

**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**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	2 237 500	1 714 400
Fixed assets	1 917 500	1 514 400
Financial assets	320 000	200 000
<b>Current assets</b>	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
<b>TOTAL ASSETS</b>	<b>3 091 800</b>	<b>2 714 000</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholders' equity</b>	1 564 800	1 286 000
Share capital (See information 5 below)	1 344 000	960 000
Retained income	220 800	326 000
<b>Non-current liabilities</b>	740 000	800 000
Mortgage loan from Buzi Bank	740 000	800 000
<b>Current liabilities</b>	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	
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3 091 800</b>	<b>2 714 000</b>

## 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

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

4.1.2 NOTE FOR CASH GENERATED FROM OPERATIONS

<b>Depreciation</b>	<b>207 300</b>