

Assessment Schedule – 2025

Accounting: Demonstrate understanding of company financial statement preparation (91406)

Evidence

Note about stems

In the general journal, statement of comprehensive income, and statement of financial position extracts these should be account names from the trial balance where relevant.

General ledger stems should be appropriate and may be abbreviated. Contra account names are not required but are also acceptable stems.

In the statement of cash flows stems should describe the inflow / outflow item.

Question One

(a)

**Packout Limited
General Journal**

31/03/25	Shares in <i>Transit Limited</i>		3 000	PC
	Decrease in fair value of financial assets	3 000		
<i>Record the decrease in fair value of financial assets</i>				
31/03/25	(Income) tax (expense) / income summary	46 800		PC
	Taxation payable		46 800	
<i>Record the income tax expense for the year</i>				

Alternative income tax expense entry

31/03/25	(Income) tax (expense) / income summary	46 800		OR PC (three correct figures)
	Provisional tax paid		25 300	
	Taxation payable		21 500	
<i>Record the income tax expense for the year</i>				

P correct debit / credit entry – stem and figure(s) in journals debit must equal credit

C awarded when P given for the correct figure

(b)

The income tax expense on the profit for the year (before tax) is \$46 800 but the current liability taxation payable is only \$21 500 because provisional tax of \$25 300 has already been paid in advance (to the IRD) for the year, reducing the amount owing at 31 March 2025.

The answer could be explained using debits and credits to the taxation payable account:

Credit taxation payable with \$46 800 taxation expense based on profit for the year, debit taxation payable \$25 300 to close provisional tax paid already / in advance (to the IRD), so the current liability at 31 March 2025 is the closing taxation payable balance credit \$21 500.

Three grades, M plus two E

M explains the taxation payable / current liability is income tax expense less provisional tax paid (figures may be incorrect or missing)

Plus

1st E explains the taxation payable balance is income tax expense \$46 800 less provisional tax paid \$25 300 equals only \$21 500, all three figures correctly linked

2nd E explains provisional tax paid as tax already paid (to IRD) OR as tax paid in advance, plus clearly identifies the \$21 500 as the taxation payable current liability at 31 March 2025

(c)

Packout Limited
Income Statement for the year ended 31 March 2025

Income			
Revenue	991 000		C
Other income	4 800		
Total income		995 800	Pr
Expenses			
General expenses	320 000		
Wages and salaries	427 500		
Depreciation	63 500		C
Decrease in fair value of financial assets	3 000		PsC
Finance costs	13 500		C
Total expenses		827 500	Pt
Profit before tax		168 300	Pr
Income tax expense		46 800	C
Profit for the year		121 500	Pr
Other comprehensive income			
Gain on revaluation buildings	22 300		PsC
Gain on revaluation land	28 000		PsC
Total other comprehensive income		50 300	Pg
Total comprehensive income		171 800	Pr

C correct figure

Pr correct process, must include all items included in the total / profit calculation ignoring figures

Pt the total expense figure includes at least four of the five items ignoring figures

Pg subtotal includes at least one gain on revaluation

PsC Ps for a stem that includes decrease in fair value / gain on revaluation, C for the correct figure if Ps awarded

A* award where a C cannot be awarded but a figure is present

20 P C grades – 11 P, 9 C

N1	N2	A3	A4	M5	M6	E7	E8
5 grades can include A* .	7 grades can include A* .	2 C plus 7 more grades.	3 C plus 8 more grades.	5 C plus 8 more grades. Max 1 F .	7 C, 1 M or E, plus 8 more grades. No F .	17 grades including 7 C plus 1 E. No F .	19 grades including 8 C plus 2 E. No F .

A* grades are awarded where available for a correct stem, correct classification but incorrect figure.

A* grades are only included in the total grades for N1 and N2.

A* grades are not available for journal or ledger entries.

