CERTIFIED PUBLIC ACCOUNTANT

INTERMEDIATE LEVEL EXAMINATIONS

I1.2: FINANCIAL REPORTING

DATE: TUESDAY 28, NOVEMBER 2023

MARKING GUIDE AND MODEL ANSWERS

SECTION A

QUESTION ONE

Marking Guide

Particulars	Marks
(a) IAS 16 Property Plant & Equipment	
i) Statement of profit or loss and statement of financial position	
Carrying amount (2021, 1 mark, 2022 also 1 mark)	1.5
Recoverable amount (2021, 1 mark, 2022 also 1 mark)	1.5
Comparison of CA & RA (2021, 1 mark, 2022 also 1 mark)	1
Accounting treatement (2021, 1 mark, 2022 also 1 mark)	1
Extract of P & L (2021, 0.5 mark, 2022 also 0.5 mark)	1
Extract of financial position (2021, 0.5 mark, 2022 also 0.5mark)	1
Extract statement of change in Equity	1
ii) Measurement of initial PPE (1 mark for each point)	2
Maximum Marks for Part a	10
(b) IAS 40: Investment Property	
i) Conditions for recognition (1 mark for each point)	2
ii) Presentation in financial statements	
1) The cost model	
Depreciation	1
Carring amount	1
Profit & loss statement	1
Statement of financial position	1
2) The fair value model	
Statement of financial position	1
Statement of profit or loss	1
Computation of loss or gain working	2
Maximum Marks for part b	10
Total	**20 Marks**

Model Answers

a)

i) **Prepare extracts of statement of profit or loss and statement of financial position including movement in the revaluation reserve for the year ended 30th March, 2021 and 2022**

Date of bringing asset into use	04/01/2020
First year end	31/3/2021
Second year end	31/3/2022

First year (1/4/2020 - 31/3/2021)

Step 1: Calculate the Carrying Amount = Cost - Accumulated Depreciation	
Cost of property	48,000,000
Useful life Years	10
Depreciation per year 48M / 10 years =	4,800,000
Carrying amount = 48 M - 4.8 M =	43,200,000
Step 2: Calculate the Recoverable Amount	
Higher of:	
Fair Value	46,200,000
Value in Use	-
Recoverable Amount is therefore	46,200,000
Step 3: Compare Carrying Amount to Recoverable Amount	
RA greater than CA there is Revaluation Upwards (surplus)	
Revaluation Surplus = 46.2 M - 43.2 M =	3,000,000
Step 4: Accounting Treatment	
Dr. Asset	3,000,000
Cr. Revaluation Reserve	3,000,000

Second year (1/4/2021 - 31/3/2022)

Step 1: Calculate the Carrying Amount = Cost - Accumulated Depreciation	
Revalued Amount in year 1	46,200,000
Useful life years	9
Depreciation per year 46.2 / 9 years =	5,133,333
Carrying amount = 46.2 M - 5.133 M =	41,066,667
Step 2: Calculate the Recoverable Amount	
Higher of:	
Fair Value	35,000,000
Value in Use	-
Recoverable Amount is therefore	35,000,000

Step 3: Compare Carrying Amount to Recoverable Amount	
RA less than CA there is Revaluation downward (Deficit)	
Revaluation Deficit = 41.067 M - 35 M=	6,066,667
Step 4: Accounting Treatment	
Dr. Revaluation Reserve (3 M - 0.33 M {3 M /9yrs})	2,666,667
Dr. Income Statement (balancing figure)	3,400,000
Cr. Asset	6,066,667

Note: At end of year 1 Revaluation Surplus should be amortized over remaining 9 years as follows:

3,000,000 / 9 yrs = 333,333

Every year FRW 333,333 should be transferred from Revaluation Reserve to Retained Earnings

<u>Extract of statement of profit or loss</u>	**31/3/2021**	**31/3/2022**	
Depreciation	4,800,000	5,133,333	

<u>Extract of Statement of Changes in Equity</u>	**Revaluation Reserve**	**Retained Earnings**	**Total**
Opening Balance (1/4/2020)	10,000,000	-	10,000,000
Revaluation Surplus	<u>3,000,000</u>		<u>3,000,000</u>
Closing Balance (31/3/2021)	<u>13,000,000</u>	<u>-</u>	<u>13,000,000</u>
Opening Balance (1/4/2021)	13,000,000	-	13,000,000
Less: Revaluation Downwards	2,666,667		2,666,667
Transfer from Rev Res to Retained Earnings	<u>(333,333)</u>	<u>333,333</u>	<u>-</u>
Closing Balance (31/3/2022)	<u>10,000,000</u>	<u>333,333</u>	<u>10,333,333</u>

