2	The directors of Rebuild Limited are preparing the financial statements for the year ended
	31 December 2015. The equity section of the statement of financial position at 31 December 2014
	was as follows:

	\$
Ordinary shares of \$2 each, fully paid	240 000
Share premium	8 0 0 0
General reserve	40 000
Retained earnings	<u>75 500</u>
-	363 500

During the year ended 31 December 2015, the following transactions took place:

March 1	Issued 10 000 ordinary shares at \$2.10 each						
March 31	Paid final dividend of 3% on all shares in issue at 31 December 2014						
December 31	The directors revalued the company premises upwards by \$20 000						

The profit for the year ended 31 December 2015 was \$47 100.

REQUIRED

(a)

Prepare the statement of changes in equity for the year ended 31 December 2015.
[5]

Additional information

The directors of Rebuild Limited made a bonus issue of ordinary shares on 30 June 2016. The basis of the issue was one ordinary share for every twenty-five ordinary shares held. The company policy is to leave reserves in their most flexible form.

The profit for the 6 months ended 30 June 2016 was \$25 000.

REQUIRED

(b)	Prepare the statement of changes in equity for the 6 months ended 30 June 2016.
	[4]
(c)	State two differences between ordinary shares and debentures.
	1
	2
	[4]

Additional information

	following December			on	the	statement	of	financial	position	of	Rebuild	Limited
6% d	ebentures	(2018-	-2020)		\$60	000						

REQUIRED

(d)	State the significance of (2018–2020).	
		[1]
(e)	State why an issue of debentures does not appear in the statement of changes in equity.	
		[1]