Question Two

(a)

**Packout Limited
General Journal**

31/03/25	Accumulated depreciation buildings	21 300		PC
	Buildings		21 300	
<i>Transfer (close) accumulated depreciation to buildings on revaluation</i>				

PC P for correct stems with correct debit and credit entry equal figures, C for correct figure if P awarded

**General Ledger
Contributed equity**

01/04/24	Balance			420 000	Cr	C
15/10/24	Bank		120 000	540 000	Cr	C

Buildings revaluation surplus

31/03/25	Balance			25 000	Cr	Pb
	Buildings		22 300	47 300	Cr	C

C correct entry including stem, figure, and balance plus indicator

Pb correct balance in buildings revaluation surplus provided account not closed

(b)

Either:

Explains the process of adding profit and subtracting dividends paid, as follows.

Retained earnings in the trial balance \$219 000 is the opening balance / balance at 1 April 2024. The profit for the year \$121 500 (allow ft from Q1(c)) needs to be added and the final dividend 2024 \$50 000 plus the interim dividend 2025 \$42 000 need to be subtracted for the closing balance \$248 500 that will be reported as retained earnings in equity in the statement of financial position as at 31 March 2025.

Or:

Explains the process using credits and debits as follows.

Retained earnings in the trial balance \$219 000 is the opening credit balance / credit balance at 1 April 2024. Profit for the year \$121 500 (allow ft from Q1(c)) will be credited and the final 2024 and interim 2025 dividends \$50 000 + \$42 000 will be debited to give a closing balance of \$248 500 to report as retained earnings in equity in the statement of financial position as at 31 March 2025.

N.B. ft must be the profit after tax, NOT the total comprehensive income.

Two grades M or E for each part

First grade

M states retained earnings needs to be adjusted for dividends and / or profit, figures missing or incorrect

or

E states \$219 000 needs to be adjusted up / credited for profit for the year and adjusted down for dividends, using correct figures (figure for dividends paid may be the total \$92 000)

Second grade

M states closing / 31 March 2025 balance of retained earnings will be reported in equity in statement of financial position

or

E M as above with correct figure for the closing balance

(c)

Packout Limited

Statement of Financial Position (extract) as at 31 March 2025

Equity		
Contributed equity	540 000	C
Retained earnings	248 500	C
Buildings revaluation surplus	47 300	C
Land revaluation surplus	43 000	C
Total equity	878 800	Pt

Grades for (c)

C correct stem with correct figure

A* correct stem, any figure

Pt total that includes 4 correct stems no other items, ignore figures

(d)

Packout Limited

Notes to the financial statements (extract)

Distributions	Cents per share	\$	
Final dividend (2024)	20c	50 000	CP
Interim dividend (2025)	14c	42 000	CP
Total dividends / distributions	34c	92 000	Pt
	C grades from here	P grades from here	Pt = total \$

Dividends declared after reporting date

On 28 April 2025, directors declare a final dividend of **18c per share, totalling \$54 000** to be paid on **28 May 2025**.

Grades

P for 18c per share

P for 28 May

C for totalling \$54 000 (A* for an incorrect total referred to)

8 P 11 C

N1	N2	A3	A4	M5	M6	E7	E8
5 grades can include A* .	6 grades can include A* .	2 C plus 6 more grades.	3 C plus 6 more grades.	6 C M or PT plus 5 more grades. Max 1 F .	8 C M or 1 E plus 5 more grades. No F .	15 PC grades plus 1 E. No F .	18 PC grades plus 2 E. No F .

A* grades are awarded where available for a correct stem, correct classification but incorrect figure.

A* grades are only included in the total grades for N1 and N2.

A* grades are not available for journal or ledger entries.

Question Three

(a)

Working

Labelled working that can be used for marking purposes (other working not included). Working may be in the form of three column or T form ledger accounts. All working figures in \$000.			
Accounts receivable / Corporate clients		Accounts payable / Tour supplies	
Tour fees	450	Tour supplies used	126
Plus opening balance	35	Minus opening supplies on hand	(27)
Minus closing balance	(29)	Plus opening balance	30
Minus bad debts	(5)	Plus closing supplies on hand	25
	451	Minus closing balance	(37)
OR			117
Tour fees	450		
Plus opening balance	32		
Minus closing balance	(27)		
Plus doubtful debts	1		
Minus bad debts	(5)		
	451		