<u>Extract of Statement of Financial Position</u>	**<u>31/3/2021</u>**		**<u>31/3/2022</u>**
<u>Non-Current Assets</u>			
Cost	48,000,000	Revalued Amount	46,200,000
Less: Accumulated Depreciation	<u>4,800,000</u>	Less: Acc Deprec	<u>5,133,333</u>

Net Book Value	43,200,000	Net Book value	41,066,667
Add: Revaluation Surplus	3,000,000	Less: Rev Deficit	6,066,667
Revalued Amount	46,200,000	Revalued Amount	35,000,000

Equity

Revaluation Reserve	3,000,000	Revaluation Reserve	10,000,000
		Retained Earnings	333,333

ii) **Explain how initial property plant and equipment should be measured**

Initial property should be measured at cost.

Costs include:

1. Purchase price
2. Costs incurred to bring asset to its present location and condition
3. Dismantling removing and restoration costs
4. Borrowing costs if any

b.

i) Explain two conditions that must be met for the recognition of property under IAS 40 Investment property

Two conditions must be met for recognition of property under IAS 40 Investment Property:

1. Probable that future economic benefits will flow to the business entity
2. The cost can be measured reliably

ii) Show how the property would be presented in the financial statements as at 31st December, 2020 if Tayari adopts

Cost Model

Cost of Investment Property		200,000,000
Land	80,000,000	
Buiding	120,000,000	
Depreciation per year Building	120,000,000 / 20 =	6,000,000
Accumulated Depreciation (January, 2019 - December, 2020)	6,000,000 *2 years =	12,000,000
Carrying Amount = Cost - Acc Depreciation =	200 M - 12 M =	188,000,000

Statement of Profit or Loss for year ended 31st December, 2020

Depreciation for the year	6,000,000

Statement of Financial Position as at 31st December 2020

Non Current Assets	
Cost	200,000,000
Less: Accumulated Depreciation	12,000,000
Net Book Value (Carrying Amount)	188,000,000

2) Fair Value Model

Fair Value of Property		220,000,000
Cost		(200,000,000)
Gain on property		20,000,000

Statement of Financial Position as at 31st December 2020

Non-Current Assets		
Fair value		220,000,000

Extract Statement of profit or loss for the year ended 31/12/2020

Other income		
Fair value gain		20,000,000

QUESTION TWO

Marking Guide

Published Financial Statements		Marks
Workings		
Inventory working		1
Depreciation of plant & equipment		1
Issue of loan notes		1
Dividends paid		1
Income Tax		0.5
Financial Assets investment		1
Maximum marks for workings		6
Statement of financial position		
Non-current assets		2.5
Current assets		1.5
Equity		1.5

Non-current liabilities		1.0
Current liabilities		1.0
Statement of profit or loss		
Sales		0.5
Cost of sales		4.5
Gross profit		
Administration cost		4.5
Distribution cost		0.5
Income tax		0.50
Profit after tax		
Other comprehensive income		0.50
Statement of changes in equity		
Opening balance		1
Revaluation		1
Retained earning		1
Dividends		1
Transfer of RR to RE		1
Closing balance		1
G-total		30

Model Answer

a) **Statement of profit and loss and other comprehensive income for the year ended 31st December, 2022**

ZURI PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31ST DECEMBER, 2022

		FRW 000
Sales		3,074,400
Less: Cost of Sales	(W8)	(2,149,914)
Gross Profit		**924,486**
Less: Administration Costs	(W9)	(315,198)
Less: Distribution Costs		(180,000)
Operating Profit (Profit Before Interest & Tax)		**429,288**
Less: Finance Cost	(W4)	(27,648)
Add: Investment Income		5,760
Less: Loss on Investment Property	(W7)	(18,720)
Profit Before tax		**388,680**
Less: Income Tax Expense	(W6)	(126,720)

