

MODULE 03: FINANCIAL ANALYSIS

Lecture Title 03: FINANCIAL STATEMENTS



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**Undergraduate Diploma in
Business Administration**

What we covered in Lecture 02

- Group work from Lecture 1
- The Basics of Double Entry
- Accounting Terms



The Basics of Double Entry

- In the double-entry system, transactions are recorded in terms of debits and credits
- Since a debit in one account offsets a credit in another, the sum of all debits must **equal** the sum of all credits
- The double-entry system of book-keeping **standardizes** the accounting process and **improves** the accuracy of prepared financial statements, allowing for improved detection of errors
- The list of all debits and all credits, as per each individual account in the Nominal Ledger is called a **TRIAL BALANCE**



Accounting Terms

- Fixed Assets
- Investments
- Current Assets
- Long-Term Liabilities
- Current Liabilities
- Capital / Equity
- Retained Earnings

Today's Agenda



Accounting Terms
& Trial Balance



Income Statement



Balance Sheet



Cashflow Statement

Accounting Terms

- **Capital**, which is defined as being all those items, and not only money, which are introduced into an organization by the owner(s) of the business.
- Nominal amount per share. It is important to make a distinction between authorised share capital (maximum amount that can be issued) and issued or outstanding share (actual amount issued)
- Another distinction to be made is between ordinary (or common) and preferred shares
- Sometimes a company can have more than 1 class of ordinary shares, such as voting and non-voting shares



Accounting Terms

- **Share Premium**, sometimes shares are not issued at their nominal amount but at a higher amount. In that case, we say that shares were issued at a premium.
- E.g. nominal value per share is €1 but investors paid €2/share. In that case the additional €1 paid will be recorded in the Balance Sheet under share premium account.
- Need to record this because the company has received an additional €1 per share
- Sometimes this is also referred to as capital in excess or surplus capital



Accounting Terms

Retained Earnings

- Reserves, these are defined as the amount of profits that the shareholders decide to leave in the company so that the company can have more money to operate with.
- This item refers to past profits which the company has earned throughout its life. If retained earnings is positive then company has made profits. If retained earnings is negative then company has made losses



Accounting Terms

Retained Earnings

- The net income which is not distributed in the form of dividends each year is added to retained earnings or deducted from retained earnings if it is a loss
- This amount of money will give us an idea about how much money is available to reinvest in business, to purchase fixed asset, ensure adequate working capital to run business, etc.
- For example, if retained earnings are negative, maybe it is a wise decision to delay purchase of shares as business has not figured out how to make profits



Accounting Terms



- Accounting is composed of the following different groups or items:
- **Revenues**, which refer to all those earnings that the business earns during a financial year.
- Revenues are accounted for when they are earned, and not when the actual money is received.
- Examples are Sales, Rent Receivable and Interest Receivable.

Accounting Terms

- **Cost of Sales**, COGS is the cost of creating the products that a company sells; therefore, the only costs included in the measure are those that are directly tied to the production of the products.
- In normal trading companies this is calculated as Opening Stock and Purchases less closing stock.
- **Expenses**, which refer to all those payments made by the business in its' daily operations.
- Similar to revenues, expenses are accounted for when they are incurred, and not when the actual money is paid.
- Examples are Wages & Salaries, Rent, Water & Electricity, Stationery, Motor Vehicles Expenses and Depreciation.



The Accounting Equation

The Accounting Equation



The Accounting Equation is the following:

$$\text{ASSETS} = \text{CAPITAL} + \text{LIABILITIES}$$

&

$$\text{Net Current Assets} = \text{Current Assets} - \text{Current Liabilities}$$

- Net Current assets or Working Capital is the amount that indicates how much capital is being generated or used up by day-to-day activities. If net current assets are negative, the company may have difficulty financing its day-to-day operations.



