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| **QUESTION 1: FINANCIAL STATEMENTS AND NOTES 50 marks; 45 minutes** |
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| **KIMBER TRADERS LIMITED** |  |
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| You are provided with information for the financial year ended 28 February 2025.. |  |
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| **REQUIRED:** |  |
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| 1.1 | Complete the Statement of Comprehensive Income for the year ended 28 February 2025. | (28) |
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| 1.2 | Complete the following notes to the Statement of Financial Position on 28 February 2025:* Ordinary Share Capital
* Retained Income
 | (8)(8) |
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| 1.3 | Calculate the loan amount as shown in the Statement of Financial Position. (**Non-current liabilities)** | (6) |
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|  | **INFORMATION:** |  |
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|  | **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. |  |
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|  |  | (c) | **Directors' fees:**The company has three directors who earn the same fee. One director was paid two months in advance.  |  |
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|  |  | (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. |  |
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|  |  | (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.
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|  |  | (f) | **Income tax for 2025:*** R37 560 is still due to SARS.
* The correct net profit after tax is R1 151 280.
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|  |  | (g) | **Share capital and dividends:**Authorised share capital: 1 920 000 ordinary shares

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| 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.  |

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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** |  |
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|  | **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** |  |  |

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|  | **Interest expense**  |  |  |
|  | **Net profit before tax**  |  |  |
|  | **Income tax**  |  |  |
|  | **Net profit after tax**  | **1 151 280** |
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| **1.2** | **ORDINARY SHARE CAPITAL** |  |
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|  | **AUTHORISED SHARE CAPITAL** |  |
|  |  |  |
|  | **1 920 000 ordinary shares** |  |
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|  | **ISSUED SHARE CAPITAL** |  |
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|  | **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** |  |  |
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|  | **Ordinary share dividends**  |  |  |
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|  | **Balance on 28 February 2025**   |  |  |
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| **1.3** | **Calculate the loan amount as shown in the Statement of Financial Position.** |

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| **TOTAL MARK** |
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