Profit After Tax		**261,960**
Other Comprehensive Income:		
Revaluation Surplus	(W3)	259,200
Total Comprehensive Income		**521,160**

b) Statement of changes in equity for the year ended 31st December 2022

ZURI PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

	Share Capital	Revaluation Reserve	Retained Earnings	Total
	FRW 000	**FRW 000**	**FRW 000**	**FRW 000**
Opening Balance (1st January, 2022)	864,000	-	266,400	1,130,400
Revaluation Surplus		259,200		259,200
Profit for the Year			261,960	261,960
Transfer from Revaluation Reserve to Retained Earnings		(16,200)	16,200	-
Dividends Paid (W5)	-	-	(276,480)	(276,480)
Closing Balance (31st December, 2022)	**864,000**	**243,000**	**268,080**	**1,375,080**

c) Statement of Financial Position for the year ended 31st December, 2022

ZURI PLC

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

Assets	**FRW 000**	**FRW 000**	**FRW 000**
Non-Current Assets			
Land and Building (W3)			820,800
Plant and Equipment (W2)	1,205,280	(666,072)	539,208
Financial Assets Investment (W7)			226,080
Total Non-Current Assets			**1,586,088**
Current Assets			
Inventories (W1)		345,120	
Receivables		410,400	
Bank		41,760	797,280
Total Assets			**2,383,368**

Equity And Liabilities			
Equity			
Share Capital			864,000
Revaluation Reserve			243,000
Retained Earnings			268,080
Total Equity			**1,375,080**
Non-Current Liabilities			
6% Loan Notes (W4)		351,648	
Deferred Tax		21,600	373,248
Current Liabilities			
Trade Payables		528,480	
Current Tax (W6)		106,560	635,040
Total Equity & Liabilities			**2,383,368**

	WORKINGS	
W1)	Inventories	
	Inventories should be valued at the lower of cost and net realizable value	
	Cost of Inventories	357,120
	Net Realizable Value	345,120
	Inventory value was overstated by:	12,000

W2)	Depreciation of Plant & Equiptment		
	Plant and Equiptment (15% * 1,205,280) =		180,792
	Cost of Sales (75% * 180,792) =	135,594	
	Administration (25% * 180,792) =	45,198	

W3)	Revaluation of Land and Building		
	Revaluation at the beginning of the year	1st January, 2022	
	Revalued Amount of the Property		864,000
	Land Value	172,800	
	Building Value (864,000 - 172,800)	691,200	
	Depreciation on Building (691,200 / 16 years)		43,200
	Net Book Value of L & B) (864,000 - 43,200)		820,800

	Revaluation Surplus		
	Land and Building at Cost		720,000
	Land Cost	144,000	
	Building Cost (720,000 - 144,000)	576,000	
	Net Book Value (720,000 - Acc Dep of 115,200)		604,800
	Revaluation Surplus 864,000 - 604,800		259,200
	Transfer from RR to RE (259,200/16 yrs)		16,200
	Apportionment of Depreciation		43,200
	Cost of Sales (75% * 43,200) =	32,400	
	Administration (25% * 43,200) =	10,800	

W4)	Issue of Loan Notes			
	Loan Note	360,000		
	Nominal Interest (6% * 360,000)	21,600		
	Effective interest rate normaly calculated after deducting issue cost			
	Issue cost should not be shown in the books because the amount of loan received is normally net of issue cost			
	Loan received on 1st January, 2022 (360,000 - 14,400) =	345,600		
	Effective interest rate (345,600 * 8%)	27,648	Goes to P & L	
	Interest payable is therefore 27,648 yet the interst paid was 21,600 therefore there is accrued interest cost			
	Accrued Interest (27,648 - 21,600) =	6,048	Increases amount of Non Current Liabilities	
	Non Current Liabilities (345,600 + 6,048) =	351,648	Goes to SOFP as NCL	

W5)	Dividends Paid	
	Dividends paid	32
	Number of ordinary shares (864,000/100) =	8,640
	Dividends paid (32 * 8640)	276,480

W6)	Income Tax	
a)	Estimate of the year	106,560
	Add: Under Estimation of Previous Year	15,840
	Income Tax (Current Tax)	122,400
	Add: Increase in Deferred Tax (W6b)	4,320
	Total Income Tax Expense	126,720
b)	Deffered Tax:	
	Temporary Difference	72,000
	Deferred Tax (72,000 * 30%)	21,600
	Deferred Tax in Trial Balance (Opening Balance)	17,280
	Increase in Deferred Tax (21,600 - 17,280)	4,320

W7)	Financial Asset Investment	
	Fair Value of Investment at End of year	226,080
	Cost Value at Beginning of year	244,800
	Loss on Investment (244,800 - 226,080)	18,720

W8)	Cost of Sales	
	In the Trial Balance	1,969,920
	Add: Overstatement of Inventory (W1)	12,000
	Add: Depreciation of Plant & Equptment (W2)	135,594
	Add: Depreciation of Building (W3)	32,400
	Total Cost of Sales	2,149,914

