

**Task IM-10.26: Preparing a Statement of Cash Flows, Reconciliation Method**

MÜHLENBACH Bhd. is a retailer in Malaysia. The company is established in 20X8. During the Accounting period 20X8, MÜHLENBACH Bhd records the Bookkeeping entries below in MYR (Malaysian Ringit):

- (1) Share issue 500,000.00 MYR nominal value, issue price 550,000.00 MYR.
- (2) Taking a bank loan on 3.02.20X8 at 400,000.00 MYR principal, annual rate of interest is amounting to 3 %/a.
- (3) Interest payment
- (4) Partial pay-off of the bank loan 50,000.00 MYR
- (5) Purchase of goods at 480.000,00 MYR net amount, you have to consider input VAT, the purchase is on credit.
- (6) Labour 200,000.00 MYR on cash
- (7) 5 rental payments to the extent of 100,000.00 MYR/quarter, the last thereof is a prepayment of the next Accounting period, all payments are made by bank transfer. No VAT applies for rent.
- (8) Revenue to the extent of 1,200,000.00 MYR, you have to consider output-VAT. 45% of proceeds is paid on cash the remainder in the next Accounting period.

At the end of the Accounting period MÜHLENBACH BHD takes inventory which reveals that 34% of goods are still on stock.

**Required: Calculate profit and derive the operating cash flow per reconciliation statement.**

MÜHLENBACH Bhd. ist ein malaysisches Handelsunternehmen. Das Unternehmen wird in 20X8 gegründet (1). Während der Abrechnungsperiode 20X8 hat MÜHLENBACHER (Pty) Ltd. die folgenden Buchungssätze in MYR (Malaysische Ringit) aufgezeichnet:

- (1) Ausgabe von Stammaktien 500,000.00 MYR Nennwert, Ausgabewert 550,000.00 MYR für die Gründung des Unternehmens
- (2) Aufnehmen eines Kredits am 3.02.20X8 zum Nennbetrag 400,000.00 MYR, Zinssatz 3 %/a
- (3) Zinszahlung
- (4) Teilweise Tilgung des Kredits i.H.v. 50,000.00 MYR.
- (5) Wareneinkauf i.H.v. 480.000,00 MYR Einkaufswert (netto), berücksichtigen Sie die Vorsteuer, der Wareneinkauf ist auf Kredit.
- (6) Löhne 200,000.00 MYR, cash bezahlt
- (7) Fünf Mietzahlungen i.H.v. 100,000.00 MYR/Quartal, davon ist die letzte eine Vorauszahlung für die nächste Periode, alle Zahlungen finden per Banküberweisung statt. Auf die Miete entfällt keine Umsatzsteuer.
- (8) Umsatz i.H.v. 1,200,000.00 MYR, Sie müssen Umsatzsteuer berücksichtigen. 45% des Umsatzes wird bar bezahlt, der Rest im nächsten Jahr.

Am Ende des Geschäftsjahres sind noch 34% der eingekauften Waren am Lager (per Inventur festgestellt).

Gefragt: Ermitteln Sie eine Gewinn- und Verlustrechnung und leiten Sie den operativen Cash Flow aus dem Gewinn nach Steuer ab. (Wenn Sie die Aufgabe über die direkte Methode lösen, können Sie maximal 20 Punkte erreichen.)

D		Cash/Bank	C	
(1)	550,000.00	(3)	11,000.00	
(2)	400,000.00	(4)	50,000.00	
(8)	648,000.00	(6)	200,000.00	
		(7)	500,000.00	
		c/d	837,000.00	
	<u>1,598,000.00</u>		<u>1,598,000.00</u>	
b/d	837,000.00			

D		Issued capital	C	
c/d	500,000.00	(1)	500,000.00	
		b/d	500,000.00	

D		Capital reserves	C	
c/d	50,000.00	(1)	50,000.00	
		b/d	50,000.00	

D		Interest bearing liabilities IBL	C	
(4)	50,000.00	(2)	400,000.00	
c/d	350,000.00			
	<u>400,000.00</u>		<u>400,000.00</u>	
		b/d	350,000.00	

D		Interest INT	C	
(3)	11,000.00	P&L	11,000.00	

D		Purchase	C	
(5)	480,000.00	P&L	480,000.00	

D		VAT	C	
(5)	96,000.00	(8)	240,000.00	
c/d	144,000.00			
	<u>240,000.00</u>		<u>240,000.00</u>	
		b/d	144,000.00	

