JENN

Training and Consultancy

The path to enlightened education

SUBJECT: ACCOUNTING

GRADE 12

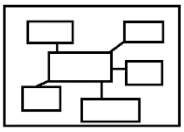
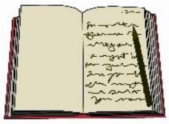
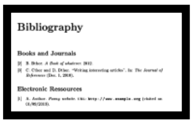
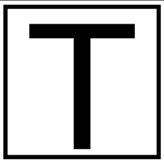
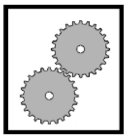
AUTUMN CLASSES 2026

TEACHER AND LEARNER CONTENT MANUAL

Topic

1. **Companies:**
   1.1. **Statement of Financial Position**
   1.2. **Fixed Assets**
   1.3. **Cash Flow statement**

ICON DESCRIPTION

 MIND MAP	 EXAMINATION GUIDELINE	 CONTENTS	 ACTIVITIES
 BIBLIOGRAPHY	 TERMINOLOGY	 WORKED EXAMPLES	 STEPS

CONTENTS

ACTIVITY 1 STATEMENT OF FINANCIAL POSITION AND NOTES
(35 marks, 30 Minutes)

MARIASDAL LTD

The following information relates to Mariasdal Ltd. The financial year ended 30 June 2025.

REQUIRED:

Refer to information A – G.

Prepare the following on 30 June 2025:

1.1. Retained Income Note (7)
1.2. Statement of Financial Position (28)

NOTE: Show workings, some amounts are provided in the ANSWER BOOK.

INFORMATION:

A. List of balances on 30 June before taking into account all adjustments below

BALANCE SHEET ACCOUNTS SECTION	**2025 R**	**2024 R**
Ordinary share capital	9 600 000	10 000 000
Retained income	**?**	670 100
Loan: Welkom Bank	**?**	1 800 000
Fixed assets at carrying value	**?**	8 647 000
Fixed deposit: Virginia Bank	**?**	1 500 000
Trading stock	**?**	
Net trade debtors	424 000	
Cash and cash equivalents	192 300	
SARS (Income tax)	235 000 Dr	
Creditors' control	116 860	
NOMINAL ACCCOUNTS SECTION		
Directors' fees	1 126 250	
Rent income	105 100	

B. Net profit before taxation of R1 153 150 was calculated before correcting the following:

(i) Provision for bad debts must be increased by R7 350.

(ii) R12 000 of the insurance contract was for the period 1 July 2025 to 31 December 2025.

(iii) Rent has been received for the period 1 July 2024 to 31 August 2025. Due to additional storage, the rent was increased by R500 per month for three months only, from 1 May 2025 to 31 July 2025.

(iv) The company had two directors at the beginning of the financial year. Both directors were not paid their fees for June 2025. A third director was appointed on 1 February 2025, at a fee of 10% lower than the existing directors and he received his fees for the current year.

(v) A further R55 000 is owed for income tax on 30 June 2025.

C. Fixed Assets

After considering all the changes affecting fixed assets during the year until the end of the financial period, the total movement of fixed assets amounted to R1 352 000.

D. Financial Assets

A third of the fixed deposit will mature on 31 December 2025

E. Loan Statement: Welkom Bank

	R
Repayments for the year inclusive of interest	**?**
Interest capitalised for the year. This accounts for 30% of the total repayment for the year	234 000

- R270 000 of the loan will be repaid within the next financial year.

F. Ordinary shares and dividends

Date	**Details**
1 July 2024	2 500 000 ordinary shares in issue
31 October 2024	4% of the issued shares were repurchased at R6, 10. This transaction was recorded.
30 June 2025	**?** ordinary shares in issue

NOTE: Additional shares were not issued during the financial year.

- Interim dividends were not declared during the year.
- Final dividends of 21 cents per share were declared at the end of the financial year.