Trial Balance



The Trial Balance

- Is a **report** that is run at the end of an accounting period, listing the ending balance in each account
- It represents all **general ledger accounts** of a business
- The name comes from the need of a trial to prove that the debit balance is **equal** to the credit balance
- The Trial Balance is made up of two columns - one for the debit account balances and the other for the credit account balances the totals of which must agree.
- If these totals do not agree, then there are some errors in the accounts



Trial Balance

Trial balance for George's Catering on the 31 st of May 2010			
	FOLIO	DEBIT \$	CREDIT \$
Baking equipment	100	12,000	
Debtors	101	0	
Bank	102	14,800	
Capital	300		15,000
Drawings	301	500	
Loan	200		1,000
Creditors	201		0
Services rendered	400		15,500
Salaries	500	4,000	
Telephone expense	501	200	
		<u>31,500</u>	<u>31,500</u>

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Balance Sheet - worked

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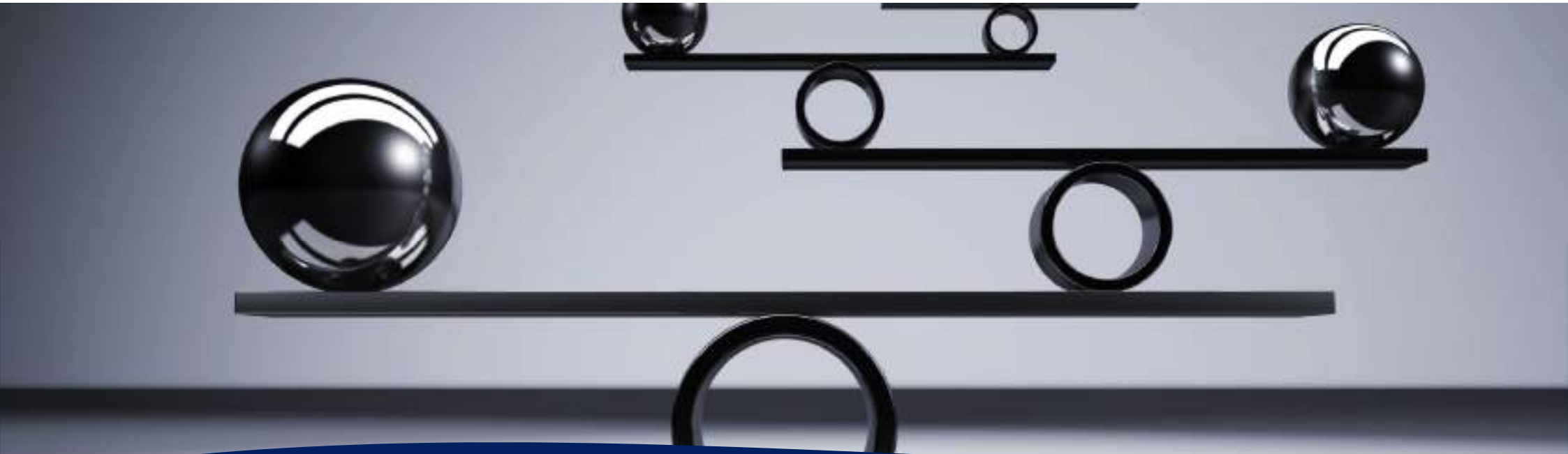
GEORGE'S CATERING		
BALANCE SHEET		
AS AT 31 MAY 2010		
	€	€
FIXED ASSETS		
Baking Equipment		<u>12,000</u>
TOTAL FIXED ASSETS		<u>12,000</u>
CURRENT ASSETS		
Debtors	-	
Bank	<u>14,800</u>	
TOTAL CURRENT ASSETS		<u>14,800</u>
TOTAL ASSETS		<u>26,800</u>
REPRESENTED BY:		
CAPITAL		
Capital	15,000	
Less Drawings	- 500	
Add Profits	<u>11,300</u>	
TOTAL CAPITAL		<u>25,800</u>
CURRENT LIABILITIES		
Loan	1,000	
Creditors	-	
		<u>1,000</u>
TOTAL CURRENT LIABILITIES		<u>1,000</u>
TOTAL CAPITAL & LIABILITIES		<u>26,800</u>