D		Accounts payables A/P	C	
c/d	576,000.00	(5)	576,000.00	
		b/d	576,000.00	

D		Labour LAB	C	
(6)	200,000.00	P&L	200,000.00	

D		Rent RNT	C	
(7)	500,000.00	(7.2)	100,000.00	
		c/d	400,000.00	
	<u>500,000.00</u>		<u>500,000.00</u>	
b/d	400,000.00	P&L	400,000.00	

D		Prepaid expenses PRE	C
(7.2)	100,000.00	c/d	100,000.00
b/d	100,000.00		

D		Revenue REV	C
P&L	1,200,000.00	(8)	1,200,000.00

D		Accounts receivables A/R	C
(8)	792,000.00	c/d	792,000.00
b/d	792,000.00		

D		Profit and Loss P&L	C
RNT	400,000.00	REV	1,200,000.00
LAB	200,000.00	INV	163,200.00
PUR	480,000.00		
INT	11,000.00		
EBT	272,200.00		
	<u>1,363,200.00</u>		<u>1,363,200.00</u>
ITL	81,660.00	b/d	272,200.00
R/E	190,540.00		

D		Inventories	C
P&L	163,200.00	c/d	163,200.00
b/d	163,200.00		

D		Income tax liabilities ITL	C
c/d	81,660.00	P&L	81,660.00
		b/d	81,660.00

D		Retained earnings R/E	C
c/d	190,540.00	P&L	190,540.00
		b/d	190,540.00

## Exhibit: Accounts

**Mühlenbach Bhd.'s**  
**STATEMENT of PROFIT & LOSS**  
**and OTHER COMPREHENSIVE INCOME**  
**for the year ended 31.12.20X8**

	[EUR]
Revenue	1,200,000.00
Other income	
	1,200,000.00
Materials	(316,800.00)
Labour	(200,000.00)
Depreciation	
Other expenses	(400,000.00)
<b>Earnings before int. &amp; taxes (EBIT)</b>	<b>283,200.00</b>
Interest	(11,000.00)
<b>Earnings before taxes (EBT)</b>	<b>272,200.00</b>
Income tax expenses	(81,660.00)
Deferred taxes	
<b>Earnings after taxes (EAT)</b>	<b>190,540.00</b>

Exhibit: Income statement

**Mühlenbach Bhd's**  
**STATEMENT of FINANCIAL POSITION**  
**as at 31.12.20X8**

A			C, L
<i>Non-current assets</i>	[GBP]	<i>Equity</i>	[GBP]
P, P, E		Share capital	500,000.00
Intangibles		Reserves	50,000.00
Financial assets		Retained earnings	190,540.00
<i>Current assets</i>		<i>Liabilities</i>	
Inventory	163,200.00	Interest bear liab	350,000.00
Accounts receivables	792,000.00	Accounts payables	720,000.00
Prepaid expenses	100,000.00	Provisions	
Cash/Bank	837,000.00	Tax liabilities	81,660.00
<b>Total assets</b>	<b>1,892,200.00</b>	<b>Total equity and liab.</b>	<b>1,892,200.00</b>

Exhibit: Balance sheet

**Mühlenbach Bhd.'s**  
**STATEMENT of CASH FLOWS**  
**for the period ended 31.12.20X8**

	[MYR]	[MYR]
<i>Cash flow from operating activities</i>		
EAT	190,540.00	
add Interest paid	11,000.00	
	<u>201,540.00</u>	
<i>changes in working capital</i>		
changes in A/R	(792,000.00)	
Prepaid expenses	(100,000.00)	
changes in inventory	(163,200.00)	
changes in A/P	657,660.00	
changes in VAT/r only materials	(96,000.00)	
changes in VAT/p	<u>240,000.00</u>	
		(52,000.00)
<i>Cash flow from investing activities</i>		
Investments		
		<u>0.00</u>
<i>Cash flow from financing activities</i>		
Share issue	550,000.00	
Bank loan	400,000.00	
Pay-off	(50,000.00)	
Interest	<u>(11,000.00)</u>	
		889,000.00
<b>Total cash flow</b>		<u><u>837,000.00</u></u>

**Exhibit:** Statement of cash flows (reconciliation)