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ACTIVITY 1 ANSWER BOOK

1.1. RETAINED INCOME NOTE

Balance at the beginning of the year	**670 100**
Ordinary share dividends	
Interim dividend	
Final dividend	
Balance at the end of the year	

7

MARIASDAL LTD

1.2. Statement of Financial Position

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Fixed deposit	
CURRENT ASSETS	
Trade and other receivables (424 000	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	
Ordinary share capital	9 600 000
Retained income	
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables (116 860	
Current portion of loan	
TOTAL EQUITY AND LIABILITIES	

28

ACTIVITY 2

FIXED ASSETS AND STATEMENT OF FINANCIAL POSITION

The information relates to Thabang LTD for the financial year ended 28 February 2025.

1 800 000 shares were in-issue on 28 February 2025.

REQUIRED:

2.1 Refer to information B for the year ended 28 February 2025:

2.1.1 Calculate the missing amounts denoted by (a) to (d) on the fixed asset note. (14)

2.1.2 Calculate profit/loss on the sale of equipment on 1 October 2024. (3)

2.2 Complete the Statement of Financial Position as at 28 February 2025. (25)

INFORMATION:

A. List of balances, before taking into account all adjustments below:

	2025 R	2024 R
Ordinary share capital	?	?
Retained Income	3 000 000	?
Mortgage loan: Sethu Bank	3 620 000	4 100 000
Fixed assets	?	
Fixed deposit	810 000	
SARS : Income tax (provisional tax payment)	128 000	
Trade debtors	751 800	
Bank overdraft	170 000	
Petty cash	350 000	
Creditors control	550 000	
Accrued expense	8 000	
Shareholders for dividends	650 000	420 000
Provision for bad debts	?	40 000

B. Adjustments and additional information:

(a) Net profit before tax R 1 049 749, was calculated before correcting (i) to (vi)

(i) Fixed assets :

The business is having two vehicles on 28 February 2025. The second vehicle was purchased on 1 November 2024.

Vehicles are depreciated at 15% p.a. on cost.

Equipment was sold for R40 550 on 1 October 2024. Accumulated depreciation on the equipment sold was R36 000 on 1 March 2024

Equipment are depreciated at 20% p.a. on the diminishing balance method.

Extract of the fixed assets note:

	Vehicles	**Equipment**
Cost at the beginning	460 000	360 000
Accumulated depreciation	(396 700)	(150 000)
Carrying value at the beginning	(a)	210 000
Movements		
Additions	510 000	0
Disposal at carrying value	0	(b)
Depreciation	(c)	(d)
Carrying value at the end		
Cost at the end	970 000	285 000
Accumulated depreciation		

(ii) The account of Lwazi Nkwanyana a debtor, R1 800 must be written off.

(iii) Provision for bad debts must be adjusted to 5% of outstanding debtors.

(iv) Rent of R158 000 was received from a tenant for the period 1 March 2024 to 30 April 2025. This amount takes into account reduction of R2 500 per month from 1 January 2025. **The year-end adjustment has not yet been taken into account.**

(v) The repayments on the loan are fixed at R40 000 per month

(including capitalised interest).

The balances as per loan statement were as follows:

1 March 2024	R4 100 000
28 February 2025	R3 800 000

Provide for interest on loan.

(VI) After taking into account the corrections above, it was determined that an additional R91 000 is still owed to SARS in respect of income tax for the year ended 28 February 2025.

(b) A fixed monthly instalment of R40 000 (to cover loan repayment and interest) has to be paid over the full period of the loan. Interest will decline over the life of the loan by 10%.

(c) The company has invested in three fixed deposits of equal value. One of the fixed deposit will mature on 1 June 2025.

(d) The following financial indicators were calculated after taking the above information into account:

Current ratio	1.5 : 1
Debt-equity ratio	0.4 : 1

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ACTIVITY 2 ANSWER BOOK

2.1.1

	WORKINGS	ANSWER
(a)	CARRYING VALUE AT THE BEGINNING	
(b)	DISPOSAL AT CARRYING VALUE	
(c)	DEPRECIATION ON VEHICLES	
(d)	DEPRECIATION ON EQUIPMENT	

14

2.1.2

Calculation of profit/loss on sale of vehicle:	
WORKINGS	ANSWER

3

2.2 Statement of Financial Position on 28 February 2025.

Assets	
Non-current assets	
Tangible assets	
Fixed deposit	
Current assets	
Total assets	
Equity and liabilities	
Shareholders' equity	
Retained income	
Non-current liabilities	
Loan	
Current liabilities	
Total equity and liabilities	

25

TOTAL MARKS
42

ACTIVITY 3: FIXED ASSETS AND STATEMENT OF FINANCIAL POSITION. (55 marks; 40 minutes)

The following information relates to Tsholo Ltd. The financial year ended on 28 February 2025.