Income Statement

GEORGE'S CATERING		
INCOME STATEMENT		
FOR THE PERIOD ENDED 31 MAY 2010		
		€
<u>REVENUE</u>		
Services Rendered		15,500
TOTAL REVENUE		15,500
<u>EXPENSES</u>		
Salaries	4,000	
Telephone Expense	200	
TOTAL EXPENSES		4,200
<u>NET PROFIT</u>		11,300





The Trial Balance

Post-closing trial balance:

- It is done after the period is closed
- Groups all the Nominal Ledger Accounts
- It is usually asked for by the auditors when they begin an audit



The Trial Balance

Common errors that might occur:

- Entries made twice
- Entries not made at all
- Entries to the wrong account
- Reversed entries
- Transposed numbers
- Unbalanced entries

Financial Statements



International Accounting Standards

- A complete set of financial statements comprises:
 - a statement of financial position,
 - a statement of profit or loss and other comprehensive income,
 - a statement of changes in equity;
 - a statement of cash flows.



International Accounting Standards

IAS 1 Presentation of Financial Statements

- Was reissued in September 2007 and applies to annual periods beginning on or after 1 January 2009
- It prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods as well as with the financial statements of other entities.
- Sets out the overall requirements for the presentation of financial statements, guidelines for their structure, minimum requirements for their content and certain overriding concepts such as the going concern, the accrual basis of accounting and the current/non-current distinction



International Accounting Standards

IAS 7 Statement of Cash Flows

- requires an entity to present a statement of cash flows using either the 'direct' or the 'indirect' method
- to provide information on the historical changes in cash and cash equivalents
- by classifying cash flows into operating activities, investing activities or financing activities



Financial Accounts

- The financial accounts are
- Legally required
- Focused on history (reports on the prior period)
- Are reported in a specific format
- Their rules are prescribed by standards
- Are defined to be reported annually, semi-annually, quarterly or even monthly
- Are mostly of monetary nature



Statutory financial statements

- Income Statement
- Statement of Financial Position
- Cashflow Statement
- Audited Financial Statements
- Tax Returns
- VAT Returns



Income statement ... or profit & loss a/c ?

- Provides information on the results of the business activity for the particular period
- **Revenue**: Turnover; Sales of Goods; Provision of Services; Other Income
- **Cost of Sales**: Opening/Closing Stock; Purchases; Manufacturing Costs
- **GROSS PROFIT**
- **Expenses**: Marketing; Administration; Financial
- **Depreciation**
- **NET PROFIT** before TAX



The Income Statement

- The Income Statement is also called Profit and loss account
- A business determines whether it would have made a profit or loss for a particular period of time, normally one year
- Has a pre-set format
- May have comparative figures for previous period



The Income Statement

<i>Income Statement for the year ended 31st December 2015</i>		
	€	€
Sales		6,700
<i>Less Cost of Sales:</i>		
Opening Stock	300	
Add Purchases	4,260	
	4,560	
Less Closing Stock	-550	-4,010
<i>Gross Profit</i>		2,690
<i>Less Expenses:</i>		
Wages	520	
Water & Electricity	190	
Rent	240	
General Expenses	70	
Carriage Outwards	110	-1,130
<i>Net Profit</i>		1,560

Income Statement

INCOME STATEMENTS

Year ended 31 January					
Group			Company		
		2022	2021	2022	2021
	Notes	€'000	€'000	€'000	€'000
Revenue	4	91,768	73,016	49,321	41,391
Cost of sales	23	(57,359)	(47,004)	(26,591)	(23,028)
Gross profit		34,409	26,012	22,730	18,363
Selling and distribution costs	23	(10,655)	(8,912)	(7,497)	(6,689)
Administrative expenses	23	(10,308)	(11,427)	(5,740)	(6,910)
Operating profit		13,446	5,673	9,493	4,764
Finance income	26	-	-	35	25
Finance costs	27	(1,282)	(1,246)	(957)	(975)
Profit before tax		12,164	4,427	8,571	3,814
Tax income/(expense)	28	264	(1,094)	1,500	(934)
Profit for the year		12,428	3,333	10,071	2,880
Basic and diluted earnings per share for the year attributable to shareholders	30	€0.4143	€0.1111		

Statement of Comprehensive Income

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 January					
Group			Company		
	2022	2021	2022	2021	
Note	€'000	€'000	€'000	€'000	
Profit for the year	12,428	3,333	10,071	2,880	
Other comprehensive income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cash flow hedges net of deferred tax	16	106	98	106	98
Other comprehensive income for the year	106	98	106	98	
Total comprehensive income for the year attributable to equity shareholders	12,534	3,431	10,177	2,978	

The notes on pages 65 to 95 are an integral part of these consolidated financial statements.

