

QUESTION 4:

4.1.1 FOUCHE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2014	
Cash effects of operating activities	255 400 <input checked="" type="checkbox"/>
Cash generated from operations	858 300 <input checked="" type="checkbox"/>
Interest paid	(104 000) ✓
Dividends paid (224 000 ✓ + 128 000 ✓✓) (401 000) ✓ (224 000) ✓ 273 000 ✓ (Mark line)	(352 000) <input checked="" type="checkbox"/>
Income tax paid (151 200 ✓) 11 600 ✓ (7 300 ✓)	(146 900) <input checked="" type="checkbox"/>
Cash effects of investing activities	(730 400) <input checked="" type="checkbox"/>
Purchase of fixed assets [1 917 500 ✓ + 207 300 ✓ + 145 000 ✓ - 1 514 400 ✓)	(755 400) <input checked="" type="checkbox"/>
Proceeds / disposal / sale of fixed assets	145 000 ✓✓
Fixed deposit	(120 000) ✓✓
Cash effects of financing activities	231 000 <input checked="" type="checkbox"/>
Proceeds of shares issued	576 000 ✓
Repurchase of shares (192 000 + 93 000)	(285 000) ✓✓
Repayment of long-term loans	(60 000) ✓✓
Net change in cash equivalents	(244 000) <input checked="" type="checkbox"/>
Cash equivalents – beginning of year	105 000
Cash equivalents – end of year	(139 000) ✓ <input checked="" type="checkbox"/>

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4.1.2 NOTE FOR CASH GENERATED FROM OPERATIONS

Net profit before taxation (388 800 + 151 200)	540 000✓✓
Depreciation	207 300
Interest expense	104 000✓
Operating profit before changes in working capital	851 300
Cash effects of changes in working capital	7 000☑
Decrease in inventory (650 000 – 575 000)	75 000✓✓
Increase in receivables (269 000 – 233 000)	(36 000) ✓✓
Decrease in payables (404 000 ✓ – 372 000✓) (400 000 + 4000) – (370 000 + 2 000)	(32 000) ✓
Cash generated from operations	858 300☑

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1 600 000	Shares beginning	960 000
800 000	Shares issued at 72 cents	576 000
(300 000)	Shares repurchased at	?
2 100 000	Shares end	1 344 000

Shares repurchased: $1\,344\,000 - 576\,000 - 960\,000 = 192\,000$

Retained income

Balance beginning	326 000
NP after tax	388 800
300 000 shares repurchased at	?
Dividends	(401 000)
Paid (0,08 x 1 600 000)	128 000
Declared	273 000
Balance end	220 800

Shares repurchased: $220\,800 + 401\,000 - 388\,800 - 326\,000 = 93\,000$