

OPENING BALANCE ENTRY

Following balances have been extracted from the books of Kingfisher Ltd. as on 1 April 2023.

ASSETS	Amount £	
Building	30,000	nca
Machinery	10,000	nca
Furniture	2,000	nca
Accounts Receivable	12,000	ca
Prepayments	5,000	ca
Inventory	9,000	ca
Cash at Bank	15,000	ca
Cash in Hand	2,000	ca
Total Assets	85,000	
LIABILITIES		
Trade Payable	4,000	cl
Long Term Loan	15,000	ncl
Accrued Liabilities	20,000	cl
Total Liabilities	39,000	

Required:

You are required to calculate the Capital A/c balance and then prepare Opening Journal Entry that need to passed as on 01 May 2023 in the books of Kigfisher Limited

Capital = Asset - Liabilities

C = 85,000 - 39,000 =
46,000

Debit	Non-curretn Assets 01/05/2023	Credit	Debit	Current Liabilities 01/05/2023	Credit
	Building	30,000		4,000	Trade Payable
	Machinery	10,000		20,000	Accrued Liabilities
	Furniture	2,000		24,000	
		42,000			
Debit	Current Assets 01/05/2023	Credit	Debit	Non-current Liabilities 01/05/2023	Credit
	Accounts Receivable	12,000		15,000	Trade Payable
	Prepayments	5,000		15,000	
	Inventory	9,000			
	Cash at Bank	15,000			
	Cash in Hand	2,000			

43,000

Debit	Current Liabilities	Credit
	01/05/2023	
4,000	Trade Payable	
20,000	Accrued Liabilities	
24,000		

Debit	Non-current Liabilities	Credit
	01/05/2023	
15,000	Trade Payable	
15,000		