2. Cash Flow Statement

The following are the Balance Sheets of Norris plc as at 31/12/2008 and 31/12/2009 together with an abridged Profit and Loss account for the year ended 31/12/2009.

Abridged Profit and Loss Account for the year ended 31/12/2009

ϵ ϵ Interest for the year(18,000)Profit before taxation161,000Taxation for the year(43,000)Profit after taxation118,000Dividends paid(64,000)Retained profits on 1/01/2009182,000Retained profits on 31/12/2009236,000Balance Sheet as at31/12/2009Fixed Assets ϵ ϵ ϵ Land and Buildings at cost80,000Accumulated depreciation(60,000)Accumulated depreciation(60,000)Accumulated depreciation(200,000)Its as accumulated depreciation(200,000)Stock212,000Prinancial Assets920,000Quoted Investments60,000Current Assets-Stock212,000Interest due5,000Cash30,000Actions280,000Cash30,000Government Securities15,000Interest due5,000Interest due5,000Interest due5,000Interest due5,000Interest due5,000Interest due5,000Interest due5,000Interest and140,000Bank-(0% Debentures140,000Creditors: amounts falling due after more than 1 yearInvarion3,000Index cost140,000Casinal and Reserves-Ordinary Shares at Cl each680,000Ordinary Shares at Cl each <th>Abilugeu i font and Loss Account for t</th> <th>ine year chucu</th> <th>1 51/12/2007</th> <th></th> <th>C</th>	Abilugeu i font and Loss Account for t	ine year chucu	1 51/12/2007		C	
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Cash $3,000$ $418,000$ $2,000$ $382,000$ Less Creditors: amounts falling due within 1 year $-$ Trade creditors 280,000 255,000 Interest due 5,000 - Taxation 45,000 40,000 Bank 9,000 - (339,000) (295,000) 1,062,000 Net Current Assets 79,000 87,000 1,059,000 1,062,000 220,000 Financed by 220,000 220,000 Creditors: amounts falling due after more than 1 year 140,000 220,000 Capital and Reserves 0rdinary Shares at £1 each 680,000 660,000 Share Premium 3,000 - - Profit and loss account 236,000 919,000 182,000	Government Securities	15,000		-		
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Trade creditors 280,000 255,000 Interest due 5,000 - Taxation 45,000 40,000 Bank 9,000 - (339,000) (295,000) (295,000) Net Current Assets 79,000 87,000 I,059,000 1,059,000 1,062,000 Financed by 220,000 220,000 Creditors: amounts falling due after more than 1 year 140,000 220,000 Capital and Reserves 0rdinary Shares at €1 each 680,000 660,000 Share Premium 3,000 - - Profit and loss account 236,000 919,000 182,000 842,000		418,000		<u>382,000</u>		
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Taxation45,00040,000Bank $9,000$ $$ (339,000)(295,000)Net Current Assets $79,000$ $87,000$ Image: Creditors: amounts falling due after more than 1 year 10% Debentures140,000220,000Creditors: amounts falling due after more than 1 year $140,000$ $220,000$ Creditors: amounts falling due after more than 1 year $140,000$ $220,000$ Capital and Reserves 0 $660,000$ $-$ Ordinary Shares at €1 each $680,000$ $-$ Profit and loss account $236,000$ $919,000$ $182,000$ 842,000	Trade creditors	280,000		255,000		
Bank $9,000$ $-$ (339,000) (295,000) Net Current Assets $79,000$ $87,000$ Image: Second secon	Interest due	5,000		-		
(339,000) $(295,000)$ Net Current Assets $79,000$ $1,059,000$ $87,000$ $1,062,000$ Financed by1,059,000 $1,062,000$ Creditors: amounts falling due after more than 1 year 10% Debentures140,000220,000Capital and Reserves140,000220,000Ordinary Shares at €1 each680,000660,000Share Premium3,000-Profit and loss account236,000919,000182,000842,000	Taxation	45,000		40,000		
Net Current Assets $79,000$ $1,059,000$ $87,000$ $1,062,000$ Financed byImage: Creditors: amounts falling due after more than 1 year 10% Debentures $140,000$ $220,000$ Capital and Reserves $140,000$ $220,000$ Ordinary Shares at €1 each $680,000$ $660,000$ Share Premium $3,000$ $-$ Profit and loss account $236,000$ $919,000$ Iteration $842,000$	Bank	9,000				
I.059,000I.062,000Financed byCreditors: amounts falling due after more than 1 year10% Debentures140,000220,000Capital and ReservesOrdinary Shares at $ ell$ each680,000Share Premium3,000-Profit and loss account236,000919,000182,000842,000		<u>(339,000)</u>		<u>(295,000)</u>		
Financed by Financed byCreditors: amounts falling due after more than 1 year 10% Debentures140,000220,000 Capital and Reserves Ordinary Shares at	Net Current Assets		79,000		87,000	
Creditors: amounts falling due after more than 1 year10% Debentures140,000220,000Capital and Reserves $140,000$ $220,000$ Ordinary Shares at €1 each $680,000$ $660,000$ Share Premium $3,000$ $-$ Profit and loss account $236,000$ $919,000$ 182,000 $842,000$			1,059,000		1,062,000	
10% Debentures 140,000 220,000 Capital and Reserves Ordinary Shares at €1 each 680,000 660,000 Share Premium 3,000 - Profit and loss account 236,000 919,000 182,000 842,000	Financed by					
Capital and Reserves $680,000$ $660,000$ Ordinary Shares at $\notin 1$ each $680,000$ $-$ Share Premium $3,000$ $-$ Profit and loss account $236,000$ $919,000$ 182,000 $842,000$	Creditors: amounts falling due after more	than 1 year				
Ordinary Shares at $\in 1$ each 680,000 660,000 Share Premium 3,000 - Profit and loss account 236,000 919,000 182,000 842,000	10% Debentures		140,000		220,000	
Share Premium 3,000 - Profit and loss account 236,000 919,000 182,000 842,000	Capital and Reserves					
Share Premium 3,000 - Profit and loss account 236,000 919,000 182,000 842,000	Ordinary Shares at €1 each	680,000		660,000		
Profit and loss account 236,000 919,000 182,000 842,000		3,000		_		
	Profit and loss account	236,000	919,000	<u>182,000</u>	842,000	
			<u>1,059,000</u>		<u>1,062,000</u>	

The following information is also available:

There were no disposals of buildings during the year but new buildings were acquired. 1.

2. There were no purchases of machinery during the year. Machinery was disposed of for €30,000.

Depreciation charged for the year on Machinery in arriving at the operating profit was €55,000. 3.

You are required to:

(a)	Prepare the Cash Flow Statement of Norris plc for the year ended 31/12/2009 including	
	Reconciliation Statements.	(48)
a >		

- (b) (i) Outline the benefits of preparing a Cash Flow Statement. (12)
 - (ii) Distinguish between a cash expense and a non cash expense.