Western Cape Government
Education
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Back on Track

Western Cape Education Department

ACCOUNTING

Grade 12 Term 1

2026

Learner Workbook

FINANCIAL STATEMENTS
SESSION 1: 21 FEBRUARY 2026
ACTIVITY 1: YEAR-END ADJUSTMENTS
Questions and Answer page

	Adjustments and additional information	**Adjustment calculation**	**Account(s) affected in the SOCI**	**Amount entered into the SOCI**
Ex	**Telephone not paid during the current financial year, R2 100.**	**23 700 + 2 100 =**	**Telephone**	**R25 800**
1.	The stock count on 30 June revealed: • Trading stock R369 100 • Packing material R2 400			
2.	A debtor was declared insolvent. His total outstanding debt is R8 500 and 20% of this was received from his insolvent estate. The difference must be written off as a bad debt.			
3.	Adjust the provision for bad debts to R28 500. Identify whether the adjustment will be an income or an expense			
4.	Advertising includes an annual contract of R60 000 which was paid on 1 March 2025.			
5.	A vacant storeroom was rented out from 1 July 2024. On 1 May 2024 the rent was increased by R2 700 per month. The rent for June 2025 is still outstanding.			

6.	The loan statement received from Borrow Bank on 30 June 2025 indicated the following: Balance at beginning of financial year: 720 000 Repayments during financial year: 161 280 Interest capitalised: **?** Balance at end of financial year: 576 000 Calculate the interest capitalised for the year.			
7.	Only 70% of the annual audit fees have been paid.			
8.	Vehicles are depreciated at 20% on the diminishing balance. Take note: A new vehicle was purchased on 1 January 2025 for R800 000.			
9.	Income tax for the financial year was calculated as R504 056. This is 28% of the net profit before tax. Calculate the Net profit after tax.			
10.	The company has four directors who earn the same fee. One director has not yet received her directors fee for June.			

QUESTION 2

2.1 Calculate:

2.1.1

Depreciation on equipment on 28 February 2025	
WORKINGS	**ANSWER**

2.1.2

Cost price of vehicles on 28 February 2025	
WORKINGS	**ANSWER**

2.1.3

Depreciation on vehicles on 28 February 2025	
WORKINGS	**ANSWER**
Depreciation on new vehicle	
Depreciation on vehicle traded in	
Depreciation on remaining vehicle	**R132 720**

2.1.4

Profit/Loss on vehicle traded in on 1 September 2024	
WORKINGS	**ANSWER**

5

NOTE: The relevant amounts, calculated above, must be transferred to QUESTION 2.2, the Statement of Comprehensive Income.

2.2 Statement of Comprehensive Income for the year ended 28 February 2025

Sales	
Cost of sales	**(4 780 900)**
Gross profit	
Other income	
Service fee income	**1 757 700**
Gross operating income	
Operating expenses	
Audit fees	**79 000**
Sundry operating expenses	**119 900**
Bad debts	**24 780**
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	**(149 400)**
Net profit before tax	
Income tax	
Net profit after tax	**992 160**

SESSION 2: 14 MARCH 2026
QUESTION 3

3.1 Statement of Comprehensive Income for the year ended 28 February 2025

Sales	**21 017 200**
Cost of sales	
Gross profit	
Other income	
Bad debts recovered	
Sundry income	
Gross operating income	**12 254 100**
Operating expenses	
Salaries and wages	
Depreciation Sundry	
expenses	
Operating profit	**4 150 300**
Interest income	
Profit before interest expense	
Interest expense	
Net profit before tax	**3 737 250**
Income tax	**(1 152 000)**
Net profit after tax	**2 585 250**

3.2 Statement of Financial Position on 28 February 2025

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Investment: Fixed deposit	
CURRENT ASSETS	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	
Ordinary share capital	**20 000 000**
NON-CURRENT LIABILITIES	**4 512 550**
Loan	**4 512 550**
CURRENT LIABILITIES	
Trade and other payables	
Current portion of loan	**420 000**
TOTAL EQUITY AND LIABILITIES	

ACTIVITY 4

4.1.1 % Operating expenses on Sales

WORKINGS	ANSWER

4.1.2 % Gross profit on Cost of sales

WORKINGS	ANSWER

4.2.1 % Net profit after tax on sales

WORKINGS	ANSWER

4.2.2 % Gross profit on Sales

WORKINGS	ANSWER

4.3.1

Calculate the mark-up % for the year

4.3.2

% Net profit after tax on Sales

CLASSROOM ACTIVITIES
COMPANIES: NEW TRANSACTIONS, ORDINARY SHARE CAPITAL AND RETAINED INCOME
NOTES

CONCEPTS

1.		6.	
2.		7.	
3.		8.	
4.		9.	
5.		10.	