W9)	Administration Expenses	
	In Trial Balance	273,000
	Add: Depreciation Plant & Equipt (W2)	45,198
	Add: Depreciation Building (W3)	10,800
	Less: Loan Issue Cost	14,400
	Total Administrative Costs	314,598

QUESTION THREE

Marking Guide

	Marks
a) Consolidated Statement of Financial Position	
Workings	
% of acquisition	0.5
Cost of investment	0.5
Calculation of consolidated capital reserves	0.5
Depreciation undercharge on fair value adjustment	0.5
Inter company sale of plant, unrealized profit	0.5
Depreciation overcharge on plant	0.5
Inter company sale of inventory	0.5
Proposed Dividends	0.5
Goodwill	
Cost of investment less loan notes	0.5
Net assets total	0.5
Impairment deducted	0.5
Consolidated retained earnings	
Subsidiary adjustments	2.0
Correct post-acquisition retained earnings	0.5
Adjustment on Parent side	1.5
Non-controlling interest	2.0
Preparation of consolidated statement of financial position	
Land	1.5
Building	2.0
Plant and equipment	1.5
Goodwill	0.5
Inventory	1.5
Account receivables	1.5
Bank	0.5
Equity	1
Deferred tax	1
Loan note	1
Account payable	1.5
Dividend payable	0.5
Bank overdraft	0.5

Maximum of 26 marks for part a	
b) Circumstances when parent is exempt from consolidation	
(1 mark awarded for each point: max of 4)	4
Total	30

Model Answer

a) Prepare the Consolidated statement of financial position as at 31st December, 2022

PERIL GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022			
		FRW 000	**FRW 000**
Non-Current Assets			
Land (20,000 + 10,000 + 2,000 {W6a})			32,000
Building (30,000 + 16,000 + 4,000 {W6a} -600 {W6b})			49,400
Plant (28,000 +10,000 - 1,000{W7a} + 510 {W7b})			37,510
Goodwill	W11		672
Total Non-Current Assets			**119,582**
Current Assets			
Inventory (12,000 + 8,000 -150 {W8})		19,850	
Accounts Receivables (16,000 + 10,000 -5,600{W9})		20,400	
Bank (5,000 + 600 (W)		5,600	45,850
Total Assets			**165,432**
Equity And Liabilities			
Equity			
Ordinary share capital at FRW 100 each (40,000 + 6,000 {W4})			46,000
Share Premium (0 + 6,000 {W4})			6,000
Capital Reserves	W5		23,600
Retained Earnings	W12		24,328
Non-Controlling Interest	W13		17,504
Total Equity and Non-Controlling Interest			**117,432**
NON-CURRENT LIABILITIES			
10% Loan Notes (12,000 + 2,200 - 1,600)		12,600	
Deferred Tax (8,000 + 1,800)		9,800	22,400

Current Liabilities			
Accounts payables (16,000 + 6,000 - 5,000 {W9})		17,000	
Proposed Dividends (5,000 +4,000 - 2400 {W10})		6,600	
Bank Overdraft (0+ 2,000		2,000	25,600
Total Equity and Liabilities			**165,432**

WORKINGS

W1) Dates

Date of acquisition (3 years to end of period)	1st Jan 2020
Beginning of period	1st Jan 2022
End of period	31st Dec 2022

W2) % of Acquisition	Frw 000
No of shares acquired	120,000
Total No of shares = 20,000,000 / 100 =	200,000
% of Acquisition = 120,000 / 200,000 * 100 =	60%

W3) Cost of Investment	Frw 000
a) Immediate Cash	8,000
b) Share Exchange = 120,000 *1/2 * 200 =	12,000
Total cost of investment	20,000

W4) New Shares as a result of share exchange	Frw 000
Share Capital (12,000 * 1/2) =	6,000
Share Premium (12,000 *2-1/2) =	6,000

W5) Capital Reserves		
	Peril Ltd	Sars Ltd
	Frw 000	Frw 000
Capital Reserves in Statement of Financial Position	20,000	8,000
Less: Pre Acquisition Capital Reserves		2,000
Post Acquisition Capital Reserves		6,000
% of Post Acquisition C. Reserves (60%*6,000)	3,600	
Consolidated Capital Reserves	23,600	

W6) Fair Value Adjustement (FVA)	
a) FVA	Frw 000
Land	2,000
Building	4,000
Total FVA	6,000
b) Depreciation Undercharge	Frw 000
Buiding (4,000 * 5% * 3 years)	600

