



SEMIs

Real Seed Company Financials
/Discuss actual cases vis a vis
hypothetical one using B/SHEET

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Maize



Source: Kenya Seed Company Website



Peas



Source: Kenya Seed Company Website



Seed Processing Plant



Source: Kenya Seed Company Website



Introduction



- * Financial statements are a window of reality (beautiful or ugly) for business whether in the service or manufacturing sector
- * Balance sheet is a financial snap short (as at a point in time)
- * Get a global picture using the universal accounting / balance sheet equation

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Accounting Equation



Resources

Claims to Resources

ASSETS

=

LIABILITIES

+

O/ EQUITY

The accounting equation holds both for individual transactions and the company as a whole

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XYZ COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, YR xxxx

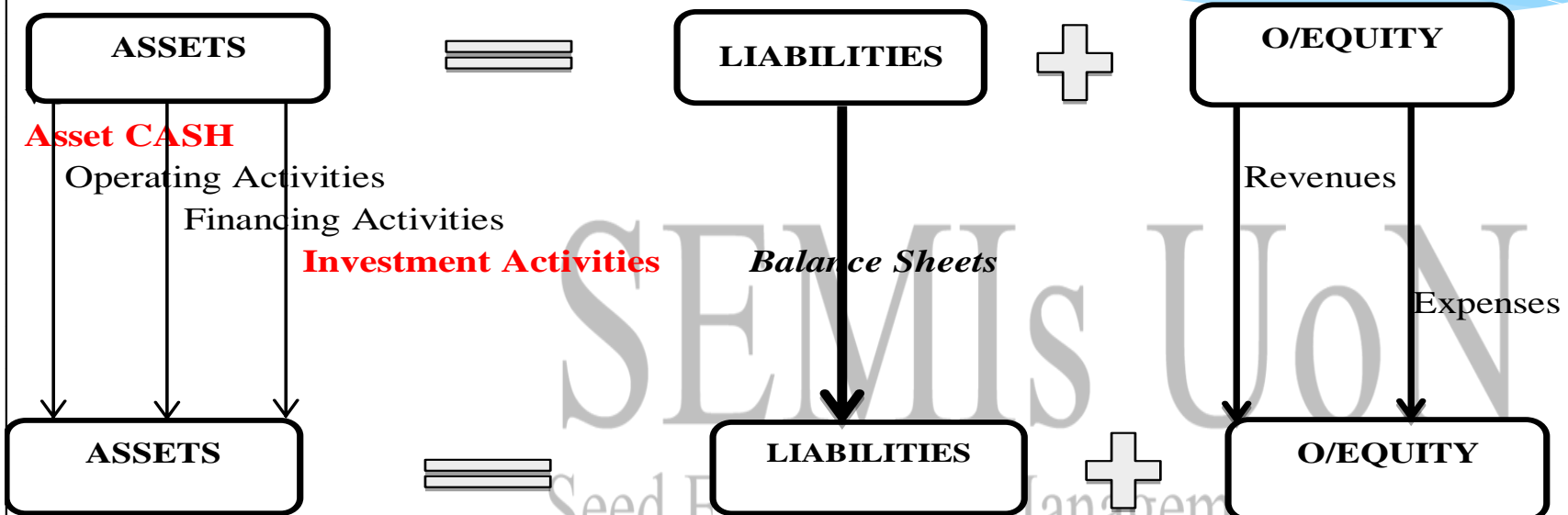
ASSETS	Sh' Millions		LIABILITIES & EQUITY	Sh' Millions
Non-Current Assets:			Current Liabilities:	
Assets in Place:			Trade Accounts Payable	100.00
Net Property , Pnat and Equipment	1,000.00		Short Term Borrowings	53.00
Motor vehicles	20.00		Accruals	5.00
Goodwill and Intangigle Assets	5.00		Taxes Payable	3.00
			Unearned Revenues	4.00
			Total Current Liabilities	165.00
Total Non-Current Assets	1,025.00		Long-Term Liabilities:	
Current Assets:			Long-term Bank Loans	460.00
Cash and Cash Equivalents	5.00		Deferred Tax Liability	15.00
Accounts Receivables (Net)	250.00		Other Long-Term Liabilities	5.00
Inventories	450.00		Total Long-Term Liabilities	480.00
Other current Assets	20.00			
			Total Liabilities	645.00
Total Current Assets	720.00		Shareholders Equity	
			Ordinary Share Capital	1,050.00
			Retained Earnings	50.00
Growth Assets (Additions)	0.00		Total Shareholders' Equity	1,100.00
			Additional FundsNeeded	0
Total Assets	1,745.00		Total Liabilities and Shareholders' Equity	1,745.00



Decisions and impact on figures



AT AS THE BEGINNING OF A PERIOD



AS AT THE END OF CERTAIN PERIOD



POINTS TO NOTE



- * “Accountants Prefer to be precisely wrong than to be approximately right”
- * Financial statements are **transaction -based** (For Non-Current Assets for example processing plant, is depreciation the only adjustment?)
- * How about adjustment for inflation and a possibility that the technology in use could be obsolete
- * limitations of F/Statements in terms of information they provide to managers (capacity of assets in place to generate future income, role of better management/executives, loyal customers etc)



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The End of Presentation

Thank You

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