



Competency 12.0 – Prepares Financial Statements for a Limited Company.

Competency Level 12.4.1 – Preparing of financial statement of Limited Liability Company by applying Sri Lanka Accounting Standards.

(1) Balance of equity items as at 01.04.2017 of Wariyapola LC given below.

	Rs.'000
Rs. 50/- ordinary shares (2000 000)	100 000
Revaluation reserves (Land)	4 000
General Reserve	22 500
Retained earnings	3 500

(2) Extract from the statement of profit or loss and other comprehensive income for the year ended 31.03.2018 of Wariyapola PLC.

Profit for the period	Rs. 6500 000
Surplus on land revaluation during the year	<u>Rs. 2000 000</u>
Total comprehensive Income	<u><u>Rs. 8500 000</u></u>

(3) Transactions caused to change the equity during the year ended 31.03/2018 of Wariyapola PLC are as follows.

- On 01/04/2017, 5000 ordinary shares were issued and 60 000 applications were collected for that share were proportionately distributed and excess money was returned,
- On 01/07/2017 board of directors decided to capitalized its reserves considering the ordinary shared available at 01/4/2017 before the new share issue by offering 1 share for every 5 ordinary shares held at a consideration of Rs. 50. General reserves are used for that.
- On 01/10/2017, 20 000 ordinary shares were issued for ordinary share holders at 4 : 1 ratio at a consideration of Rs. 50. All shareholders exercised the right.
- On 31/03/2018, board of directors decided to transfer Rs. 1000 000 dividend of Rs. 3000 000 for ordinary shares. However for ordinary share holders during the year. Ordinary share holders were paid Rs. 20 000 as dividend during the year.

**Required :**

1. Statement of changes in Equity for the year ended 31/03/2018 of Wariyapola PLC.
2. Notes to the account referring above transactions for the year ended 31/03/2018 of Wariyapola plc
3. Journal entries, ledger accounts to record above transaction.

