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| **QUESTION 1: FINANCIAL STATEMENTS AND NOTES 50 marks; 45 minutes** | | | | | | | | | | |
|  |  | | | | | | |  | | |
| **KIMBER TRADERS LIMITED** | | | | | | | |  | | |
|  |  | |  | | | | |  | | |
| You are provided with information for the financial year ended 28 February 2025.. | | | | | | | |  | | |
|  |  | |  | | | | |  | | |
| **REQUIRED:** | | | | | | | |  | | |
|  |  |  | | | | |  | | |
| 1.1 | Complete the Statement of Comprehensive Income for the year ended 28 February 2025. | | | | | | | | (28) | |
|  |  |  | | | | |  | | |
| 1.2 | Complete the following notes to the Statement of Financial Position on 28 February 2025:   * Ordinary Share Capital * Retained Income | | | | | | | | (8)  (8) | |
|  |  | | | | | | | |  | |
| 1.3 | Calculate the loan amount as shown in the Statement of Financial Position. (**Non-current liabilities)** | | | | | | | | (6) | |
|  |  |  | | | |  | | | |
|  | **INFORMATION:** | | | | | | |  | | |
|  |  | | | | | | |  | | |
|  | **A.** | **Balances/Totals on 28 February:** | | | | | |  | | |
|  |  |  | | **2025** | **2024** | | |  | | |
|  |  | Ordinary share capital | | 10 579 200 | 8 371 200 | | |  | | |
|  |  | Retained income | | 461 520 | 451 920 | | |  | | |
|  |  | Loan: NC Bank | | **?** | 2 070 600 | | |  | | |
|  |  | Trade creditors | | 496 944 |  | | |  | | |
|  |  | SARS: Income tax (provisional payments) | | 410 160 |  | | |  | | |
|  |  | Sales | | **?** |  | | |  | | |
|  |  | Cost of sales | | 5 827 200 |  | | |  | | |
|  |  | Total operating income | | 1 055 328 |  | | |  | | |
|  |  | Salaries and wages | | 601 440 |  | | |  | | |
|  |  | Audit fees | | 78 480 |  | | |  | | |
|  |  | Rent expense | | 95 088 |  | | |  | | |
|  |  | Directors' fees | | 597 360 |  | | |  | | |
|  |  | Sundry expenses | | 110 016 |  | | |  | | |
|  |  | Interest on fixed deposit | | **?** |  | | |  | | |
|  |  | Interest on loan | | 291 000 |  | | |  | | |

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|  | **B.** | **Adjustments and additional information:** | |  |
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|  |  | (a) | **Sale of goods:**  The company maintains a mark-up of 40% on cost. Note that old goods costing R115 200 (included in cost of sales) were sold at 10% below cost price. |  |
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|  |  | (b) | **Audit fees:**  75% of the annual fees have been paid. |  |
|  |  |  |  |  |
|  |  | (c) | **Directors' fees:**  The company has three directors who earn the same fee. One director was paid two months in advance. |  |
|  |  |  |  |  |
|  |  | (d) | **Rental:**  A storeroom was rented from 1 June 2024 at R13 440 per month. Rent increased by 7,5% on 1 December 2024. Provide for outstanding rent. |  |
|  |  |  |  |  |
|  |  | (e) | **Loan: NC Bank**   * Fixed monthly repayments, including interest, were R37 920. * Capitalised interest amounted to R291 000 for the year ended 28 February 2025. * Interest for the next financial year is expected to be R194 400. * Part of the loan will be repaid within the next financial year. |  |
|  |  |  |  |  |
|  |  | (f) | **Income tax for 2025:**   * R37 560 is still due to SARS. * The correct net profit after tax is R1 151 280. |  |
|  |  |  |  |  |
|  |  | (g) | **Share capital and dividends:**  Authorised share capital: 1 920 000 ordinary shares   |  |  | | --- | --- | | 1 March 2024 | 80% of the shares were in issue. | | 1 May 2024 | 360 000 shares were repurchased at R558 000 above the average share price. | | 31 August 2024 | Interim dividends paid: 30 cents per share. | | 31 October 2024 | Additional shares were issued. | | 28 February 2025 | Final dividends were declared. | |  |
|  |  |  | | **50** |

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| **QUESTION 1** | | | |  |
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| **1.1** | **KIMBER TRADER LIMITED**  **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025** | | |  |
|  |  | | |  |
|  | **Sales** |  |  |  |
|  | **Cost of sales** | **(5 827 200)** | |  |
|  | **Gross profit** |  |  |  |
|  | **Other operating income** | **1 055 328** | |  |
|  | **Gross income** |  |  |  |
|  | **Operating expenses** |  |  |  |
|  | **Salaries and wages** | **601 440** | |  |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
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|  |  |  | |  |
|  | **Operating profit** |  |  |  |
|  | **Interest income** |  |  |  |
|  | **Net profit before interest expense** |  |  | |  | | --- | |  | | **28** | |
|  | **Interest expense** |  |  |
|  | **Net profit before tax** |  |  |
|  | **Income tax** |  |  |
|  | **Net profit after tax** | **1 151 280** | |
|  |  | | |  |

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| **1.2** | **ORDINARY SHARE CAPITAL** | | | |  | |
|  |  | | | |  | |
|  | **AUTHORISED SHARE CAPITAL** | | | |  | |
|  |  | | | |  | |
|  | **1 920 000 ordinary shares** | | | |  | |
|  |  | | | |  | |
|  | **ISSUED SHARE CAPITAL** | | | |  | |
|  |  | | | |  | |
|  |  |  |  |  | | |  | | --- | |  | | **8** | |
|  |  |  |  |  | |
|  |  |  |  |  | |
|  | **1 776 000** | **Ordinary shares on 28 February 2025** | **10 579 200** | | |

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|  | **RETAINED INCOME** | | |  | |
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| **1.2** | **Balance on 1 March 2024** | **451 920** |  | |  |
|  |  |  |  | |  |
|  |  |  |  | | |  | | --- | |  | | **8** | |
|  | **Ordinary share dividends** |  |  | |
|  |  |  |  | |
|  |  |  |  | |
| 2 |  |  |  | |
|  | **Balance on 28 February 2025** |  |  | |
|  |  | | |  | |
| **1.3** | **Calculate the loan amount as shown in the Statement of Financial Position.** | | | |  | | --- | |  | | **6** | | |
|  |  | | |  | |
|  | |  | | --- | | **TOTAL MARK** | |  | | **50** | | | |  | |