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Subject-Specialised Accounting
Topic:-Liquidation



Problem 15

X Ltd. went into voluntary liquidation on 1st September, 2017. From the following information, prepare liquidator's Final Statement of Account :

Liquidation Estate :

Building ₹ 1,50,000; Machinery ₹ 1,65,000; Goodwill ₹ 14,000, Inventories ₹ 1,60,000
Trade Receivables ₹ 1,80,000; Cash and Cash Equivalents ₹ 14,500

Equity and Liabilities :

Share Capital : 29,500 Equity Shares of ₹ 10 each 2,95,000

Secured Creditor on Building ₹ 1,30,000.

Workmen's dues for 16 months ₹ 80,000

Employee's dues for 8 months ₹ 1,00,000

Unsecured creditors (including financial debts ₹ 55,000 owed to (unsecured creditors) ₹ 1,35,000)

Amount due to Central Government 10,000

The liquidator realised ₹ 5,60,000 from liquidation estate (excluding cash but including ₹ 1,35,000 from building). The expenses of insolvency amounted to 10,500 and the liquidator's remuneration amounted to ₹ 50,000.

Solution

Liquidator's Final Statement of Account

| <i>Receipts</i> | ₹ | <i>Payments</i> | ₹ |
|--------------------------|----------|---------------------------|--------|
| Cash | 14,500 | <i>Liquidation Cost :</i> | |
| <i>Assets Realised :</i> | | Expenses of | ₹ |
| Sundry Assets | 5,60,000 | Insolvency | 10,500 |

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|--|---|---------------|-----------------|
| | Liquidator's Remuneration | <u>50,000</u> | 60,500 |
| | Workmen's Dues | | 80,000 |
| | Secured Creditors | | 1,30,000 |
| | Employee's Dues | | 1,00,000 |
| | Financial Debts Owed to Unsecured Creditors | | 55,000 |
| | Amount due to Central Government | | 10,000 |
| | Unsecured Creditors (1,35,000 – 55,000) | | 80,000 |
| | <i>Refund of Capital :</i> 29,500 Equity Shares @ ₹ 2 per Share | | 59,000 |
| | <u>5,74,500</u> | | <u>5,74,500</u> |

Note : Liquidator's Remuneration shall be deducted from the assets of the company.