

Chapter 4

E4.9 Rocket

Rocket plc

Cash flow statement for the year ended 31 December 2001

Reconciliation of operating profit to net cash flow from operating activities

	£000
Operating profit	237
Depreciation	102
Decrease in stocks [45 – 53]	8
Increase in debtors [172 – 160 + 17 – 21]	(8)
Decrease in creditors [39 – 51 + 24 – 20]	<u>(8)</u>
Net cash inflow from operating activities	<u>331</u>

Working

	£000
Fixed assets 31 December 2000	826
Fixed assets additions during 2001	<u>87</u>
	913
Fixed assets 31 December 2001	<u>811</u>
Depreciation charge 2001	<u>102</u>

E4.10 Rocket

Rocket plc

Cash flow statement for the year ended 31 December 2001

Cash flow statement

	£000
Net cash inflow from operating activities	331
Returns on investments and servicing of finance (note 1)	(16)
Taxation *	(30)
Capital expenditure (note 1)	<u>(87)</u>
	198
Equity dividends paid *	<u>(65)</u>
	133
Management of liquid resources (note 1)	-
Financing (note 1)	<u>(130)</u>
Increase in cash	<u>3</u>

* Paying what was owing per the balance sheet as at 31 December 2000

Reconciliation of net cash flow to movement in net debt/funds (note 2)

	£000
Increase in cash for the period	3
Cash outflow from reduction in long-term debt	<u>130</u>
Change in net debt	133
Net debt at 1 January 2001 [325 + 10 – 3]	<u>(332)</u>
Net debt at 31 December 2001 [195 + 11 – 7]	<u>(199)</u>

Note 1 to the cash flow statement – gross cash flows

	£000	£000
Returns on investments and servicing of finance		
Interest received	18	
Interest paid	<u>(34)</u>	<u>(16)</u>
Capital expenditure		
Payments to acquire tangible fixed assets		<u>(87)</u>
Financing		
Debenture loan reduction		<u>(130)</u>

Note 2 to the cash flow statement - analysis of change in net debt/funds

	At 1 January	Cash	At 31 December
	2001	flows	2001
	£000	£000	£000
Cash in hand and at bank	3	4	7
Overdraft	(10)	(1)	(11)
Debenture	<u>(325)</u>	<u>130</u>	<u>(195)</u>
Total (debt)/funds	<u>(332)</u>	<u>133</u>	<u>(199)</u>