

QUESTION

1. The following information is available for the year ended 31 December 2018:

	£	£
Share capital	100,000	100,000
Reserves	100,000	100,000
Retained profits	100,000	100,000
Dividends	100,000	100,000
Share repurchases	100,000	100,000
Share issues	100,000	100,000

2. The company has a share repurchase programme in place. The programme allows the company to repurchase up to 10% of its shares over the next 12 months. The company has repurchased 5% of its shares under the programme.

3. The company has a share issue programme in place. The programme allows the company to issue up to 10% of its shares over the next 12 months. The company has issued 5% of its shares under the programme.

4. The company has a dividend policy of paying a dividend of 10% of its profits.