Juniper Calibration: the original case

Juniper sells calibration equipment and provides support. All amounts are **$000**. Each displayed expense is separate; none is also included in another line. No OCI, foreign-exchange or unlisted movements. All tax expense is current at an assumed 25%; there are no deferred-tax balances.

Profit statement	Amount
Revenue (all on credit)	420.00
Cost of sales	(252.00)
Employee expense	(64.00)
Other operating expense (cash-related)	(28.00)
Depreciation	(24.00)
Credit-loss expense	(4.00)
Warranty expense	(8.00)
Interest expense	(12.00)
Equipment disposal gain	3.00
Profit before tax	31.00
Current-tax expense	(7.75)
Profit for the year	23.25

Additional facts: receivables written off 3; new shares issued for cash 25; new bank borrowing 50; bank principal repaid 20; lease principal paid 8; dividends recognised and paid 10. Interest expense is paid in full and includes lease interest.

Policy for this guide-era case: interest paid is operating; dividends paid are financing. **Task:** use the balances on page 2 to reconstruct direct operating cash, complete the cash statement, and check it independently from profit.

Guide context: CPA Australia FR, sixth edition (October 2022), Module 2. Original examples, calculations and design. All facts and amounts are independently created. AASB 101 and AASB 107 guide the presentation; this is a condensed teaching case, not a complete statutory report.

Opening and closing positions

Balance ($000)	Opening	Closing
Cash	46.00	94.25
Gross trade receivables	38.00	50.00
Credit-loss allowance	(2.00)	(3.00)
Inventory	54.00	62.00
Prepayments	6.00	9.00
Net PPE	180.00	214.00
Total assets	322.00	426.25
Trade payables	32.00	44.00
Wage accruals	8.00	11.00
Warranty provision	5.00	7.00
Current tax payable	12.00	9.00
Borrowings, including leases	120.00	172.00
Total liabilities	177.00	243.00
Share capital	100.00	125.00
Retained earnings	45.00	58.25
Total equity	145.00	183.25

Equipment: cash additions 40; non-cash new lease 30; disposed asset carrying amount 12 (proceeds 15); depreciation 24. Check: 180 + 40 + 30 - 12 - 24 = 214.

Allowance: 2 opening + 4 credit-loss expense - 3 write-offs = 3 closing. Inventory has no write-down or other non-purchase movement. Other prepayment/accrual movements relate only to the stated operating expenses.

For classified presentation, current borrowings are 20 opening and 30 closing; non-current borrowings are 100 and 142. Assume other listed operating assets/liabilities and tax payable meet current criteria. Debt classification comes from rights/schedules, not this year's repayments.

Guide context: CPA Australia FR, sixth edition (October 2022), Module 2. Original examples, calculations and design. Figures are $000. AASB 101 (December 2021), paragraphs 54-80A. The full lesson explains classification and ratio limitations.

Direct cash-flow answer

MODULE 2 / PAGE 3 OF 4 / RECONSTRUCT & CLASSIFY

Operating working ($000)	Calculation	Cash
Customers	38 + 420 - 3 - 50	405.00
Suppliers	252 + 62 - 54 + 32 - 44	(248.00)
Employees	64 + 8 - 11	(61.00)
Other operating expense	28 + 9 - 6	(31.00)
Warranties	8 + 5 - 7	(6.00)
Interest	Paid in full	(12.00)
Current tax	7.75 + 12 - 9	(10.75)
Net operating cash		36.25

Investing / financing ($000)	Amount
Equipment sale proceeds	15.00
Cash equipment additions	(40.00)
Net investing cash	(25.00)
New shares + new bank borrowing	25.00 + 50.00
Bank principal + lease principal + dividends	(20.00) - 8.00 - 10.00
Net financing cash	37.00
Cash increase: 36.25 - 25 + 37	48.25
Opening cash + increase = closing	46.00 + 48.25 = 94.25

The financing components above are combined only to keep this answer working compact; in the statement, show the major receipts and payments separately. The 30 non-cash lease is excluded from cash lines.

Guide context: CPA Australia FR, sixth edition (October 2022), Module 2. Original examples, calculations and design. AASB 107 (March 2020), paragraphs 10-24 and 31-48. Cash and profit differ for explainable reasons.

Independent checks: profit, cash, equity

MODULE 2 / PAGE 4 OF 4 / CROSS-CHECK

Indirect operating reconciliation ($000)	Amount
Profit after tax	23.25
Add depreciation	24.00
Remove disposal gain	(3.00)
Increase in net receivables	(11.00)
Increase in inventory	(8.00)
Increase in prepayments	(3.00)
Increase in trade payables	12.00
Increase in wage accruals	3.00
Increase in warranty provision	2.00
Decrease in current tax payable	(3.00)
Net operating cash	36.25

This method uses net receivables. Do not also add back the 4 credit-loss expense. The direct and indirect answers both give 36.25. This extra bridge is a learning check, not a universally required additional direct-method note.

Borrowings: 120 + 50 cash borrowing + 30 non-cash lease - 20 bank principal - 8 lease principal = 172.

Equity: retained earnings 45 + profit 23.25 - dividends 10 = 58.25. Capital 100 + shares 25 = 125. Total equity = 183.25. Assets 426.25 = liabilities 243 + equity 183.25.

Interpretation: cash increased 48.25, partly through net financing of 37. A higher bank balance is not proof of an equal operating-profit improvement. Read all three cash categories and the commitments together.

Guide context: CPA Australia FR, sixth edition (October 2022), Module 2. Original examples, calculations and design. AASB 107, paragraphs 18-20 and 44A-48; AASB 101, paragraphs 106-109. Original calculations independently reconciled.