Below is the Statement of Financial Position of Pearl Bhd as at 31/12/2024

	RM	RM		RM	RM
NON-CURRENT ASSETS			**EQUITY AND RESERVES**		
Freehold land	350,000		50,000 Ordinary shares	600,000	
Building	200,000		200,000 5% Preference shares	200,000	
(-)Accumulated depreciation	(50,000)		General reserves	15,000	
Vehicle	150,000		Retained profit	(380,000)	435,000
(-)Accumulated depreciation	(20,000)	630,000	**CURRENT LIABILITIES**		
CURRENT ASSETS			Trade payable	130,000	
Trade receivables	90,000		Bank overdraft	120,000	250,000
Inventories	100,000		**NON-CURRENT LIABILITIES**		
Cash at bank	55,000	245,000	Long term loan		190,000
TOTAL ASSETS		**875,000**	**TOTAL EQUITY & LIABILITIES**		**875,000**

A capital reduction scheme agreed by all parties and sanctioned by the courts are as follows:

1. The ordinary shares to be reduced to RM7.00 per shares and the preference shares reduced by RM0.60 per shares		
	DR	**CR**

2. The preference shareholders to receive one unit of ordinary shares for every RM5.00 dividend. Dividend in arrears is for 5 years		
	DR	**CR**

3. General reserves account will be fully utilized for the capital reduction scheme		
	DR	**CR**

4. Accumulated loss will be write off		
	DR	CR

5. Non-current assets were revalue as follows: Freehold land RM450,000		
	DR	CR

5. Non-current assets were revalue as follows: Building RM100,000 Vehicle RM90,000		
	DR	CR

6. Bank overdraft will be settled by issuance of RM65,000, 5% Debenture and the balance will be settled by cash		
	DR	CR

7. Board of directors agreed to subscribe new issuance of ordinary shares at 40,000 units and the cash received will be used to settle the long term loan		
	DR	CR

	DR	CR

Below is the Statement of Financial Position of Pearl Bhd as at 31/12/2024 (after reduction scheme)

	RM	RM		RM	RM
NON-CURRENT ASSETS			**EQUITY AND RESERVES**		
			CURRENT LIABILITIES		
CURRENT ASSETS					
			NON-CURRENT LIABILITIES		
TOTAL ASSETS			**TOTAL EQUITY & LIABILITIES**		