

2. Cash Flow Statement

The following are the Balance Sheets of Doyle plc as at 31/12/2013 and 31/12/2012 together with an abridged Profit and Loss Account for the year ended 31/12/2013.

Abridged Profit and Loss Account for the year ended 31/12/2013

	€
Operating Profit	185,000
Interest for the year	<u>(16,000)</u>
Profit before taxation	169,000
Taxation for the year	<u>(45,000)</u>
Profit after taxation	124,000
Dividends paid	<u>(60,000)</u>
Retained profits for the year	64,000
Retained profits on 01/12/2013	<u>150,000</u>
Retained profits on 31/12/2013	<u>214,000</u>

Balance Sheet as at	31/12/2013		31/12/2012	
Fixed Assets				
Land and Buildings at cost	900,000		825,000	
Less accumulated depreciation	<u>(70,000)</u>	830,000	<u>(50,000)</u>	775,000
Machinery at cost	420,000		495,000	
Less accumulated depreciation	<u>(270,000)</u>	<u>150,000</u>	<u>(250,000)</u>	<u>245,000</u>
		980,000		1,020,000
Financial Assets				
Quoted Investments at cost		50,000		30,000
Current Assets				
Stock	215,000		192,000	
Debtors	178,000		170,000	
Government Securities	20,000		----	
Bank	----		5,000	
Cash	<u>4,000</u>		<u>3,000</u>	
	<u>417,000</u>		<u>370,000</u>	
Less Creditors: amounts falling due within 1 year				
Trade creditors	290,000		285,000	
Interest due	3,000		----	
Taxation	80,000		75,000	
Bank	<u>6,000</u>		<u>----</u>	
	<u>(379,000)</u>		<u>(360,000)</u>	
Net Current Assets		<u>38,000</u>		<u>10,000</u>
		<u>1,068,000</u>		<u>1,060,000</u>
Financed by				
Creditors: amounts falling due after more than 1 year				
10% Debentures		160,000		240,000
Capital and Reserves				
Ordinary Shares @ €1 each	690,000		670,000	
Share Premium	4,000		----	
Profit and Loss account	<u>214,000</u>	<u>908,000</u>	<u>150,000</u>	<u>820,000</u>
		<u>1,068,000</u>		<u>1,060,000</u>

The following information is also available:

- There were no disposals of buildings during the year but new buildings were acquired.
- 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 €40,000.

You are required to:

- Prepare the Cash Flow Statement of Doyle plc for the year ended 31/12/2013 including Reconciliation Statement(s). (51)
 - Explain the reasons why Doyle plc, who has an operating profit of €185,000, has generated a greater net cash inflow from operating activities.
 - List **three** accounting obligations of a large public company under the Companies Act. (9)
- (60 marks)**