

**Alta Traders****Statement of Owner's equity****1. CAPITAL**

	Alta	Johan	Total
Balance at beginning of year	350 000	150 000	500 000
Additional capital contributed	–	50 000	50 000
	350 000	200 000	550 000
Decreasing of capital	(50 000)	–	(50 000)
Balance at end of year	300 000	200 000	500 000

2. CURRENT ACCOUNTS

	Alta	Johan	Total
Balance at beginning of year	2 456	(1 602)	854
Net profit as per Income Statement	130 949	114 716	245 665
Partners' salaries	96 000	84 000	180 000
Interest on capital	31 250	16 250	47 500
Partners' bonuses	–	12 000	12 000
Primary distribution of profit	127 250	112 250	239 500
Final distribution of profit	3 699	2 466	6 165
Drawings for the year	(129 400)	(115 600)	(245 000)
Undrawn profits (retained income) for the year	1 549	(884)	665
Balance at end of year	4 005	(2 486)	1 519

Calculations

$$\left. \begin{array}{l} \text{Interest on capital: Johan } R150\,000 \times 10\% \times \frac{9}{12} = R11\,250 \\ R200\,000 \times 10\% \times \frac{3}{12} = R\,5\,000 \end{array} \right\} R16\,250$$