

93203R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Scholarship 2008 Accounting

2.00 pm Monday 24 November 2008

RESOURCE BOOKLET

Refer to this booklet to answer Question Two for Scholarship Accounting 93203.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE ONE

The following information has been extracted from the Six Year Trend Statement and Income Statement in the 2007 annual report of *Fletcher Building Limited*.

	June 2007	June 2006	June 2005	June 2004	June 2003	June 2002
Note			4	3	2	1
	NZ\$M	NZ\$M	NZ\$M	NZ\$M	NZ\$M	NZ\$M
Financial performance						
Operating sales / revenue	5 926	5 520	4 636	3 958	3 221	2 966
Operating earnings (EBIT)	703	675	612	460	331	210
Interest expense	87	88	77	75	59	51
Net earnings	484	379	347	240	168	93
Cashflow from operations	483	560	479	424	276	187
Earnings per share – basic (cents per share)	101.9	81.3	77.6	55.7	43.4	27.0
Dividends for the period (cents per share)	45.0	40.0	32.0	25.0	19.0	14.0
Balance sheet						
Current assets	2 074	1 699	1 484	1 171	1 021	794
Non-current assets	2 359	2 400	2 173	1 611	1 427	842
<i>Total assets</i>	4 433	4 099	3 657	2 782	2 448	1 636
Current liabilities	1 187	1 207	1 239	818	776	669
Non-current liabilities	950	1 092	991	918	812	376
<i>Total liabilities</i>	2 137	2 299	2 230	1 736	1 588	1 045
Total equity	2 296	1 800	1 427	1 046	860	591
<i>Total liabilities and equity</i>	4 433	4 099	3 657	2 782	2 448	1 636
Other financial data						
Return on average funds (%) ⁵	24.8	26.1	29.3	24.7	24.4	23.1
Return on average equity (%) ⁶	26.0	24.6	29.5	24.3	23.0	16.9
Net debt / net debt plus equity (%)	22.2	37.1	44.4	43.1	49.9	40.2
Net tangible assets per share (\$)	3.25	2.47	2.11	1.68	1.54	1.60
Market capitalisation (NZ\$M)	6 166	4 296	3 207	1 987	1 490	953
<i>Total shareholders return (%)</i>	42	40	61	33	43	24

¹ The results of the Distribution division in the 2002 year were included on an equity accounted basis for 15 months on a consolidated basis.

² Laminex Group was acquired on 13 November 2002.

³ The Tasman Building Products group was acquired on 30 September 2003. The balance sheet at June 2004 has been restated under NZ IFRS.

⁴ The Amatek Holdings group was acquired on 1 March 2005. The results for June 2005 have been restated under NZ IFRS.

⁵ EBIT / Average funds (net debt + equity + capital notes – deferred tax asset).

⁶ Net earnings / average shareholders' funds.

RESOURCE TWO

The following Consolidated Statement of Cash Flows has been extracted from the 2007 annual report of *Fletcher Building Limited*.

	Year Ended June 2007 NZ\$M	Year Ended June 2006 NZ\$M
Cashflow from operating activities		
Receipts from customers	5 862	5 498
Dividends received	12	28
Interest received	3	3
Total received	5 877	5 529
Payments to suppliers, employees and other	5 200	4 771
Interest paid	91	88
Income tax paid	103	110
Total applied	5 394	4 969
<i>Net cash from operating activities</i>	483	560
Cashflow from investing activities		
Sale of fixed assets	32	6
Insurance proceeds from loss of plant	63	
Total received	95	6
Purchase of fixed assets	249	226
Purchase of investments	3	12
Purchase of subsidiaries	97	28
(Cash) / net debt in subsidiaries acquired	(3)	
Total applied	346	266
<i>Net cash from investing activities</i>	(251)	(260)
Cashflow from financing activities		
Net debt drawdowns / (settlements)	(21)	(201)
Issue of shares	321	
Advances from subsidiaries		
Issue of capital notes		64
Total received	300	(137)
Repurchase of capital notes	50	14
Distribution to minority shareholders	26	26
Dividends	169	128
Total applied	245	168
<i>Net cash from financing activities</i>	55	(305)
Net movement in cash held	287	(5)
Add opening cash and liquid deposits	49	52
Effect of exchange rate changes on net cash	(4)	2
<i>Closing cash and liquid deposits</i>	332	49

RESOURCE THREE

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