**ACCOUNTING**

IJ Traders was formed with an authorized share capital of 4 000 000 ordinary shares. On

1 July 2020 the company issued 2 000 000 ordinary shares at 300 cents. On 1 August 2022 another 1 000 000 shares were issued at a price of 420 cents per share.

On 1 July 2024, the beginning of the financial year, the following balances appeared in the ledger:

Ordinary share capital ?

Retained income R1 580 000

SARS (Income tax) 48 000 (cr)

Shareholders for dividends 160 000

The amounts owed to SARS and the shareholders were paid on 1 August 2024.

On 28 December 2024, the first provisional tax payment of R290 000 was made. Interim dividends of 25 cents per share were paid on that date.

On 1 January 2025 the unissued ordinary shares were issued at a price of 520 cents per share.

The application closed on 31 January 2025 and all the shares were allotted. A receipt was issued for the monies received.

On 30 June 2025, the second provisional tax payment of R280 000 was made.

On the same day, the directors decided to buy 200 000 shares back at a price of 750 cents per share.

After completion of the audit, the following was determined:

Nett income for the year: R1 800 000

Income tax for the year: 30% of net profit

Final dividend recommended: 15 cents per share. All shares (included shares bought back) qualify for dividends.

***Required***

Draft the following accounts in the ledger for the period **1 July 2024 to 30 June 2025**:

Ordinary share capital (Also complete the Note for Ordinary Share Capital)

Retained income (Also complete the Note for Retained Income)

SARS (Income tax)

Shareholders for dividends

Income tax

Dividends on ordinary shares

Appropriation account

**ORDINARY SHARE CAPITAL**

|  |  |  |
| --- | --- | --- |
|  | Shares issued at beginning of the year |  |
|  | Shares issued at R5,20 |  |
|  | Shares bought back at R3,85 |  |
|  | Shares issued at end of the year |  |

**RETAINED INCOME**

|  |  |
| --- | --- |
| Balance at the beginning of the year |  |
| Net profit after income tax |  |
|  Shares bought back at  |  |
| Dividends |  |
| Interim |  |
| Final |  |
| Balance at the end of the year |  |