REQUIRED:

3.1. **Refer to information B.**

Calculate the missing amounts denoted by **(a)** to **(e).** (6)

3.2. Prepare the Ordinary Share Capital Note for the year ended 28 February 2025. (8)

3.3. Complete the statement of Financial Position for the year ended 28 February 2025. (31)

NOTE: Some amounts are provided in the ANSWER BOOK.

INFORMATION:

A. Amount extracted from the records on 28 February 2025.

Balance Sheet account section	**R**
Fixed/Tangible assets (carrying value)	?
Fixed deposit: Mopi Bank	915 000
Ordinary share capital	?
Loan from DBSA Bank	?
Trading stock (balancing figure)	?
Net trade debtors	1 808 149
Bank (favourable)	2 490 000
SARS: Income tax (provisional payments)	415 000
Creditors' Control	418 000
Nominal accounts section (pre-adjustment amounts)	
Advertising	113 000
Directors' fees	340 400
Rent income	177 600

B Fixed Assets:

	Land & Buildings	Vehicles	Equipment
Carrying value at the beginning	**1 450 000**	**120 000**	**270 000**
Cost	1 450 000	880 000	450 000
Accumulated depreciation	-	**(b)**	(180 000)
Movements			
Additions		360 000	50 000
Disposals	**(a)**	-	(46 080)
Depreciation		**(c)**	**(d)**
Carrying value at the end			
Cost	1 200 000		**(e)**
Accumulated depreciation	-		(160 080)

- During the financial year land and buildings were sold. This has been properly recorded.
- A new vehicle was bought on credit for R350 000 on 1 November 2024. The owner also paid to have a tracking device installed costing R10 000.
- Vehicles are depreciated at 15% p.a. on cost.
- On 28 February 2025 equipment which was bought for R120 000 was traded-in against new equipment which cost R50 000 at a profit of R3 920.This transaction was recorded.
- Equipment is depreciated by 20% p.a. on the diminishing balance method.

C. Share capital and dividends

1 March 2024	The issued share capital consisted of 800 000 ordinary shares.	
1 September 2024	200 000 Ordinary shares were issued at R8,00 per share.	
1 January 2025	….. ordinary shares were repurchased from a retired shareholder at R8.00 per share. This transaction was not recorded.	
28 February 2025	There were? shares in issue.	
28 February 2025	Final dividends of 25 cents per share was declared	

D. **The following figures were obtained from the Retained income note to the financial statement on 28 February 2025.**

Net profit after tax	895 300	
Repurchase of 75 000 shares	(60 000)	
Retained income at the end of the year	506 850	

E A debtor with a credit balance of R16 300 is to be transferred to the creditors' ledger.

F. Advertising includes an amount of 27 000 paid for six advertisements in the daily news, by 28 February 2025 only three of those advertisement had appeared in the newspaper.

G. The company has two directors. Each director receives the same monthly remuneration. One of the directors did not receive his directors' fee for February 2025.

H. Rent income for March and April was already received. The rent was increased on 1 September 2024 by 10%.

I. The Income Tax for the year is calculated at 30% of the net profit before tax.

J. Total assets amounted to R9 437 250

K. The debt/equity ratio is 0,2 : 1 on 28 February 2025.

55

ACTIVITY 3 ANSWER BOOK

3.1. Calculate:

(a)

Disposal of Land and Building at Carrying Value during the year.	
WORKINGS	**ANSWER**

2

(b)

Accumulated depreciation on vehicles on 1 March 2024	
WORKINGS	**ANSWER**

2

(c)

Depreciation on vehicles on 28 February 2025	
WORKINGS	**ANSWER**
Depreciation on new vehicle	
Depreciation on old vehicle	
TOTAL DEPRECIATION ON VEHICLES	

6

(d)

