**Fund Flow Statement Examples**

**Example: 1**

**From the following balance sheets of Kites Ltd, Prepare Statement of Changes in Working Capital and Funds Flow Statement (All figures in Rs.)**

|  |  |  |
| --- | --- | --- |
| **Assets** | **2017** | **2018** |
| Land and Buildings | 200000 | 250000 |
| Plant and Machinery | 150000 | 180000 |
| Furniture and Fittings | 100000 | 70000 |
| Stock | 75000 | 60000 |
| Debtors | 90000 | 100000 |
| Cash | 30000 | 60000 |
| Short term investments | 20000 | 15000 |
|  | 665000 | 735000 |

|  |  |  |
| --- | --- | --- |
| **Capital and Liabilities** | 2017 | 2018 |
| Share Capital | 200000 | 300000 |
| Profit & Loss Account | 150000 | 180000 |
| Creditors | 15000 | 55000 |
| 8% Debentures | 300000 | 200000 |
|  | 665000 | 735000 |

Example: 2

Following are balance sheets of Sunshine Ltd for the years 2017 and 2018 (All figures in Rupees)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | 2017 | 2018 | Assets | 2017 | 2018 |
| Share Capital | 2400000 | 3000000 | Buildings | 1600000 | 1520000 |
| 14% Debentures | 1200000 | 800000 | Machinery | 1000000 | 1440000 |
| Profit & Loss A/C | 200000 | 300000 | Short term investments | 600000 | 900000 |
| General Reserve | 600000 | 700000 | Inventories | 800000 | 940000 |
| Creditors | 980000 | 1120000 | Debtors | 1340000 | 1060000 |
| Proposed Dividend | 240000 | 360000 | Cash at Bank | 440000 | 660000 |
| Provision for tax | 200000 | 260000 | Prepaid Expenses | 40000 | 20000 |
| Total | 5820000 | 6540000 | Total | 5820000 | 6540000 |

Additional Information:

1. Debentures were redeemed at a premium of 10%
2. Taxes paid during the year amounted to Rs.280000.
3. A Machine (W.D.V. Rs.160000) was sold for Rs.260000 and new machinery worth Rs.720000 was acquired during the year.

You are required to prepare statement of changes in working capital and statement of sources and application of funds.