W7) Inter Company Sale of Plant (P to S)	Frw 000
a) Sales	4,000
Profit Margin (1/3+1 = 1/4 * 4,000)	1,000
Unrealized Profit =	1,000
b) Depreciation Overcharge	Frw 000
1st year (1,000 * 30%) =	300
2nd year (1,000 - 300) *30% =	210
Total Depreciation Overcharge	510
W8) Inter Company Sale of Inventory (S to P)	Frw 000
Sales	3,000
Profit Margin = 25/100+25 = 25/125 * 3,000 =	600
Unrealized Profit (1/4 * 600) =	150

W9) Inter Company Balances	Dr	Cr
	Frw 000	Frw 000
Receivables (Sars Ltd)		5,600
Payables (Peril Ltd)	5,000	
Cash in Transit	600	-
	5,600	5,600

W10) Proposed dividends not accounted for		
Proposed Dividends (4,000 * 60%)	2,400	
Add to Consolidated Retained Earnings	2,400	
Less from Current Liabilities	2,400	

W11) Goodwill	FRW 000	FRW 000
Cost of Investment (W3a) (20,000 - 1,600)		18,400
Net Assets of Sars		
Share Capital	20,000	
Capital Reserves (Pre-Acquisition)	2,000	
Retained Earnings (Pre-Acquisition)	800	
Fair Value Adjustment (W6a)	6,000	
Total Net Assets	28,800	
% of total net assets (60% * 28,800)		17,280
Goodwill		1,120
Less: Impairment of Goodwill	40% * 1120 =	448
Net Goodwill		672

W12) Consolidated Retained Earnings	Peril Ltd	Sars Ltd
	FRW 000	FRW 000
Retained Earnings in Statement of Financial Position	18,000	10,000
Less: Depreciation Undercharge (W6b)		600
Add: Depreciation Overcharge (W7b)		510
Less: Unrealized Profit (W8)		150
Adjusted Retained Earnings		9,760
Less: Pre-Acquisition Retained Earnings		800
Post Acquisition Retained Earnings		8,960
% of Post (60% * 8,960)	5,376	
Add: Proposed Dividends (W10)	2,400	
Less: Impairment of Goodwill (W11)	448	
Less: Unrealized Profits (W7a)	1,000	
Consolidated Retained Earnings	24,328	

W13) Non-Controlling Interest	<u>FRW 000</u>
NCI at acquisition 28,800*40%	11,520
NCI share of post-acquisition reserve 8,960*40%	3,584
NCI share for capital reserve 6,000*40%	2,400
Non-Controlling Interest (40% * 43,740) =	**17,504**

b) Explain any four circumstances when the parent is exempted from preparing consolidated financial statements

1. The parent is itself a wholly owned subsidiary or partially owned subsidiary of another entity
2. The company does not trade in the securities exchange or about to trade in securities exchange market
3. The ultimate parent has already prepared consolidated financial statements which complies with International Financial Reporting Standards
4. The Non Controlling Interest if any does not object to not the parent consolidating financial statements

SECTION B

QUESTION FOUR

Marking Guide

	Marks
a) IFRS 16 Leases	
i) Accounting for lease	
Right of use computation	1
Depreciation	1
Lease liability	2
Carrying amount	2
Extract of statement of financial position	2
ii) Accounting treatment for sale and lease back	
Revenue explanation	2
Finance charge explanation	2
Maximum marks for part a	12
b) IAS 2 Inventories	
i) Explanation of inventory valuation	2
ii) Determining value of inventory	
Correct choice of either cost or NRV for each	2
Calculation of the total value of each product	2
Total value of inventory	2.0
Maximum marks for part b	8
Total	**20**

Model Answer

a)

i) Show how this lease should be accounted for in the statement of financial position as at 31st December 2022

Extract of statement of financial position as at 31st December, 2022	
Non Current Assets	Frw
Right of use of Asset (W1)	6,460,000
Non Current Liabilities	
Lease Liability (W2)	4,804,000
Current Liabilities	
Lease Liability (6,804,000 - 4,804,000) (W2)	2,000,000

WORKINGS	
W1) Right of use of asset	Frw
Initial measurement of lease liability	6,075,000
Payment made before or at commencement of the lease	2,000,000
Right of use of asset	8,075,000
Depreciate over the shorter of the useful life or lease term:	
Depreciation charge = Frw 8,075,000 / 5 years =	1,615,000
Carrying amount at 31/12/2022 = 8,075,000 - 1,615,000 =	6,460,000