Depreciation on equipment on 28 February 2025	
WORKINGS	**ANSWER**

2

(e)

Cost price of equipment on 28 February 2025	
WORKINGS	**ANSWER**

4

3.2. ORDINARY SHARE CAPITAL NOTE FOR THE YEAR ENDED 28 FEBRUARY 2025

800 000		
200 000		
	Shares repurchased @	

8

TSHOLO LTD

3.3. Statement of financial position for the year ended 28 February 2025

ASSETS	
NON CURRENT ASSETS	**2 776 921**
Fixed assets	**1 861 921**
Fixed deposit	**915 000**
CURRENT ASSETS	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS EQUITY	
NON CURRENT LIABILITIES	
Loan: DBSA Bank	
CURRENT LIABILITIES	
Short term loan	
TOTAL EQUITY AND LIABILITIES	

TOTAL MARKS
55

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ACTIVITY 4

MPHATLATSANE LTD

The information relates to the financial year ended on 28 February 2025.
The business sells luxurious electrical items.

REQUIRED:

4.1 **Refer to Information B (i)**

Calculate profit/ loss on sale of vehicle. (4)

4.2 Complete the Statement of Financial Position on 28 February 2025. (30)

NOTE:

- Some amounts have been entered in the ANSWER BOOK.
- Figures are NOT required in the shaded areas.
- Show workings.

INFORMATION:

A. Extract: Balances and totals from the records on 28 February 2025:

	R
Ordinary share capital	5 800 000
Retained income (1 March 2024)	384 000
Fixed assets at carrying value	3 022 400
Trading stock	1 620 000
Debtors' control	688 200
SARS: Income Tax (provisional tax payments)	870 000
Bank (favourable)	?
Creditors' Control	896 150
Loan: Zenith Bank	640 500
Provision for bad debts (1 March 2024)	30 450
Sales	13 680 250
Consumable stores used	60 800
Advertising	87 200
Bad debts	38 550
Rent income	216 000
Directors fees	665 000
Ordinary share dividends	404 000

B. The net profit before tax, R3 825 850, was calculated before taking the following into account:

(i)
- On 1 December 2024, an old vehicle was traded-in for a new vehicle valued at R180 000. The trade-in value was R125 500. The trade-in amount was recorded but no further entries were made regarding this transaction.
- Details of the vehicle sold as at 1 March 2024:

Carrying value	R148 000

- Depreciation on vehicles is written off at 15% on the diminished-balance method.

(ii) Creditors with debit balances of R10 550 on 28 February 2025 must be transferred to the Debtors Ledger.
Provision for bad debts should be adjusted to 4% of debtors.

(iii) The company donated goods to a local orphanage. A gross profit of R12 000 was going to be made had these goods been sold. The company uses a mark-up of 80% on cost.

(iv) Advertising includes a six months premium of R18 600 paid on 1 November 2024.

(v) A debtor who had previously been written off transferred R4 500 via an EFT.

(vi) The value of closing stock at the end of the year was R273 500.

(vii) It was agreed to increase rent by 5% on 1 December 2024.
According to the agreement, a deposit of R8 000 is paid before the tenant occupies the building. The deposit was received but not recorded. Rent for March 2025 was received and recorded.
The lease agreement starts from 1 May 2024.

C. R130 000 was still owed to SARS for income tax on 28 February 2025.

D. Only 80% of consumable stores were used during the year.

E. The following financial indicator was calculated on 28 February 2025:

- Current ratio: 2 : 1

Activity 4 ANSWER BOOK

4.1. Calculate profit/loss on sale of vehicle.

WORKINGS	ANSWER

4

4.2. MPLATLATSANE LTD
Statement of Financial Position on 28 February 2025.

ASSETS	
NON-CURRENT ASSETS	
Fixed assets(3 022 400	
Financial assets	
CURRENT ASSETS	
Inventories(1 620 000	
Trade and other receivables(688 200	
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Shareholders' equity	
Ordinary share capital	**5 800 000**
Retained income(384 000	
NON-CURRENT LIABILITIES	
Loan(720 000	
CURRENT LIABILITIES	
Trade and other payables(896 150	
TOTAL EQUITY AND LIABILITIES	

30

F. Share Capital and dividends:

- The company is registered with an authorised share capital of 2 000 000 ordinary shares.
- On 31 August 2024, the directors decided to buy back 20 000 shares at R1,80 more than the average price.
- On 28 February 2025, only 80% of the authorised shares were in issue.
- A final dividend was declared on 28 February 2025.
- Total dividends for the year amounted to R1 044 000.

