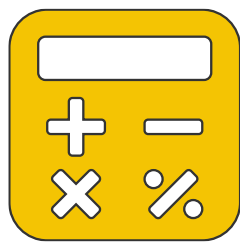


2025 ACTIVITIES & WORKBOOK

Grade 12



ACCOUNTING

A joint initiative between the Western Cape Education Department and Stellenbosch University.



INTRODUCTION AND SESSIONS

Dear Grade 12 Accounting learner

Welcome to the Telematics project. The 2025 Gr 12 Accounting programme aims to strengthen your understanding of the Accounting process and focuses on some of the **basic knowledge and skills** necessary to be successful in Accounting.

Use this opportunity to consolidate what was taught in class. The 2025 Telematics lessons will provide clarity on Cash Flow Statement, Statement of Comprehensive Income and Statement of Financial Position.

You can work through the activities on your own or with study buddies, but you will enjoy the most value if you also join the live video lessons and interact with the presenter by asking questions via SMS, WhatsApp or the Telematics Facebook page.

With this subject you will be equipped with valuable life skills that you can apply in any career and in your own personal life, like orderliness, thoroughness, neatness, meticulousness, accuracy, ethical behaviour, sound judgement, organisation as well as critical, logical and analytical abilities.

Accounting is an exciting, interesting and dynamic subject. Decide right now to enjoy it, and even better, to love it!

“PERSEVERANCE is not a long race; it is many short races one after the other” : **Walter Elliot**

Break down your work into manageable tasks, and view challenges as opportunities for growth.

Be **passionate** about your Accounting, have a **vision** of what you would like to achieve with it and **act** upon your passion and vision by working hard at the subject and you **will** succeed.

All the best.

Mrs JP Conradie

WCED SCP Accounting

Session	Date	Time	Topic
1	03/03/2025 Eng 04/03/2025 Afr	15h00-16h00	Cash Flow Statement
2	27/08/2024 Eng 28/08/2024 Afr	15h00-16h00	Financial statements (SOCI & SOFP)



SESSION 1: CASH FLOW STATEMENT



CASH FLOW STATEMENT

Main purpose of the Cash Flow Statement:

Reflects on the effect of business activities on the cash resources in terms of:

- how cash was generated
- how cash was utilised

Business activities are divided into three broad types of activities namely: operating, investing and financing activities:

Operating activities:

- The main income-earning activities of the company.
- They are directly related to the main objective of a company.
- The cash generated by operating activities is perhaps the most significant indicator of a company's success because this relates to the main purpose of establishing the company

Investing activities:

- These activities involve the actual establishment of the infrastructure of a business for it to be in a position to earn income.

Financing activities:

- Activities involved in funding the infrastructure of the company.
- They result in the change in the size and composition of the debt and the capital funding



SESSION 1 | Cash Flow Statement



FORMAT OF A CASH FLOW STATEMENT

FORMAT OF A CASH FLOW STATEMENT			
	Notes	R	
Cash flows from operating activities		XXXX	A
Cash generated from operations	1	XXX	
Interest paid		(XXX)	
Dividends paid	3	(XXX)	
Taxation paid	4	(XXX)	
Cash flows from investing activities		(XXXX)	B
Purchase of non-current assets	5	(XXX)	
Proceeds from sale of non-current assets		XXX	
Investments matured/repaid		XXX	
Cash flows from financing activities		XXXX	C
Proceeds from issue of shares		XXX	
Proceeds from long-term borrowings		XXX	
Payment of long-term loans		(XXX)	
Net change in cash and cash equivalents	2	(XXXX)	D
Cash and cash equivalents at beginning of year	2	XXX	
Cash and cash equivalents at end of year	2	XXX	

Difference between A, B and C is equal to D



SESSION 1 | Cash flow Statement

Activity 1

You are provided with information related to Doonside Ltd, a public company, for the financial year ended 29 February 2024.

REQUIRED:

1.1 Prepare the Retained Income note on 29 February 2024.

INFORMATION:

- 1.1 Prepare the Retained Income note on 29 February 2024.
- 1.2 Calculate the following as it would appear in the Cash Flow Statement:
 - 1.2.1 Dividends paid
 - 1.2.2 Taxation paid
- 1.3 Complete the following sections of the Cash flow Statement:
 - 1.3.1 Cash flow from investing activities
 - 1.3.2 Net change in cash and cash equivalents
- 1.4 Calculate the following financial indicators for the year ended 29 February 2024:
 - 1.4.1 Dividends per share
 - 1.4.2 Debts/equity ratio
 - 1.4.3 % return on average capital employed (ROTCE)



SESSION 1

INFORMATION:

A. Extract from the Statement of Comprehensive Income for the year ended 29 February 2024

Depreciation	33 500
Interest on loan	164 450
Net profit before tax	846 540
Income tax	253 290

B. Extract from the Statement of Financial Position on:

	29 Feb 2024 R	28 Feb 2023 R
Ordinary shareholders' equity	?	1 443 000
Ordinary share capital	2 354 355	1 056 960
Retained Income	?	386 040
Non-current liabilities	300 000	1 525 000
Investment in fixed deposit	30 000	50 000
Cash and cash equivalents	1 250	45 000
Bank overdraft	47 500	-
Fixed/Tangible assets at carrying value	3 440 8850	2 967 500
SARS Income tax)	Dr 7 500	Cr 7 750
Shareholders for dividends	133 344	52 525



SESSION 1

C. Share capital

?	Shares in issue on 1 March 2023
200 000	Additional shares were issued on 1 April 2023
3 500	Shares were repurchased on 1 December 2023. EFT payments, R22 400, were processed in favour of the relevant shareholders.
416 700	Shares were in issue on 29 February 2024.