Balance sheet... or statement of financial position !

- Provides a SNAP SHOT of the status and position of the Business Organisation at a PARTICULAR moment in time, e.g. 31 December 2021
- 3 main sections:
 - ASSETS
 - LIABILITIES
 - EQUITY / RETAINED EARNINGS



WHAT ARE ASSETS ?

What the business possesses

- Fixed Assets
 - Tangible / Intangible
- Current Assets
 - Stock
 - Receivables (or Debtors)
 - Cash in Hand
 - Bank holdings



...and liabilities ?

- What the business owes
- LONG-TERM LIABILITIES
- Bank Loans (due over 1 year)
- CURRENT LIABILITIES
- Payables (or Creditors)
- Accruals
- Bank Overdrafts
- Statutory Dues (Tax/VAT/FSS)



Assets minus liabilities = equity

Value of what the business possesses

LESS

Value of what the business owes to others

RESULTS IN

Net Value of Business

EQUITY (SHARE CAPITAL)

Retained Earnings (past profits)



Samples of Financial Statements

G2G P.L.C
Financial Statements for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	2021 €	2020 €
ASSETS			
Non-current assets			
Investment in Gold	8	4,130,882	3,960,766
Deferred Tax		78,660	-
Total current assets		4,209,542	3,960,766
Current assets			
Financial assets at fair value through profit or loss	7	148,827	315,199
Prepayments and deferred income		6,679	11,679
Cash at bank and in hand	9	2,145	6,791
Accrued income		87,500	-
Total current assets		245,151	333,669
Total assets		4,454,693	4,294,435
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	46,588	46,588
Accumulated losses		68,775	(87,563)
Total equity		115,363	(40,975)
LIABILITIES			
Current liability			
Other payables	11	98,348	269,078
Total current liabilities		98,348	269,078
Non-current liabilities			
Borrowings	13	3,000,000	3,000,000
Derivative financial liabilities	14	1,240,982	1,066,332
Total non-current liabilities		4,240,982	4,066,332
Total liabilities		4,339,330	4,335,410
Total equity and liabilities		4,454,693	4,294,435

The accompanying notes are an integral part of these financial statements. The financial statements on pages 4 to 20 were authorised and signed by the board of directors on 14 September 2022.

Antonio Rossi
Director

Ettore Spinoccia
Director

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G2G P.L.C

Financial Statements for the year ended 31 December 2021

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as at 31 December 2021

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EQUITY AND LIABILITIES

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Director

Ettore Spinocchia
Director

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Samples of Financial Statements

G2G P.L.C
Financial Statements for the year ended 31 December 2021

Profit or loss and other comprehensive income
for the year ended 31 December 2021

	Notes	2021 €	2020 €
Interest Income	4	258,908	171,409
Administrative expenses	6	(42,725)	(31,629)
Operating profit		216,183	139,780
Net fair value movements on investment in gold	8	170,116	467,755
Net fair value movements on financial instruments at fair value through profit or loss	7/ 12	(173,622)	(474,725)
Finance costs		(135,000)	(135,000)
Profit for the year		77,677	(2,190)
Income tax credit/ (expense)		78,660	-
Total comprehensive profit for the year		156,337	(2,190)

The accompanying notes are an integral part of these financial statements.

