

Question 3 (20%)

SVS Bhd's Income Statement for 2020 and the comparative Statements of Financial Position for 2019 and 2020 were as follows:

Income Statement For The Year Ended 31 December 2020

	RM	RM
Sales		849,000
Less: Cost Of Sales		
Opening Inventory	300,000	
Purchases	95,000	
	395,000	
Less: Closing Inventory	(250,000)	(145,000)
Gross Profit		704,000
Interest Income		1,000
		705,000
Less: Wages And Salaries	37,000	
Other Operating Expenses	2,000	
Depreciation	129,000	
Loss On Disposal Of Motor Vehicles	3,000	
Interest Expenses	55,000	(226,000)
Profit before taxation		479,000
Taxation		(60,000)
Profit for the year		419,000

Statement of Financial Position As At 31 December

	2019		2020	
	RM	RM	RM	RM
Non-current Assets				
Plant And Machinery	1,850,000		2,044,000	
Less: Accumulated Depreciation	(750,000)	1,100,000	(769,000)	1,275,000
Motor Vehicles	1,400,000		1,800,000	
Less: Accumulated Depreciation	(600,000)	800,000	(640,000)	1,160,000
		1,900,000		2,435,000
Current Assets				
Inventory	300,000		250,000	
Trade Receivables	150,000		125,000	
Bank	50,000	500,000	60,500	435,500
Total Assets		2,400,000		2,870,500
Non-current Liabilities				
10% Loan Notes	600,000		550,000	
Current Liabilities				
Trade Payables	175,000		227,500	
Accrued Wages And Salaries	25,000		12,500	
Tax Payable	62,000		53,000	
	262,000		293,000	
Total Liabilities		(862,000)		(843,000)
Net Assets		1,538,000		2,027,500
Equity				
Ordinary Share Capital		1,000,000		1,200,000
Share Premium		100,000		266,000
Retained Profits		438,000		561,500
Total Equity		1,538,000		2,027,500

Additional information:

- (i) Goods are purchased and sold on credit.
- (ii) There was no disposal of plant and machinery during the year.
- (iii) Motor vehicles cost RM 440,000 with an accumulated depreciation of RM 70,000 were sold at a loss of RM 3,000.

You are required to prepare Statement Of Cash Flows for the year ended 31 December 2020 in accordance with the requirement of IAS 7, using indirect method.