W2) Lease Liability	Frw
1/1/2022: Liability b/d	6,075,000
1/1/2022 - 31/12/2022: Interest at 12%	729,000
31/12/2022: Liability c/d	6,804,000
1/1/2023: Instalement 2 (in advance) (Less)	2,000,000
1/1/2023: Liability due in more than one year	4,804,000

ii) Accounting treatment of sale and lease back in the books of the lessee

The money received from the sale of the asset should not be recognized as revenue (substance over form) but should be recognized as secured loan, security (collateral) being the asset. The finance charge of the lease should be recognized as finance interest on the loan. The business entity should not derecognize the asset but should continue showing the asset in the statement of financial position and continue charging depreciation over the useful life of the asset.

b)

i) According to the principles of IAS 2 Inventories, explain how inventories should be valued

According to IAS 2, inventories should be valued at the lower of cost and net realizable value.

Cost: Cost to bring an asset to its present location and condition including cost of purchase and cost of conversion.
Net realizable value: estimated selling price in the ordinary course of business, less the estimated cost of completion and selling cost

ii) Determine the value of each product and the total value of all the products W, X, Y and Z

		W		X		Y		Z
Cost		24,000		26,000		36,000		20,000
Net Realizable Value		18,000	(32,000 - 4,000)	28,000	(34,000 - 6,000)	28,000		28,000
Lower of the two	NRV	18,000	Cost	26,000	NRV	28,000	Cost	20,000
Units		200		400		600		800
Value of inventory (Frw)		3,600,000		10,400,000		16,800,000		16,000,000

QUESTION FIVE

Marking Guide

	Marks
a) Conceptual framework	
i) Fundamental qualitaties	
Relevance	2
Faithful representation	2
ii) Enhancing qualities	
Any three qualities well explained (2 marks each)	6
Maximum marks available for part a	10
b) Public financial management	
i) Preparation of statement of financial performance	
Income	2
Expenses	2
ii) Preparation of statement of financial position	
Non current assets	1
Current assets	1
Funded by	2
Non Current liabilities	1
Current liabilities	1
Maximum marks available for part b	10
Total	**20**

Model Answers

a)

i) Explain the two fundamental qualitative characteristics of financial statements

1) Relevance

Relevance means that information has predictive or confirmatory value. That is, it helps users to predict future outcomes, for example future profits, or it can confirm or refute previous predictions.

2) Faithful Representation

Faithful representation means a depiction which is complete, neutral and free from error.

ii) Explain any three enhancing qualitative characteristics of financial statements

1) Comparability

Good quality information allows users to compare the financial results of a business over time or with other businesses.

2) Timeliness

Information tends to be more useful if it is more current.

3) Understandability

Information should be understandable to users with a reasonable level of knowledge.

4) Verifiability

Different observers are able to agree on what the information means.

b)

i) Statement of Financial Performance

Ministry of Gender			
Statement of financial performance for the year ended 30th June 2022			
		Frw 000	**Frw 000**
INCOMES			
Transfer from exchequer			5,625,000
Fees, fines and licences			1,125,000
Transfers from other ministries			112,500
Revenue from exchange transactions			225,000
Other revenues			1,350,000
Total Income			**8,437,500**
EXPENDITURE			
Finance cost		225,000	
Supplies and consumables		900,000	
Wages and salaries		2,250,000	
Other expenses		2,700,000	
Transfer to other ministries		1,125,000	
Total Expenditure			**7,200,000**
Surplus			**1,237,500**

ii) Statement of Financial Position

Ministry of Gender			
Statement of financial position for the year ended 30th June 2022			
NON CURRENT ASSETS		**Frw 000**	**Frw 000**
Land and Building			7,875,000
Vehicles			525,000
Computer Equiptment			600,000
Total Non Current Assets			9,000,000
CURRENT ASSETS			
Inventory		225,000	
Receivables		450,000	
Cash		1,125,000	1,800,000
Total Assets			**10,800,000**
FUNDED BY AND Liabilities			
FUNDED BY			
Accumulated Funds	(1,687,500 + 1,237,500)		2,925,000
Reserves			4,050,000
Total Funded by			6,975,000
NON CURRENT LIABILITIES			
Liability for long term borrowing		450,000	
Long term borrowing		2,250,000	2,700,000
CURRENT LIABILITIES			
Payables			1,125,000
Total Funded by and Liabilities			**10,800,000**

END OF MARKING GUIDE AND MODEL ANSWERS