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G2G P.L.C

Financial Statements for the year ended 31 December 2021

Profit or loss and other comprehensive income
for the year ended 31 December 2021

	Notes	2021 €	2020 €
Interest Income	4	258,908	171,409
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Income tax credit/ (expense)		78,660	-
Total comprehensive profit for the year		156,337	(2,190)



Statement of Financial Position

STATEMENTS OF FINANCIAL POSITION

ASSETS

		As at 31 January			
		Group		Company	
		2022	2021	2022	2021
	Notes	€'000	€'000	€'000	€'000
Non-current assets					
Property, plant and equipment	5	126,938	121,944	118,448	115,863
Right-of-use assets	6	8,254	5,526	185	187
Intangible assets	7	2,352	804	1,729	-
Investments in subsidiaries	8	-	-	9,702	9,202
Deferred tax assets	20	7,486	7,565	8,398	8,455
Trade and other receivables	10	596	865	696	865
Total non-current assets		145,727	136,504	139,158	132,572
Current assets					
Inventories	9	16,541	13,752	8,851	8,263
Trade and other receivables	10	23,138	19,630	22,282	24,827
Current tax assets	5	-	-	-	-
Cash and cash equivalents	11	15,720	17,188	5,057	2,664
Total current assets		55,206	50,570	35,690	35,754
Total assets		200,932	187,074	172,848	168,326

Statement of Financial Position

EQUITY AND LIABILITIES

	Notes	As at 31 January			
		Group		Company	
		2022	2021	2022	2021
		€'000	€'000	€'000	€'000
Capital and reserves attributable to owners of the Company					
Share capital	12	9,000	9,000	9,000	9,000
Revaluation and other reserves	14, 15	49,409	49,409	46,137	46,137
Hedging reserve	16	(100)	(206)	(100)	(206)
Retained earnings		70,879	61,451	66,564	59,493
Total equity		129,188	119,654	121,601	114,424
Non-current liabilities					
Trade and other payables	22	2,648	2,802	2,648	2,802
Lease liabilities	19	6,811	4,394	191	349
Derivative financial instruments	17	45	156	45	156
Borrowings	18	24,081	33,328	24,081	33,328
Provisions for other liabilities and charges	21	2	25	2	25
Total non-current liabilities		33,587	40,705	26,967	36,660
Current liabilities					
Trade and other payables	22	32,905	21,940	32,462	14,517
Lease liabilities	19	1,479	1,253	349	342
Current tax liabilities		1,793	904	-	-
Derivative financial instruments	17	110	161	110	161
Borrowings	18	1,903	2,411	1,550	2,411
Provisions for other liabilities and charges	21	9	11	9	11
Total current liabilities		36,197	26,680	34,280	17,242
Total liabilities		71,744	67,385	61,247	53,902
Total equity and liabilities		200,932	187,039	172,848	168,326

[No Title]

Statement of Changes in Equity

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Notes	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total equity €'000
Balance at 1 February 2020		9,000	(300)	19,609	58,788	76,529
Comprehensive income						
Profit for the year		-	-	-	3,333	3,333
Other comprehensive income						
Cash flow hedges net of deferred tax	10	-	98	-	-	98
Total other comprehensive income		-	98	-	-	98
Total comprehensive income		-	98	-	3,333	3,431
Balance at 31 January 2021		9,000	(206)	19,609	61,453	99,654
Balance at 1 February 2021		9,000	(206)	19,409	61,453	99,654
Comprehensive income						
Profit for the year		-	-	-	12,428	12,428
Other comprehensive income						
Cash flow hedges net of deferred tax	10	-	106	-	-	106
Total other comprehensive income		-	106	-	-	106
Total comprehensive income		-	106	-	12,428	12,534
Transactions with owners						
Dividends paid	13	-	-	-	(3,000)	(3,000)
Total transactions with owners		-	-	-	(3,000)	(3,000)
Balance at 31 January 2022		9,000	(100)	19,409	70,879	109,188

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Profitability

Profitability



Financial Items:

Sales, Purchases, Expenses Paid, Incomes Received.



Non-Financial Items:

Depreciation, Revaluations, Accruals, Prepayments, Provisions.



Both have a direct affect on the business profitability. Why?

