**APPLICATION EXERCISE 13 – SUGGESTED SOLUTION**

**Prepare the Cash Flow Statement for Steph’s Shoes for the month ending 30 June 2025.**

**Steph’s Shoes**

**Cash Flow Statement for the month ending 30 June 2025**

|  |  |  |
| --- | --- | --- |
|  | **$** | **$** |
| **Cash Flows from Operating Activities** |  |  |
| Cash Sales | 6 940 |  |
| GST Collected | 694 |  |
| Receipts from Accounts Receivable | 5 929 |  |
| Payments to Accounts Payable | (14 124) |  |
| Purchase of Inventory | (4 000) |  |
| Rent | (1 800) |  |
| Advertising | (1 380) |  |
| Wages | (2 540) |  |
| Cartage Outwards | (330) |  |
| Interest Paid | (135) |  |
| GST Settlement | (1 307) |  |
| GST Paid | (1 274) |  |
| **Net Cash Flows from Operations** |  | (14 457) |
| **Cash Flows from Investing Activities** |  |  |
| Purchase of Shelving | (4 100) |  |
| **Net Cash Flows from Investing Activities** |  | (4 100) |
| **Cash Flows from Financing Activities** |  |  |
| Capital | 8 000 |  |
| Loan Borrowings – MNC Bank | 5 000 |  |
| Drawings | (1 300) |  |
| Loan Repayments – MNC Bank | (250) |  |
| **Net Cash Flows from Financing Activities** |  | 11 450 |
| **Net Increase / (Decrease) in Cash Position** |  | (7 107) |
| **Bank Balance at 1 June 2025** |  | 4 987 |
| **Bank Balance at 30 June 2025** |  | (2 120) |