G. Loan: Zenith Bank
The loan statement received from Zenith Bank on 28 February 2025 reflected the following:

	R
Balance at the beginning of the financial year	?
Repayments during the year (including interest)	289 500
Interest capitalised	79 500
Balance at the end of the year	720 000

The loan repayment schedule is expected to remain the same for the remaining term, however a notification was received from Zenith Bank that interest amount on the loan will increase by 6% p.a. over the next financial year.

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TOTAL MARKS
34

ACTIVITY 5 CASH FLOW STATEMENT

ACTIVITY 5: CASH FLOW STATEMENT AND FINANCIAL INDICATORS

(29 marks; 25 minutes)

You are provided with information relating to Sasolburg Limited. The financial year-end is 30 June 2025. Information relates to the financial year ended 30 June 2025.

REQUIRED:

5.1. Complete the Ordinary share capital note. (7)

5..2 Complete the Cash Flow Statement for the year ended 30 June 2025. Show all workings in brackets. (22)

INFORMATION:

A. The following information was extracted from the Statement of Comprehensive Income for the year ended 30 June 2025:

Sales	5 950 000
Gross profit	2 700 000
Interest expense	120 100
Depreciation	196 700
Net profit after tax	1 160 600

Note: The income tax rate is 30%.

B. Extract from the Statement of Financial Position on 30 June:

	2025	2024
Fixed/tangible assets @ carrying value	5 445 900	5 040 600
Investments : Tseki Bank	?	540 000
Current assets	**4 180 200**	**2 892 800**
Inventories (all Trading stock)	1 120 900	970 100
Trade and other receivables	490 700	520 600
Cash and cash equivalents	944 000	119 500
Ordinary shareholder's equity	**?**	
Ordinary share capital (see H.)	?	3 800 000
Retained Income	956 000	871 050
Loan: Bayern Bank (12,5% p.a.)	**3 840 000**	**?**
Current liabilities	**1 678 900**	**1 544 700**
Trade and other Payables	1 223 000	1450 000
Shareholders for dividends	212 500	198 000
Bank overdraft	0	419 800

C. Fixed assets on 30 June:

- A vehicle was sold at carrying value for R60 800 cash during the year. This transaction was correctly recorded.

- Extensions to land and buildings were completed during the year.

D. Fixed deposit: Tseki Bank

- One third of the fixed deposit matured on 1 June 2025.

E. Trade and other receivables on 30 June 2024 include a balance of R49 800 owed by SARS.

F. Trade and other payables on 30 June 2025 include a balance of R52 500 owed to SARS.

G. Loan: Bayern Bank

Transactions during the year:
- Repayments including interest amounted to R890 500.
- Interest capitalised was R475 500.

H. Ordinary Share capital and dividends:

- 760 000 shares were in issue on 1 July 2024.
- On 1 September 2024, 150 000 additional shares were issued.
- Interim dividends of R182 000 were paid on 30 February 2025.
- A **total** amount of R600 000 was paid on 30 June 2025 to repurchase 60 000 shares from a disgruntled shareholder. The amount was 25% above the average issue price. These shares would no longer qualify for a final dividend.
- A final dividend was declared on 30 June 2025.

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ACTIVITY 5 ORDINARY SHARE CAPITAL AND CASH FLOW STATEMENT

SASOLBURG LTD

5.1. ORDINARY SHARE CAPITAL

760 000	Shares in issue at the beginning	3 800 000

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5.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

CASH EFFECTS OF OPERATING ACTIVITIES	
Cash generated from operations	
Interest paid	
Taxation paid	
Dividends paid	
CASH EFFECTS OF INVESTING ACTIVITIES	
CASH EFFECTS OF FINANCING ACTIVITIES	
Funds used for share buy back	(600 000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	

22

29

ACTIVITY 6 (34 marks; 28 minutes)

ORDINARY SHARE CAPITAL AND CASH FLOW STATEMENT

The information relates to RAINBOW LTD for the financial year ended 28 February 2025.