COMPANIES: NEW TRANSACTIONS
ACTIVITY 1: ISSUING OF SHARES

1.1 **ORDINARY SHARE CAPITAL**

1.2

ACCOUNT DEBIT	ACCOUNT CREDIT	ASSETS	OWNERS EQUITY	LIABILITIES

1.3

ORDINARY SHARE CAPITAL		
Authorised share capital		
Issued share capital		

1.4 **a) Average share price**

b) Net asset value

ACTIVITY 2: BUYING BACK SHARES

2.1

ORDINARY SHARE CAPITAL

RETAINED INCOME

2.2

ACCOUNT DEBIT	ACCOUNT CREDIT	ASSETS	OWNERS EQUITY	LIABILITIES

2.3

ORDINARY SHARE CAPITAL		
Authorised share capital		
Issued share capital		

RETAINED INCOME	
Retained income at the beginning of the year	
Ordinary share dividends:	
Interim	
Final	
Retained income at the end of the year	

2.4

2.5 **a) Average share price**

b) Net asset value

COMPANIES: NEW TRANSACTIONS

ACTIVITY 3: DIVIDENDS PER SHARE

3.1 **DIVIDENDS ON ORDINARY SHARES**

SHAREHOLDERS FOR DIVIDENDS

3.2

ACCOUNT DEBIT	ACCOUNT CREDIT	ASSETS	OWNERS EQUITY	LIABILITIES

3.3

3.4

COMPANIES: NEW TRANSACTIONS

ACTIVITY 4: INCOME TAX

4.1 **SARS: INCOME TAX**

INCOME TAX

4.2

ACCOUNT DEBIT	ACCOUNT CREDIT	ASSETS	OWNERS EQUITY	LIABILITIES

4.3

4.4

COMPANIES: NEW TRANSACTIONS

ACTIVITY 5: INCOME TAX

5.1

SARS: INCOME TAX

INCOME TAX

5.2

ACCOUNT DEBIT	ACCOUNT CREDIT	ASSETS	OWNERS EQUITY	LIABILITIES

5.3

5.4

COMPANIES: ORDINARY SHARE CAPITAL AND RETAINED INCOME NOTE

ACTIVITY 6

6.1

ORDINARY SHARE CAPITAL		
Authorised share capital		
Issued share capital		
	Ordinary shares at beginning of year	
	Shares issued during the year at _____	
	Shares repurchased at _____	
	Ordinary shares at the end of the year	

RETAINED INCOME	
Retained income at the beginning of the year	
Ordinary share dividends:	
Retained income at the end of the year	

STATEMENT OF FINANCIAL POSITION ON	
EQUITY AND LIABILITIES	
Shareholders' equity	

ACTIVITY 7

7.1

ORDINARY SHARE CAPITAL		
Authorised share capital		
Issued share capital		
	Ordinary shares at beginning of year	
	Shares issued during the year at _____	
	Shares repurchased at _____	
1 480 000	**Ordinary shares at the end of the year**	**8 816 000**

RETAINED INCOME	
Retained income at the beginning of the year	**376 600**
Ordinary share dividends:	
Retained income at the end of the year	

STATEMENT OF FINANCIAL POSITION ON	
EQUITY AND LIABILITIES	
Shareholders' equity	

ACTIVITY 8

8.1

ORDINARY SHARE CAPITAL		
Authorised share capital		
Issued share capital		
	Ordinary shares at beginning of year	
	Shares issued during the year at _____	
	Shares repurchased at _____	
	Ordinary shares at the end of the year	**5 418 000**

RETAINED INCOME	
Retained income at the beginning of the year	**1 221 000**
Net profit after tax for the year	
Repurchase of shares	
Ordinary share dividends:	
Interim dividends	
Final dividends	
Retained income at the end of the year	

STATEMENT OF FINANCIAL POSITION ON	
EQUITY AND LIABILITIES	
Shareholders' equity	
Ordinary share capital	
Retained income	

ACTIVITY 9

ORDINARY SHARE CAPITAL		
Authorised share capital		
Issued share capital		
3 000 000	Ordinary shares at beginning of year	
	Shares issued during the year	
	Shares repurchased at _____	
3 800 000	Ordinary shares at the end of the year	24 510 000

RETAINED INCOME	
Retained income at the beginning of the year	1 370 000
Net profit after tax for the year	3 250 000
Ordinary share dividends:	
Interim dividends	1 200 000
Retained income at the end of the year	

STATEMENT OF FINANCIAL POSITION ON	
EQUITY AND LIABILITIES	
Shareholders' equity	

ACTIVITY 10

GLOBAL TRADING LTD

Calculation of the correct net profit after tax			
Incorrect net profit			
i.			
ii.			
iii.			
iv.			
v.			
vi.			
vii.			
viii.			
Correct net profit before tax			
Income tax			
Net profit after tax			