Importance of Profitability



Profitability represents the main measure of success within an organisation

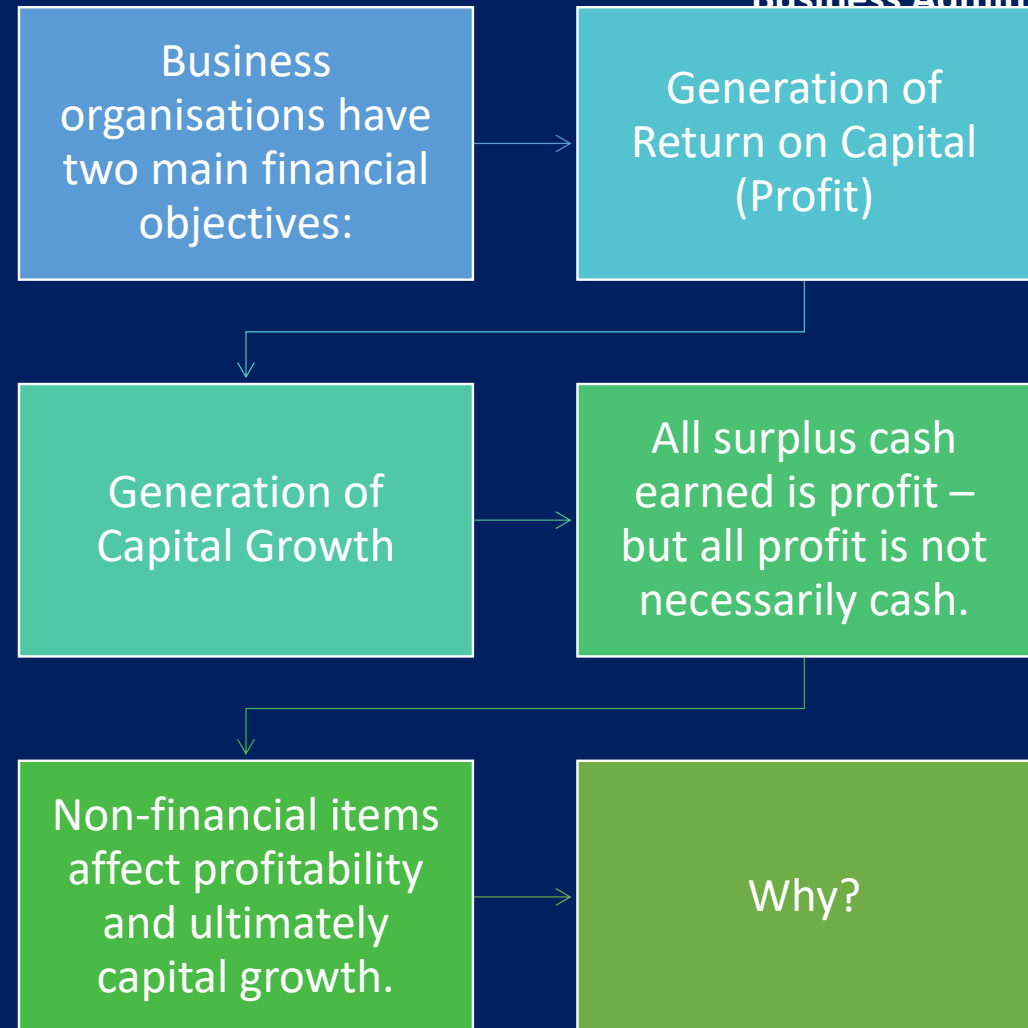


Hence owners or shareholders will decide whether the business is sufficiently profitable for them to retain their investment



This decision is based upon the owners' cost of capital

Cash vs Profit



Cashflow Statement

Cash
comprises cash
(notes and coins) in
hand;
and deposits in
banks or similar
institutions that are
available on
demand.

Cash equivalents –
short term
highly liquid
investments that are
readily convertible to
known amounts of
cash and which are
subject to an
insignificant risk of
changes in value.

Class Work

Let's do some class work

- Trial Balance
- Classify the Nominal Ledger Accounts
- Identify where these sit in the Income Statement or Balance Sheet
- Total the Statements

- Did we post a profit ?



