



Department of Education, Sabaragamuwa/weekly school

week- December 2

Subject-Accounting

Grade-13

Prepared by -
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Competency 12.0 – Prepares Financial Statements for a Limited Company.

Competency Level 12.4.2- Prepare statement of Cash flows of a limited liability company accordance with the Sri Lanka Accounting Standards.

Sanath PLC

Statement of profit or loss for the year ended 31.03.2017

(Rs.'000)

	Note	Amount	Amount
Sales			20 000
Cost of sales			(8 000)
Gross profit			12 000
Other income			400
			12 400
Distribution cost		2 300	
Administration expenses		2 700	
Finance expenses		1 000	
Other expenses		400	(6 400)
Profit Before Tax			6 000
Income Tax			(1 500)
Profit for the year			4 500
Other comprehensive income			
Surplus on land Revaluation			2 500
Total Comprehensive Income			7 000

Sanath PLC

Statement of changes in Equity for the year ended 31.03.2017

(Rs.'000)

Description	Ordinary shares	Revaluation Reserves	General Reserve	Retained earnings	Total
Balance at 01.04.2016	8 000	1 500	2 000	4 200	15 700
Share issue	1 000	-	-	-	1 000
Right issue	2 000	-	-	-	2 000

Reserve capitalization	2 000	-	-	(2 000)	-
Total comprehensive Income	-	2 500	-	4 500	7 000
Dividend paid	-	-	-	(1 000)	(1 000)
Transfer to General reserves	-	-	500	(500)	-
Balance at 31.03.2017	13 000	4 000	2 500	5 200	24 700

Sanath PLC

Statement of Financial Position as at 31.03.2017 and 31.03.2016

(Rs.'000)

Asset	Note	Amount 2017.03.31	Amount 2016.03.31
Non current asset			
Property, plant and equipment		18 000	15 300
Investment		2 000	1 000
Current assets			
Closing Inventory		2 200	1 000
Trade Receivables		2 500	1 500
Treasury bills (03 months)		500	-
Cash		1 700	200
Total Assets		26 900	19 000
Equity & Liabilities			
Stated capital			
Ordinary shares		13 000	8 000
Reserves			
Revaluation reserves		4 000	1 500
General reserves		2 500	2 000
Retained earnings		5 200	4 200
Non-current liabilities			
Bank loan		1 700	2 600
Current liabilities			
Trade Payables		500	700
Total Equity and Liabilities		26 900	19 000

Additional Information :

1. Interest for bank loan was included under finance expenses.
2. All purchases and sales were on credit term.
3. During the year, equipment cost, Rs, 1000 000 was sold with a profit of Rs. 400 000.
4. Stock as at 31.03.2017 at cost was Rs. 2600 000. Net reliable value of it was estimated as Rs. 2200 000. Stock written of Rs. 400 000 was included under other expenses.

Sanath PLC
Property, Plant and Equipment

(Rs.'000)

Description	Land	Buildings	Motor vehicles	Equipments	Total
Balance at 01.04.2016	4 500	5 800	1 200	5 700	17 200
Additions	-	-	2 000	-	2 000
Disposal	-	-		(1 000)	(1 000)
Revaluations	2 500	-	-	-	2 500
Balance as at 31.03.2017	7 000	5 800	3 200	4 700	20 700
Accumulated Depreciation					
Balance as at 01.04.2016	-	800	300	800	1 900
Deprecation expense	-	400	500	300	1 200
Disposal	-	-	-	(400)	(400)
Balance as at 31.03.2017	-	(1 200)	(800)	(700)	(2 700)
Carrying Amount	7 000	4 600	2 400	4 000	18 000

Required :

Prepare

1. Statement of cash flows using direct method as per LKAS 07
2. Operating cash flows using indirect method as per LKAS 07

By referring the financial statements of Sanath PLC

