

91406R



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Accounting 2024

91406 Demonstrate understanding of company financial statement preparation

Credits: Five

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91406.

Check that this booklet has pages 2–6 in the correct order and that none of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE A

Maleai Limited is an Aotearoa New Zealand commercial diving business.

Maleai Limited
Trial Balance as at 31 March 2024

	\$		\$
Accounts receivable	37 000	Accounts payable	31 000
Bank	19 000	Accumulated depreciation – boats and equipment	78 000
Boating supplies on hand	77 000		
Boats and equipment	540 000	Accumulated depreciation – buildings	14 000
Buildings	150 000		
Final dividend (2023)	72 000	Buildings revaluation surplus	18 800
General expenses	194 000	Contributed equity (200 000 shares)	440 000
Goodwill	29 000		
Interest on mortgage	17 500	Dividends received	4 500
Interim dividend (2024)	30 000	Diving revenue	892 500
Land	228 000	GST	7 200
Provisional tax paid	48 500	Land revaluation surplus	24 000
Shares in <i>MVK Limited</i>	50 000	Mortgage	180 000
Wages and salaries	363 000	Retained earnings	165 000
	1 855 000		1 855 000

Additional information

- The mortgage was raised on 1 October 2022. The principal is required to be repaid over 10 years on 1 October each year at \$20 000 p.a.
The mortgage has an interest rate of 10% p.a. payable monthly.
Interest on mortgage for March 2024 has not been recorded.
- Diving revenue of \$20 700 including GST has been received in advance.
- Depreciation on boats and equipment is 10% p.a.
- Depreciation on buildings is 2% p.a.
- Buildings are to be revalued to their current independent valuation of \$140 000.
- Land is to be revalued to its current independent valuation of \$250 000.
- *Maleai Limited* owns 20 000 shares in *MVK Limited*. The shares are held for trading.
- *MVK Limited* paid *Maleai Limited* a final dividend of 10c per share and an interim dividend of 12.5c per share during the year ended 31 March 2024.
These transactions are reflected in the trial balance.
- The income tax expense for the year is \$68 800.
- *Maleai Limited* repurchased 5 000 shares on 31 March 2024. The shares were repurchased at a fair value of \$2.80. This transaction has not yet been recorded.

RESOURCE B

Waiata Tunes Limited is a retailer that sells all things related to music and gives music lessons.

Waiata Tunes Limited
Income Statement for the year ended 31 March 2024

	\$000	\$000
Revenue		
Revenue (note 1)	1 920	
Other income (note 2)	92	
Total revenue		2 012
Expenses		
Cost of goods sold	947	
General expenses	317	
Wages	508	
Discount allowed	7	
Loss on trade-in lesson equipment	5	
Depreciation	85	
Finance costs (note 3)	18	
Income tax expense	35	
Total expenses		1 922
Profit for the year		90

Waiata Tunes Limited
Statement of Financial Position as at 31 March

	2023	2024
	\$000	\$000
Assets		
Bank	0	70
Inventory	128	137
Accounts receivable	15	12
Prepayments (general expenses)	25	33
Shares in <i>GHL</i>	55	90
Property, plant, and equipment (note 5)	1 436	1 588
	1 659	1 930
Liabilities		
Accounts payable	32	48
Bank	50	0
Income in advance (lesson income)	12	20
Accrued expenses (wages)	18	22
Taxation payable	62	0
Loan	155	118
Equity		
Contributed equity	945	1 130
Land revaluation surplus	100	300
Retained earnings	285	292
	1 659	1 930

Waiata Tunes Limited
Notes to the financial statements

	2024
	\$000
1. Revenue	
Sales	1 920
2. Other income	
Increase in fair value of financial assets	5
Discount received	10
Lesson income	70
Dividends received	7
	92
3. Finance costs	
Interest on loan	18

5. Property, plant, and equipment

	Land	Shop fittings	Lesson equipment	Total
	\$000	\$000	\$000	\$000
As at 31 March 2023				
Cost or valuation	800	580	175	1 555
Accumulated depreciation		-84	-35	-119
Carrying amount	800	496	140	1 436
As at 31 March 2024				
Cost or valuation	1 000	600	165	1 765
Accumulated depreciation	0	-122	-55	-177
Carrying amount	1 000	478	110	1 588

Additional information

- Shop fittings costing \$30 000 were sold for their carrying amount of \$12 000.
- Lesson equipment with a cost of \$25 000 and a carrying amount of \$16 000 was traded in.

