 EUR |
| CR Business Rates | 750.00 EUR |

(9) KALTENWEIDE AG pays 10 % interest for the bank loan.

| | |
|--------------------------|---------------------|
| DR Interest | 3,000.00 EUR |
| CR Bank | 3,000.00 EUR |

See for bookkeeping entries in the G/L accounts the exhibit below.

| | | | | |
|-----|-----------|-----|-----------|--|
| D | | PPE | C | |
| OV | 50,000.00 | c/d | 50,000.00 | |
| b/d | 50,000.00 | | | |

| | | | | |
|-----|-----------|-----|-----------|--|
| D | | Inv | C | |
| OV | 30,000.00 | c/d | 30,000.00 | |
| b/d | 30,000.00 | T/A | 30,000.00 | |
| T/A | 12,000.00 | c/d | 12,000.00 | |
| b/d | 12,000.00 | | | |

| | | | | |
|-----|----------|-----|----------|--|
| D | | A/R | C | |
| OV | 3,000.00 | c/d | 3,000.00 | |
| b/d | 3,000.00 | | | |

| | | | | |

| | | | | |
|-----|------------|------|------------|--|
| D | | Bank | C | |
| OV | 17,000.00 | (1) | 5,000.00 | |
| (3) | 143,760.00 | (4) | 3,120.00 | |
| | | (5) | 90,000.00 | |
| | | (7) | 16,000.00 | |
| | | (8) | 2,250.00 | |
| | | (9) | 3,000.00 | |
| | | c/d | 41,390.00 | |
| | 160,760.00 | | 160,760.00 | |
| b/d | 41,390.00 | | | |

| | | | | |
|-----|-----------|-----|-----------|--|
| D | | VAT | C | |
| (2) | 12,000.00 | (3) | 23,960.00 | |
| (2) | 3,000.00 | (6) | 500.00 | |
| (4) | 520.00 | | | |
| c/d | 8,940.00 | | | |
| | 24,460.00 | | 24,460.00 | |
| | | b/d | 8,940.00 | |

| | | | | |
|-----|-----------|-------|-----------|--|
| D | | Purch | C | |
| (2) | 60,000.00 | | | |
| (2) | 15,000.00 | c/d | 75,000.00 | |
| | 75,000.00 | | 75,000.00 | |
| b/d | 75,000.00 | T/A | 75,000.00 | |

| | | | | |

| | | | | |
|-----|-----------|-------|-----------|--|
| D | | S.Cap | C | |
| c/d | 40,000.00 | OV | 40,000.00 | |
| | | b/d | 40,000.00 | |

| | | | | |
|-----|-----------|-----|-----------|--|
| D | | Res | C | |
| c/d | 20,000.00 | OV | 20,000.00 | |
| | | b/d | 20,000.00 | |
| c/d | 24,670.00 | R/E | 4,670.00 | |
| | 24,670.00 | | 24,670.00 | |
| | | b/d | 24,670.00 | |

| | | | | |
|-----|----------|-----|----------|--|
| D | | R/E | C | |
| c/d | 5,000.00 | OV | 5,000.00 | |
| | | b/d | 5,000.00 | |
| c/d | 9,340.00 | P&L | 4,340.00 | |
| | 9,340.00 | | 9,340.00 | |
| Res | 4,670.00 | b/d | 9,340.00 | |
| SfD | 4,670.00 | | | |
| | 9,340.00 | | 9,340.00 | |

| | | | | |

| | | | | |
|-----|-----------|-----|-----------|--|
| D | | IbL | C | |
| c/d | 30,000.00 | OV | 30,000.00 | |
| | | b/d | 30,000.00 | |

| | | | | |
|-----|------------|-------|------------|--|
| D | | Sales | C | |
| c/d | 119,800.00 | (3) | 119,800.00 | |
| T/A | 119,800.00 | b/d | 119,800.00 | |

| | | | | |
|-----|----------|------|----------|--|
| D | | R.I. | C | |
| (4) | 2,600.00 | c/d | 2,600.00 | |
| b/d | 2,600.00 | T/A | 2,600.00 | |

| | | | | |

| | | | | |
|-----|----------|------|----------|--|
| D | | R.O. | C | |
| c/d | 2,500.00 | (6) | 2,500.00 | |
| T/A | 2,500.00 | b/d | 2,500.00 | |

| | | | | |
|-----|-----------|--------|-----------|--|
| D | | Labour | C | |
| (7) | 16,000.00 | c/d | 16,000.00 | |
| b/d | 16,000.00 | P&L | 16,000.00 | |

| | | | | |
|-----|----------|------|----------|--|
| D | | B.R. | C | |
| (8) | 2,250.00 | (8b) | 750.00 | |
| | | c/d | 1,500.00 | |
| | 2,250.00 | | 2,250.00 | |
| b/d | 1,500.00 | P&L | 1,500.00 | |

| | | | | |

| | | | | |
|-----|----------|-----|----------|--|
| D | | Int | C | |
| (9) | 3,000.00 | c/d | 3,000.00 | |
| b/d | 3,000.00 | P&L | 3,000.00 | |