Tour boat

Either		Or	
Opening cost	540	Cost of purchase	70
Minus cost of equipment sold	(45)	Minus trade-in allowance [carrying amount 17 minus loss on trade-in 7]	(10)
Minus closing balance	(565)	Cash for purchase	60
	(70)		

Fauro Limited

Statement of Cash Flows (extract) for the year ended 31 March 2025

	\$000	\$000	\$000	
Operating activities				
<i>Cash was provided from</i>				
Corporate (clients) / (tours) / Accounts receivable	451			CCw
(General) Public (tours)	332			C
Dividends received	5	788		P
<i>Cash was applied to</i>				
Suppliers / Accounts payable / Tour supplies / Inventory	117			CCw
Employees / Wages	325			C
Expenses (General) Expenses	122			C
Interest (on loan)	12			P
(Income) Tax(ation) (expense / payable)	44	620		C
Net cash from operating activities			168	PT
Investing activities				
<i>Cash was provided from</i>				
(Sale of) (tour) equipment	5			C
(Sale of) shares (in Mainfreight) / financial assets	19	24		C
<i>Cash was applied to</i>				
(Tour) equipment	15			C
(Tour) boat	60	75		CCw
Net cash from investing activities			(51)	PT

CCw award two C for correct figure with appropriate stem, Cw if partially correct, identifiable working in working box – award A* if no correct working or figure present

Note: award 3 C grades if Tour fees combined correctly as \$783 otherwise consider working grade, including a working grade if correct public tour fees have been calculated in the working box

C and P appropriate stem, correct figure – award A* for C items with incorrect figure

PT total includes ALL correct items and NO additional items, ignoring figures

F foreign item includes purchase of the boat \$70 or sale of the boat \$10 as the \$10 trade-in allowance is a non-cash item that cannot be reported in the cash flow statement

foreign items not to include financing activity items

(b)

**Fauro Limited
General Journal**

01/10/24	Contributed equity	50 000		PCCb
	Retained earnings	5 000		
	Bank		55 000	
<i>25 000 shares repurchased at a fair value of \$2.20</i>				

Note: figures may be missing the 000s for thousands provided all three figures are missing the 000s

P three correct stems correct debit / credit figures may be incorrect with debits equal credits

C correct split of the debit entries if P awarded

Cb independent C for crediting bank 55 000

(c)

The sale of shares in *Mainfreight Limited* \$15 000 decrease (in cost / value of) shares plus \$4 000 gain on sale = \$19 000 is an inflow in the investing activities section (of the statement of cash flows) as the shares are owned by *Fauro Limited*, so *Fauro Limited* receives the cash for the sale.

The repurchase of *Fauro Limited*'s own (previously) issued 25 000 shares at \$2.20 is an outflow of cash (to the *Fauro Limited* shareholders) of \$55 000 in the financing activities section (of the statement of cash flows).

The net impact on the closing bank balance is an outflow of \$36 000 decreasing the closing bank balance (even though overall the bank balance increased).

Note: figures may be missing the 000s for thousands provided it is consistent, for example if candidates say 25 000 shares \$55 this is not consistent, the 000s may be referred to as k, such as 25k shares repurchased \$55k

brackets not required

Two grades awarded, either M or E as follows

1st M explains the share sale linked to the correct activity section – figures may be missing or incorrect

2nd M explains the repurchase of the shares linked to the correct activity section – figures may be missing or incorrect

1st E explains one of the share sale OR repurchase of shares linked to the correct activity section using the correct figures

2nd E explains the net impact of the two transactions on the closing bank balance using correct figures

Total 20 PC grades, 5P 15C

N1	N2	A3	A4	M5	M6	E7	E8
5 grades can include A*.	7 grades can include A*.	2 C plus 7 more grades.	3 C plus 8 more grades.	5 C 1 M plus 8 more grades. Max 1 F.	7 C 2 M or 1 E plus 8 more grades. No F.	17 grades plus 1 E. No F.	19 grades plus 2 E. No F.

N0 = No response; no relevant evidence

A* grades are awarded where available for a correct stem, correct classification, but incorrect figure.

A* grades are only included in the total grades for N1 and N2.

A* grades are not available for journal or ledger entries.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0–7	8–13	14–19	20–24