

**Aufgabe QR-10.4: Kapitalflussrechnung als Überleitung aus der Gewinn- und Verlustrechnung** (Statement of cash flows as reconciliation from pretax profit)

PAPENBURG AG is a trading business and prepares financial statements along IFRSs. PAPENBURG AG displays the statement of financial position (balance sheet) as at 31.12.20X8 as below:

Papenburg AG's STATEMENT of FINANCIAL POSITION as at 31.12.20X8			
A			C,L
<b>Non-current assets</b>	[EUR]	<b>SH's capital</b>	[EUR]
P,P,E	100.000	Issued capital	40.000
Intang. assets		Other reserves	20.000
Financial assets		R/E	
<b>Current assets</b>		<b>Liabilities</b>	
Inventory		Int. bear. liab.	80.000
A/R	20.000	A/P	
Prepaid exp.		Provisions	
Cash	40.000	Def. income	
		Tax liabilities	20.000
	<u>160.000</u>		<u>160.000</u>

**Exhibit 1:** Statement of financial position

At the end of fiscal year 20X9 PAPENBURG AG's trial balance looks as below:

**Papenburg AG's  
TRIAL BALANCE as at 31.12.20X9**

Account	Total of DRs	Total of CRs
1 PPE	100.000,00	
2 Inventory	25.000,00	
3 Issued capital		40.000,00
4 Accounts receivables	10.000,00	
5 Depreciation	10.000,00	
6 Other reserves		20.000,00
7 Bank	67.000,00	
8 VAT		2.500,00
9 Interest bear. liabl.		80.000,00
10 Accounts payables		60.000,00
11 Acc. depreciation		10.000,00
12 Cost of sales, materials	25.000,00	
13 Interest	8.000,00	
14 Labour	30.000,00	
14 Sales revenue		62.500,00
<b>Total</b>	<b>275.000,00</b>	<b>275.000,00</b>

**Exhibit 2:** Trial balance as at 31.12.20X9

**Required:** Determine the statement of comprehensive income (income statement) and derive by reconsiliation the cash flow from operations.

**Lösung:** (Solution)

The total cash flow can be derived from the trial balance and the opening value for cash. It gives you  $67,000 - 40,000 = 27,000.00 \text{ EUR}$ .

The statement of comprehensive income requires to set up a profit and loss account:

P&L Account			
D			C
20X9	[EUR]	20X9	[EUR]
Materials	25.000,00	Sales	62.500,00
Labour	30.000,00		
Interest	8.000,00		
Depr.	10.000,00	Net loss	10.500,00
	<u>73.000,00</u>		<u>73.000,00</u>

**Exhibit 3:** Profit and loss account

The operating cash flow is to be derived as provided in exhibit 10.8 in the text book. Here adjustments for depreciation and interest are necessary.

**Papenburg AG's  
RECONCILIATION of EARNINGS  
before TAXATION with CFoA  
for year ended 31.12.20X9**

Profit for the period	(10.500,00)
add: depreciation	10.000,00
	(500,00)
Finance payments	8.000,00
	7.500,00
Changes in working capital	
(1) Changes in A/R	10.000,00
(2) Changes in inventory	(25.000,00)
(3) Changes in A/P	40.000,00
	32.500,00
Changes in VAT	
(1) VAT receivable	
(2) VAT payable	2.500,00
	<b>35.000,00</b>

**Exhibit 4:** Reconciliation of cash flows from operations

The changes in accounts payables contain payables to creditors and tax liabilities.

In case you want to compare the cash flow to the total cash flow derived from the cash account and the opening value recognised in the statement of financial position you have to consider a cash flow resulting from financing activities to be negative 8,000.00 EUR. Consequently the total cash flow is 35,000 – 8,000 = **27,000.00 EUR**.