| | | | | |
|--------|------------|---------|------------|--|
| D | | Trading | C | |
| Purch | 75,000.00 | Sales | 119,800.00 | |
| Inv | 30,000.00 | R.O. | 2,500.00 | |
| R.I. | 2,600.00 | Cl st | 12,000.00 | |
| GP c/d | 26,700.00 | | | |
| | 134,300.00 | | 134,300.00 | |
| P&L | 26,700.00 | GP b/d | 26,700.00 | |

| | | | | |
|--------|-----------|--------|-----------|--|
| D | | P&L | C | |
| Labour | 16,000.00 | T/A | 26,700.00 | |
| B.R. | 1,500.00 | | | |
| Int | 3,000.00 | | | |
| NP c/d | 6,200.00 | | | |
| | 26,700.00 | | 26,700.00 | |
| Tax | 1,860.00 | NP b/d | 6,200.00 | |
| R/E | 4,340.00 | | | |
| | 6,200.00 | | 6,200.00 | |

| | | | | |

| | | | | |
|-----|----------|-----------|----------|--|
| D | | Tax liab. | C | |
| (1) | 5,000.00 | OV | 5,000.00 | |
| c/d | 1,860.00 | P&L | 1,860.00 | |
| | | b/d | 1,860.00 | |

| | | | | |
|-----|-----------|-----|-----------|--|
| D | | A/P | C | |
| (5) | 90,000.00 | (2) | 72,000.00 | |
| (6) | 3,000.00 | (2) | 18,000.00 | |
| | | c/d | 3,000.00 | |
| | 93,000.00 | | 93,000.00 | |
| b/d | 3,000.00 | | | |

| | | | | |
|-----|----------|-----|----------|--|
| D | | SfD | C | |
| c/d | 4,670.00 | R/E | 4,670.00 | |
| | | b/d | 4,670.00 | |

| | | | | |

| | | | | |
|------|--------|---------|--------|--|
| D | | Prepaid | C | |
| (8b) | 750.00 | c/d | 750.00 | |
| b/d | 750.00 | | | |

Exhibit 2: Accounts for KALTENWEIDE AG

In regards to deriving financial statements the following bookkeeping entries are to be made:

(a) Preparation of trading account:

| | |
|-------------------------------|-----------------------|
| DR Trading | 75,000.00 EUR |
| CR Purchase | 75,000.00 EUR |
| DR Trading | 30,000.00 EUR |
| CR Inventory | 30,000.00 EUR |
| DR Trading. | 2,600.00 EUR |
| CR R.I. | 2,600.00 EUR |
| DR Sales revenue | 119,800.00 EUR |
| CR Trading | 119,800.00 EUR |
| DR R.O. | 2,500.00 EUR |
| CR Trading | 2,500.00 EUR |
| DR Inventory | 12,000.00 EUR |
| CR Trading | 12,000.00 EUR |

The closing stock of inventory is 600 USB-4GB, so: $600 \cdot 20 = 12,000.00 \text{ EUR}$.

In the Profit and Loss account the bookkeeping entries for further expenses are to be made:

| | |
|--------------------------------|----------------------|
| DR P&L | 16,000.00 EUR |
| CR Labour | 16,000.00 EUR |
| DR P&L | 1,500.00 EUR |
| CR Business rates | 1,500.00 EUR |
| DR P&L | 3,000.00 EUR |
| CR Interest | 3,000.00 EUR |

Furthermore the gross profit is transferred from Trading account to the Profit&Loss Account:

| | |
|-------------------------|----------------------|
| DR Trading | 26,700.00 EUR |
| CR P&L | 26,700.00 EUR |

The balancing figure for the Profit and Loss account is 6,200.00 EUR. The bookkeeping entries for taxation and appropriation of profit are as below:

| | |
|---------------------------------|---------------------|
| DR P&L | 1,860.00 EUR |
| CR Tax liabilities | 1,860.00 EUR |

| | |
|-----------------------------------|---------------------|
| DR P&L | 4,340.00 EUR |
| CR Retained earnings | 4,340.00 EUR |

| | |
|---|---------------------|
| DR Retained earnings | 4,670.00 EUR |
| CR Shareholders for dividend | 4,670.00 EUR |

| | |
|-----------------------------------|---------------------|
| DR Retained earnings | 4,670.00 EUR |
| CR Reserves | 4,670.00 EUR |

The statement of financial position looks like below:

**Kaltenweide AG's
STATEMENT of FINANCIAL POSITION
as at 31.12.20X4**

| A | | C,L | |
|---------------------------|----------------|---------------------|----------------|
| Non-current assets | [EUR] | SH's capital | [EUR] |
| P,P,E | 50.000 | Issued capital | 40.000 |
| Intang. assets | | Other reserves | 24.670 |
| Financial assets | | R/E | 0 |
| Current assets | | Liabilities | |
| Inventory | 12.000 | Int. bear. liab. | 30.000 |
| A/R | 3.000 | A/P | 10.610 |
| Prepaid exp. | 750 | Provisions | |
| Cash | 41.390 | Def. income | |
| | | Tax liabilities | 1.860 |
| | 107.140 | | 107.140 |

Exhibit 3: Statement of financial position as at 31.12.20X4