

TASK 3.46
Pabex Ltd: Complete Cash Flow Statement
PABEX LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 20.2

	Note	
Cash flows from operating activities		554 000
Cash generation from operations	1	1 228 000
Interest paid		(73 000)
Dividends paid	3	(415 000)
Tax paid	4	(186 000)
Cash flows from investing activities		91 000
Purchase of equipment*		(377 000)
Proceeds of sale of fixed assets [42 000 + 451 000]		493 000
Increase in fixed deposit		(25 000)
Cash flows from financing activities		(550 000)
Repurchase of 15 000 shares [134 250 + 15 750]		(150 000)
Payment of capital portion of long-term borrowings		(400 000)
Net change in cash equivalents	2	95 000
Cash and cash equivalents – beginning of year	2	(83 000)
Cash and cash equivalents – end of year	2	12 000

***Purchase of Equipment**

Book value at beginning	820 000
Additions	377 000
Disposals	(42 000)
Depreciation	(115 000)
Book value at end	1 040 000

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 20.2

1. Reconciliation between profit before taxation and cash generated from operations	
Profit before tax	920 000
Adjustments in respect of:	
Depreciation	115 000
Interest expense	73 000
Operating profit before changes in working capital	1 108 000
Changes in working capital:	120 000
Decrease in inventory	186 000
Increase in debtors	(25 000)
Decrease in creditors	(41 000)
Cash generated from operations	1 228 000

2. Cash and cash equivalents	Net change	20.2	20.1
Bank	95 000	12 000	(83 000)
	95 000	12 000	(83 000)

3. Dividends paid	
Amount owing at the end of the previous year	195 000
Total dividends for the year – interim and final	360 000
Amount owing at the end of the current year	(140 000)
Amount paid	415 000
4. Taxation paid	
Amount owing at the end of the previous year	(41 000)
Total tax for year	276 000
Amount owing at the end of the current year	(49 000)
Amount paid	186 000