

QUESTION 4: CASH FLOW AND INTERPRETATION OF FINANCIAL STATEMENTS
(100 marks; 60 minutes)

You are provided with information relating to Fouche Limited, a company listed on the JSE.

REQUIRED:

4.1 Use the information provided to prepare:

4.1.1 Cash Flow Statement for the year ended 30 April 2024. Where (30)
 notes are not required, show workings in brackets.

4.1.2 Note for Cash generated from operations. (12)

FOUCHE LIMITED
BALANCE SHEET ON 30 APRIL 2024

	2024	2023
ASSETS		
Non-current assets	2 237 500	1 714 400
Fixed assets	1 917 500	1 514 400
Financial assets	320 000	200 000
Current assets	854 300	999 600
Inventories	575 000	650 000
Trade & other receivables	269 000	233 000
SARS – Income Tax	7 300	11 600
Cash & cash equivalents	3 000	105 000
TOTAL ASSETS	3 091 800	2 714 000
EQUITY & LIABILITIES		
Shareholders' equity	1 564 800	1 286 000
Share capital (See information 5 below)	1 344 000	960 000
Retained income	220 800	326 000
Non-current liabilities	740 000	800 000
Mortgage loan from Buzi Bank	740 000	800 000
Current liabilities	787 000	628 000
Trade & other payables	370 000	400 000
Accrued expense	2 000	4 000
Shareholders for dividends	273 000	224 000
Bank overdraft	142 000	
TOTAL EQUITY & LIABILITIES	3 091 800	2 714 000

ADDITIONAL INFORMATION:

1. The Income Statement for 2024 reflects the following:
 - Sales, R3 500 000
 - Cost of sales, R2 200 000
 - Interest expense, R104 000 (all interest due has been paid)
 - Depreciation, R207 300
 - Income tax, R151 200
 - Net income after tax, R388 800
2. Unused fixed assets were sold at book value during the year for R145 000.
3. Interim dividends paid on 1 October 2023 were 8 cents per share. Final dividends declared on 30 April 2024 were 13 cents per share.
4. Details of Share capital are:

1 600 000 shares in issue on 1 May 2023	R960 000
800 000 shares issued on 1 November 2023	R576 000
300 000 shares repurchased on 28 February 2024 at ? cents each	?

QUESTION 4:

4.1

4.1.1 FOUCHE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2024	
Cash effects of operating activities	
Cash generated from operations	
Interest paid	
Cash effects of investing activities	
Cash effects of financing activities	
Net change in cash equivalents	
Cash equivalents – beginning of year	
Cash equivalents – end of year	

4.1.2 NOTE FOR CASH GENERATED FROM OPERATIONS

Depreciation	207 300