REQUIRED:

6.1 Prepare the Ordinary Share capital Note on 28 February 2025: (8)

6.2 Complete the Cash Flow Statement for the year ended 28 February 2025.

Certain figures are provided in the ANSWER BOOK. (26)

INFORMATION:

A. Extract from the Statement of Comprehensive Income for the year ended 28 February 2025

	R
Cost of sales	900 000
Depreciation	130 000
Operating expenses	126 000
Net profit before tax	977 000
Net profit after tax	683 900

- Mark-up % achieved for 2025 amounted to 50% on cost.

B. Extract from the Statement of Financial Position on February:

	2025	2024
	R	R
Fixed/Tangible assets at carrying value	8 800 000	8 500 000
Fixed deposit : Smith Bank	350 000	180 000
Cash and cash equivalent	345 100	29 000
Ordinary shareholders' equity	**6 720 000**	**?**
Ordinary share capital	5 220 000	?
Retained Income	1 500 000	1 100 000
Current portion of loan	190 000	?
Bank overdraft	0	147 000
SARS (Income tax)	**Cr** 35 000	**Dr** 15 000
Shareholders for dividends	?	?

C. Shares and dividends:

800 000	Shares were in-issue	1 March 2024
100 000	Additional shares issued	30 June 2024
30 000	Shares were repurchased at R1.20 more than the average share price.	1 January 2025

- A final dividend of 20 cents per share was declared to all shareholders on the share register on 29 February 2024.
- Interim dividends of 18 cents per share were paid on 30 September 2024.
- A final dividend of 22 cents per share was declared to all shareholders on the share register on 28 February 2025.

D. Fixed assets:

- Old equipment was sold at carrying value, R150 000 for cash.

E. Loan:

- The fixed monthly instalment was paid to cover repayment of loan and interest. The repayment of loan for next year will decline by 5% p.a.

F. Financial indicator:

	2025	2024
Net asset value per share (NAV)	?	748.75 cents

ACTIVITY 6 ANSWERBOOK

6.1 Ordinary Share Capital Note on 28 February 2025

AUTHORISED SHARES: 1 500 000 SHARES ISSUED SHARES:		

8

PANORAMA LTD

6.2 Cash Flow Statement for the year ended 28 February 2025

Cash flow from operating activities	
Cash generated from operations	
Interest paid	
Cash flow from investing activities	
Changes in financial assets	**(170 000)**
Cash flow from financing activities	
Cash and cash equivalent at the end	

26

TOTAL MARKS
34

ACTIVITY 7: CASH FLOW STATEMENT (28 Marks, 23 minutes)

7.1. CLUBVIEW TECH LTD

The information below relates to the financial year ending 31 May 2025. The business buys and sells technology products.

REQUIRED:

7.1.1 Prepare the Ordinary Share Capital Note on 31 May 2025. (7)

7.1.2 Calculate the following amounts for the Cash Flow Statement:

7.1.2.1 Taxation paid (4)
7.1.2.2 Dividends paid (5)

7.1.3 Prepare the following sections of the Cash Flow Statement:

7.1.3.1 Cash flow from financing activities (6)
7.1.3.2 Net change in cash and cash equivalents (4)

7.1.4 The directors have identified options to fund R1, 5 million needed to import new products and expand the business, without increasing the business's risk in the next financial year. What funding options can the company consider, without taking out additional loans? Quote TWO sources with figures. (2)

INFORMATION:

A. Extract: Statement of Comprehensive Income on 31 May 2025

Sales	R20 250 000
Cost of sales	12 656 250
Depreciation	855 000
Interest on loan	608 000
Income tax	553 000
Net profit after tax	1 633 100

B. Extract from the Statement of Financial Position on:

	31 May 2025 R	31 May 2024 R
Trading stock	2 348 000	1 762 000
Debtors' control	182 400	209 100
SARS (Income tax)	37 600 **Dr**	111 000 **Dr**
Cash and cash equivalents	936 000	233 000
Ordinary shareholders' equity	**8 950 000**	
Ordinary share capital	7 191 000	5 160 000
Retained income	1 759 000	
Loan: Zed Bank	**?**	5 821 600
Creditors' control	89 200	104 300
Bank overdraft	0	360 800
Shareholders for dividends	224 000	**?**