NAXXAR RETAIL COMPANY LIMITED

TRIAL BALANCE

AS AT 31 DECEMBER 2022

	DR	CR
	€	€
Accounting Fees	2,800	
Accruals		2,306
Bank Balances	1,134	
Bank Charges	921	
Bank Loans (over 12 months repayments)		26,000
Buildings	58,000	
Closing Stock		19,445
Creditors		3,250
Debtors	11,810	
Insurance	305	
Investments in Shares of Other Companies	15,000	
Legal Fees	5,500	
Motor Expenses	1,960	
Motor Vans	3,500	
Opening Stock	24,330	
Prepayments	1,200	
Purchases - Foreign	14,420	
Purchases - Local	16,550	
Rent	1,560	
Retained Earnings		35,521
Salaries and Wages	4,850	
Sales - Clothing & Accessories		55,400
Sales - Shoes		26,645
Share Capital		20,000
Shop Fixtures	3,960	
Stock at End of Year	19,445	
Sundry Expenses	806	
Water & Electricity expenses	516	
	188,567	188,567

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	DR	CR	CLASSIFY	
	€	€	Income Statement	Balance Sheet
Accounting Fees	2,800			
Accruals		2,306		
Bank Balances	1,134			
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Bank Loans (over 12 months repayments)		26,000		
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Closing Stock		19,445		
Creditors		3,250		
Debtors	11,810			
Insurance	305			
Investments in Shares of Other Companies	15,000			
Legal Fees	5,500			
Motor Expenses	1,960			
Motor Vans	3,500			
Opening Stock	24,330			
Prepayments	1,200			
Purchases - Foreign	14,420			
Purchases - Local	16,550			
Rent	1,560			
Retained Earnings		35,521		
Salaries and Wages	4,850			
Sales - Clothing & Accessories		55,400		
Sales - Shoes		26,645		
Share Capital		20,000		
Shop Fixtures	3,960			
Stock at End of Year	19,445			
Sundry Expenses	806			
Water & Electricity expenses	516			
	188,567	188,567		

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NAXXAR RETAIL COMPANY LIMITED		
INCOME STATEMENT		
FOR THE YEAR ENDED 31 DECEMBER 2022		
		€
<u>REVENUE</u>		
TOTAL REVENUE		
<u>COST OF SALES</u>		
<u>COST OF GOODS SOLD</u>		
<u>GROSS PROFIT</u>		
<u>EXPENSES</u>		
<u>TOTAL EXPENSES</u>		
<u>NET PROFIT / (LOSS)</u>		

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NAXXAR RETAIL COMPANY LIMITED		
BALANCE SHEET		
AS AT 31 DECEMBER 2022		
		€
<u>FIXED ASSETS</u>		
<u>TOTAL FIXED ASSETS</u>		
<u>INVESTMENTS</u>		
<u>CURRENT ASSETS</u>		
<u>TOTAL CURRENT ASSETS</u>		
<u>TOTAL ASSETS</u>		
REPRESENTED BY:		
<u>EQUITY</u>		
<u>TOTAL EQUITY</u>		
<u>LONG-TERM LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
<u>TOTAL CURRENT LIABILITIES</u>		
<u>TOTAL EQUITY & LIABILITIES</u>		

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NAXXAR RETAIL COMPANY LIMITED		
INCOME STATEMENT		
FOR THE YEAR ENDED 31 DECEMBER 2022		
		€
REVENUE		
Sales - Clothing & Accessories		55,400
Sales - Shoes		26,645
TOTAL REVENUE		82,045
<u>COST OF SALES</u>		
Opening Stock		24,331
Purchases - Foreign		14,420
Purchases - Local		16,551
Closing Stock		- 19,445
<u>COST OF GOODS SOLD</u>		35,857
<u>GROSS PROFIT</u>		46,188
<u>EXPENSES</u>		
Accounting Fees		2,800
Bank Charges		921
Insurance		305
Legal Fees		5,500
Motor Expenses		1,960
Rent		1,560
Salaries and Wages		4,850
Sundry Expenses		806
Water & Electricity expenses		516
<u>TOTAL EXPENSES</u>		19,218
<u>NET PROFIT / (LOSS)</u>		26,970

