**Limited Company Account**

**Features of Limited Company**

1. Registered at Registrar of Company (SSM)
2. Responsible for limited liabilities
3. Legal Person (Artificial Person) - Separate Legal entity
4. Regulated by Company Law 2016.
5. **Memorandum of Association**

For external stakeholder to understand the basic background of the company.

1. **Article of Association**

For company internal management rules and regulation.

**Capital Structure**

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Description automatically generated with low confidenceAll the Limited Companies will measure capital in **Shares Capital form** instead of Money Capital form.

|  |  |
| --- | --- |
| **Authorised Share Capital** | The registered share capital stated in the Memorandum of Association of the company. |
| **Issued Share Capital** | Shares that are allotted for cash or some other assets. |
| **Unissued share Capital** | Shares that are not yet issued. |
| **Called-Up Share Capital** | A part of the issued capital which the holders of the shares are required to pay. |
| **Paid-Up Share Capital** | Actual amount of money received from shareholders on the called-up capital. |

**Classes of Shares**

|  |  |  |
| --- | --- | --- |
|  | **Ordinary Shares** | **Preferred Shares** |
| **Voting Right** | Yes | No |
| **Control Right** | Yes, major shareholder | No |
| **Returns** | Share dividend upon surplus profits after all the preferential rights have been met. | Fixed rate share dividend. |
| **Repayment on liquidation** | Last | Priority to other classes of shares. |

**Classes of Dividends**

1. **Interim Dividend**

* Part payment of dividend through the year.
* Being paid before the profits of the year is determined.
* Normally stated in the Trial Balance of the questions.
* Being recorded as a negative value in the **“Retained Profits”** column of the **Statement of Changes in Equity (abbr. CIE)**.

1. **Final Dividend**

* Being declared at the end of financial period after the profits are determined.
* Being recorded in the Notes to Financial Statements. Can be shown at the empty space after CIE.
* Formulas to calculate proposed final dividend:

**Ordinary Share**

Or

**Preferred Share**

**Loan Notes**

A written acknowledgement of a loan by a company.

Features of Loan Notes:

Timing : Short-term, Medium-term (redeemable), Long-term (non-redeemable)

Face Value : RM100 per unit

In account term : Categorised as **Liabilities**

Returns : Loan Notes holder will received **fixed** rate interest.

**Reserves**

A title for the company to allocate retained profits, share premium (profit gained on share issued), general reserve, specific reserve (which provided from the current year net profit), Revaluation Reserve (profit gained on asset revaluation).

**Changes** of reserves will be recorded in **Statement of Changes in Equity (CIE)**