D. Fixed assets:

- Fixed assets were sold for R100 000 cash at carrying value.
- Land and buildings were purchased during the financial year.

E. Dividends:

- Interim dividend of 40 cents per share was declared and paid on all shares in issue on 1 September 2023.
- Final dividends were declared on all shares in issue on 29 February 2024.



SESSION 1 | Answer sheet



Activity 1

1.1

RETAINED INCOME	
Balance at beginning	386 040
Final	133 344

1.2.1

Dividend paid	
WORKINGS	ANSWER

1.2.2

Taxation paid	
WORKINGS	ANSWER



SESSION 1 | Answer sheet



Activity 1

1.3.1

Cash flow from investing activities	
Change in financial assets	20 000

1.3.2

Net change in cash and cash equivalents	
Cash and cash equivalents at beginning	
Cash and cash equivalents at end	



SESSION 2 | PAPER 1 REVISION: Financial Statements

ACTIVITY 1

ZINO LIMITED

The information relates to the financial year ended on 30 June 2024. The business sells grass cutting machines.

REQUIRED:

- 1.1 Refer to information B (i).
Calculate the value of the stock that was stolen.
- 1.2 Complete the Statement of Comprehensive Income for the year ended 30 June 2024.
- 1.3 Complete the Statement of Financial Position as at 30 June 2024.

NOTE: Some amounts are provided in the ANSWER BOOK.

A. Extract: Balances and totals from the records on 30 June 2024.

	R
Ordinary share capital (3 000 000 shares)	19 650 000
Retained income	?
Loan: OV Bank	1 304 000
Debtors' control	495 000
SARS: Income Tax (provisional tax payments)	300 000
Provision for bad debts	2 355
Creditors' control	529 800
Bank (favourable)	?
Trading stock	2 195 550
Shareholders for dividends	1 980 000
Sales	?
Cost of Sales	19 650 000
Rent income	?
Commission income	1 304 000
Audit fees	495 000
Directors' fees	300 000
Advertising	2 355
Dividends on ordinary shares	529 800



SESSION 2

B. Adjustments and additional information:

- (i) The business uses a mark-up of 75% on cost. Special customers were granted trade discounts amounting to R216 000.
- (ii) During a burglary at the warehouse, grass cutting machines were stolen. The business received and recorded R35 000 from the insurance company, being 80% of the value of the machines as they were under insured. No other entries were made.
- (iii) Audit fees still outstanding at the end of the financial year, R9 500.
- (iv) An annual advertising contract was signed with a local newspaper with effect from 1 October 2023. R24 000 was paid.
- (v) Provision for bad debts must be adjusted to R1 975.
- (vi) A customer who overpaid his account by R2 800 requested that the overpayment be transferred to his creditors account as he also supplies the office with stationery.
- (vii) Zino Ltd earns commission of R25 per unit sold from STIHL manufacturers. Commission on 900 units for June is still owed.
- (viii) The company paid their TWO directors up to 31 December 2023. They earn the same fees. A third director was appointed on 1 April 2024 on the same monthly rate as the other two directors. No directors' fees were paid in the second half of the year.
- (ix) Premises have been rented out since 1 August 2023 with an agreement that rent will be reduced by R800 per month with effect from 1 May 2024. Rent for June 2024 has not been received yet.
- (x) An additional provisional tax payment of R200 000 was made on 30 June 2024 (this was not recorded). After this, Income tax still owing to SARS at the end of the year was R60 000.

Tax is calculated at 28% of the net profit before tax.

- (xi) Loan from OV Bank:
 - The loan balance on 1 July 2023 amounted to R1 490 000.
 - Interest of R120 100 on the loan is capitalised.
 - A fixed monthly instalment (including interest) was paid in full and recorded.
 - Due to tough economic conditions, Zino Ltd negotiated with OV bank to extend the original term of the loan. The bank agreed to this request and thereby reducing the capital portion of the loan repayment by 5% over the next financial year.
- (xii) The following financial indicators were calculated on 30 June 2024, after taking into account all adjustments:

Net asset value per share	675 cents
Current ratio	1,3 : 1



SESSION 2 | Financial statements



Activity 1

1.1 Calculate the value of the stock that was stolen¹

WORKINGS	ANSWER

1.2 Statement of Comprehensive Income for the year ended 30 June 2024

Sales	
Cost of sales	(15 660 000)
Gross profit	
Other income	
Commission income (626 400)	
Gross operating income	
Operating expenses	
Salaries and Wages	
Depreciation	
Sundry expenses	
Audit fees (81 000)	
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	(120 100)
Profit before tax	
Income tax	
Net profit after tax	



SESSION 2

Statement of Financial Position

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Investment: Fixed deposit	
CURRENT ASSETS	
Trade and other receivables (495 000)	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	
Ordinary share capital	19 650 000
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables (529 800)	
SARS: Income tax	60 000
TOTAL EQUITY AND LIABILITIES	