C. Share capital and dividends:

- Additional shares were issued during the year.
- On 1 September 2024, there were 800 000 shares in issue.
- Interim dividends were paid on 30 November 2024.
- On 30 April 2025, the company repurchased shares. The average price amounted to 85% of the repurchase price. These shares qualify for final dividends.
- On 31 May 2025 there were 705 000 shares in issue.
- A final dividend per share was declared on 31 May 2025.

NOTE: Financial records on 31 May 2024 revealed the following:

- Only 500 000 shares were in issue.
- A final dividend of 22 cents per share was declared.

D. After taking into account all adjustments, the following financial indicators were calculated:

- Debt-equity ratio – 0,6 : 1
- Dividends per share – 48 cents

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ACTIVITY 7 ANSWER BOOK

7.1.1. Ordinary Share Capital Note on 31 May 2025

	Ordinary shares at the beginning of year	5 160 000
	Ordinary shares at the end of year	7 191 000

7

7.1.2.1. Taxation paid

Taxation paid	
WORKINGS	ANSWER

4

7.1.2.2. Dividends Paid

Calculate: Dividends paid	
WORKINGS	ANSWER

5

JENN MAREMATLOU TRAINING INSTITUTE
A Division of Marematlou Group Holdings

7.1.3.1. Cash flow from financing activities

CASH FLOW FROM FINANCING ACTIVITIES	

6

7.1.3.2 Net change in cash and cash equivalents

NET CHANGE IN CASH AND CASH EQUIVALENTS	

4

7.1.4

The directors have identified options to fund the R1,5 million needed to import new products and expand the business, without increasing the business's risk in the next financial year.

What funding options can the company consider, without taking out additional loans? Quote TWO sources with figures.

2

ACTIVITY 8 CASH FLOW STATEMENT (18 Marks; 15 Minutes)

LERATONG LIMITED

You are provided with information related to LERATONG Ltd for the financial year ended 28 February 2025.

REQUIRED:

Calculate the following figures for the 2025 Cash Flow Statement:

8.1	Income tax paid	(5)
8.2	Funds used to repurchase the shares	(4)
8.3	Proceeds from fixed assets sold	(5)
8.4	Loan repaid	(4)

INFORMATION:

A. Extract from Statement of Comprehensive Income for the year ended 28 February 2025:

	R
Sales	9 120 000
Cost of sales	5 700 000
Depreciation	930 000
Income tax (30% of net profit)	?
Net profit after income tax	798 000

B. Information from the Statement of Financial Position on 28 February 2025:

	2025	2024
Fixed assets (carrying value) *	10 815 000	10 765 000
SARS: Income tax	24 500(dt)	36 000(cr)
Shareholders' equity	31 500 000	17 800 000
Ordinary share capital	22 344 000	16 800 000
Loan: Protea Bank	?	9 600 000

***NOTE:** Fixed assets valued at R2 300 000 were purchased during the financial year.

C. Share capital:

DATE	NUMBER OF SHARES	DETAILS OF SHARES
1 March 2024	4 000 000	Shares in issue
31 July 2024	1 000 000	New shares issued
31 December 2024	100 000	Shares repurchased at R3,44 above the average price per share
28 February 2025	4 900 000	Shares in issue

D. Loan:

Interest on loan capitalised for the financial year amounted to R644 000.
The monthly loan instalment (including interest) is R106 000.

18

ACTIVITY 8 ANSWER BOOK

8.1

Income tax paid	ANSWER

5

8.2

Funds used to repurchase the shares	ANSWER

4

8.3

Proceeds from fixed assets sold	ANSWER

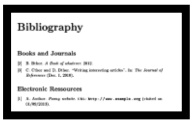
5

8.4

Loan repaid	ANSWER

4

Total Marks
18



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3	Gauteng DoE : Accounting September 2025
4	KwaZulu Natal DoE: Accounting September 2025
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