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WORKED EXAMPLE



NAXXAR RETAIL COMPANY LIMITED		
BALANCE SHEET		
AS AT 31 DECEMBER 2022		
		€
<u>FIXED ASSETS</u>		
Buildings		58,000
Shop Fixtures		3,960
Motor Vans		3,500
<u>TOTAL FIXED ASSETS</u>		65,460
<u>INVESTMENTS</u>		
Investments in Shares of Other Companies		15,000
<u>CURRENT ASSETS</u>		
Stock at End of Year		19,445
Debtors		11,810
Prepayments		1,200
Bank Balances		1,134
<u>TOTAL CURRENT ASSETS</u>		33,589
<u>TOTAL ASSETS</u>		114,049
REPRESENTED BY:		
<u>EQUITY</u>		
Share Capital		20,000
Retained Earnings		35,521
Profit for the Year		26,972
<u>TOTAL EQUITY</u>		82,493
<u>LONG-TERM LIABILITIES</u>		
Bank Loans (over 12 months repayments)		26,000
<u>CURRENT LIABILITIES</u>		
Creditors		3,250
Accruals		2,306
<u>TOTAL CURRENT LIABILITIES</u>		5,556
<u>TOTAL EQUITY & LIABILITIES</u>		114,049

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**WORKED
EXAMPLE**



Classification of Cash

- The statement of cash flows presents three classifications of cash flows:
 - Operating activities
 - Investing activities
 - Financing activities



Cash from Operating Activities

- Net inflow or outflow from trading operations, after tax and cash paid to meeting financing costs.
- Equal to the sum of cash receipts from trade receivables, and cash receipts from cash sales where relevant, less sums paid to buy inventories, rent, wages etc.



Cash from Investing Activities

Includes:

- Cash payments made to acquire additional non-current assets.
- Cash receipts from disposal of non-current assets.
- Cash receipts from financial investments made outside the business (e.g. interest on loans).



Cash from Financing Activities

Includes:

- Long-term financing of the business
- e.g. borrowings and finance from share issues
- Repayment or redemption of finance as well as raising finance.



Cash Flow Statement Format

Cash flows from **OPERATING** activities

PLUS or **MINUS**

Cash flows from **INVESTING** activities

PLUS or **MINUS**

Cash flows from **FINANCING** activities

EQUALS

NET increase (or decrease) in **cash equivalents** over the period



Statement of Cash Flows

STATEMENTS OF CASH FLOWS

		Year ended 31 January			
		Group		Company	
		2022	2021	2022	2021
	Notes	€'000	€'000	€'000	€'000
Cash flows from operating activities					
Cash generated from operations	31	27,534	26,606	26,603	(1,738)
Interest received		-	-	35	3
Interest paid on lease liabilities		(264)	(220)	(18)	(7)
Interest paid on borrowings		(1,015)	(1,023)	(948)	(944)
Income tax paid		(399)	(59)	-	-
Net cash generated from operating activities		25,866	25,344	25,699	9,790
Cash flows from investing activities					
Purchase of property, plant and equipment		(12,476)	(13,188)	(9,026)	(10,038)
Proceeds from disposal of property, plant and equipment		79	50	81	(20)
Additions to investments in subsidiaries		-	-	(509)	-
Institutional investment grants received		-	2,500	-	2,500
Additions to intangibles		(157)	(73)	(509)	-
Net cash used in investing activities		(12,554)	(10,711)	(19,963)	(7,558)
Cash flows from financing activities					
Proceeds from borrowings		-	2,760	-	2,760
Payments of current and non-current borrowings		(10,285)	(12,977)	(10,280)	(12,977)
Principal payments of lease liabilities		(1,329)	(1,579)	(759)	(144)
Dividends paid		(3,000)	-	(3,000)	-
Net cash used in financing activities		(14,614)	(11,796)	(14,039)	(10,361)
Net movement in cash and cash equivalents		(1,302)	9,352	195	2,961
Cash and cash equivalents at beginning of year		17,148	7,796	2,544	(2,271)
Cash and cash equivalents at end of year	11	15,846	17,148	2,739	7,668

The notes on pages 65 to 95 are an integral part of these consolidated financial statements.



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