A close up of a mans face

Description automatically generated

**National Diploma Plant/Animal**

**Farm Finance**

**Handout 6A**

**SAICA(Ltd) Activity for Cashflow Forecast**

The following information was obtained from the financial statements of SAICA (LTD) at 31 March 2008.

|  |  |  |  |
| --- | --- | --- | --- |
| **INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008** | | | |
| Turnover |  |  | 96 000 |
| Cost of Sales |  |  | 62 400 |
| Gross Profit |  |  | 33 600 |
| Other operating income: Profit ON disposal of asset |  |  | 1300 |
| Investment Income |  |  | 389 |
| Dividends received |  |  | 164 |
| Interest received |  |  | 225 |
| Operating costs |  |  | (20 089) |
| Depreciation |  |  | 12 295 |
| Auditor's remuneration |  |  | 2 000 |
| Administrative expenses |  |  | 5 794 |
| Profit on ordinary activities before interest |  |  | 15 200 |
| Interest paid |  |  | (3 200) |
| Profit on ordinary activities before taxation |  |  | 12 000 |
| Taxation |  |  | (5 400) |
| Profit on ordinary activities after taxation |  |  | 6 600 |
| Preference dividend |  |  | 400) |
| Profit attributable to ordinary shareholders |  |  | 6 200 |
| Ordinary dividends |  |  | (1 000) |
| Transfer to general reserves |  |  | (2 800) |
| Retained profit for the year |  |  | 2 400 |
| Retained earnings- beginning of the year |  |  | 3 180 |
| Retained earnings- end of the year |  |  | 5 580 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **BALANCE SHEET AT 31 MARCH 2008** | | | | | |
|  |  |  |  |  |  | |
| **ASSETS** |  |  |  | 2008 | 2007 | |
| Non-Current assets |  |  |  | 126 800 | 116 000 | |
| Fixed Assets (See Note) |  |  |  | 121 800 | 114 500 | |
| Investments in shares at cost |  |  |  | 5 000 | 1 500 | |
| Current assets |  |  |  | 44 680 | 46 400 | |
| Inventory |  |  |  | 19 300 | 21 850 | |
| Debtors |  |  |  | 25 380 | 22 750 | |
| Bank |  |  |  |  | 1 800 | |
|  |  |  |  | 171 480 | 162 400 | |
|  |  |  |  |  |  | |
| **EQUITY AND LIABILITIES** |  |  |  |  |  | |
| Capital and reserves |  |  |  | 97 380 | 81 180 | |
| Ordinary share capital |  |  |  | 33 000 | 26 000 | |
| Preference share capital |  |  |  | 6 000 | 4 000 | |
| Share premium |  |  |  | 20 000 | 18 000 | |
| Non-distributable reserves |  |  |  | 10 000 | 10 000 | |
| Distributable reserves |  |  |  | 28 380 | 23 180 | |
| General Reserves |  |  |  | 22 800 | 20 000 | |
| Retained income |  |  |  | 5 580 | 3 180 | |
| Non-current liabilities |  |  |  | 41 280 | 47 120 | |
| Long-term loan |  |  |  | 21 000 | 29 000 | |
| Debentures |  |  |  | 20 280 | 18 120 | |
| Current liabilities |  |  |  | 32 820 | 34 100 | |
| Creditors |  |  |  | 25 870 | 27 500 | |
| SARS |  |  |  | 5 400 | 6 000 | |
| Shareholders for dividends |  |  |  | 300 | 600 | |
| Bank overdraft |  |  |  | 1 250 |  | |
|  |  |  |  | 171 480 | 162 400 | |

**ADDITIONAL INFORMATION**

1. **FIXED ASSETS/TANGIBLE ASSETS**

**2008**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Land and Building | Plant | Equipment | Total |
| Gross carrying value |  |  | 17 100 | 118 500 | 4 330 | 139 930 |
| Acc depreciation |  |  | 1 100 | 16 700 | 330 | 18 130 |
| Opening balance |  |  | 420 | 5 270 | 145 | 5 835 |
| Depreciation |  |  | 680 | 11 430 | 185 | 12 295 |
| Net carrying value |  |  | **16 000** | **101 800** | **4 000** | **121 800** |

**2007**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Land and Building** | **Plant** | **Equipment** | **Total** |
| Gross carrying value |  |  | 14 420 | 103 770 | 3 645 | 120 335 |
| Acc depreciation |  |  | 420 | 6 770 | 145 | 5 835 |
| Opening balance |  |  | 140 | 3 000 | 45 | 1 685 |
| Depreciation |  |  | 280 | 3 770 | 100 | 4 150 |
| Net carrying value |  |  | **14 000** | **97 000** | **3 500** | **114 500** |

1. Plant with a cost price of R2 080 and a net carrying value of R 580 was sold for R1 880. Plant purchased was in replacement of the plant sold.

**REQUIRED**

Calculate the following:

1. Cash flows from operating activities.
2. Cash flows from investing activities.
3. Cash flow from financing activities.