

Henried

F3 CASE 8-FRANCIS

The summarized accounts of the Francis Co for the year ended 31 December 20X8 and 20X7 are as follows:

Statement of financial position as at 31 December

	20X8	20X7
	\$'000	\$'000
Non-current assets		
Property, plant and equipment	628	514
Current assets:		
Inventories	214	210
Trade receivables	168	147
Cash	<u>7</u>	<u>-</u>
	<u>389</u>	<u>357</u>
	<u>1,017</u>	<u>871</u>
Equity		
Share capital (\$1 ordinary shares)	250	200
Share premium account	70	60
Retained earnings	314	282
Revaluation surplus	<u>110</u>	<u>100</u>
	<u>744</u>	<u>642</u>
Non-current liabilities		
10% debentures	80	50
Current liabilities		
Trade payables	136	121
Income tax payable	39	28
Dividend payable	18	16
overdraft	<u>-</u>	<u>14</u>
	<u>193</u>	<u>179</u>
	<u>1,017</u>	<u>871</u>

Statement of profit or loss for the year ended 31 December 20X8

	\$'000
Revenue	600
Cost of sales	<u>319</u>
Gross profit	281
Other expenses (including depreciation of \$42,000)	186
Finance costs (interest paid)	<u>8</u>
Profit before tax	87
Income tax expense	<u>31</u>
Profit for the year	<u>56</u>



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Movement of retained earnings

	\$'000
Balance at 31 December 20X7	282
Profit for the year	56
Dividends	<u>(24)</u>
Balance at 31 December 20X8	<u>314</u>

You are additionally informed that there have been no disposals of property, plant and equipment during the year. The new debentures were issued on 1 January 20X8.

Required

Prepare the statement of cash flows for Francis Co for the year ended 31 December 20X8.

