

# [I choose goodman fielder ltd.](https://assignbuster.com/i-choose-goodman-fielder-ltd/)

### I choose Goodman Fielder Ltd.

Goodman Fielder Ltd. is a big and renowned name in the manufacturing and distribution offoodand beverages. Company mainly deals in baking, beverages, branded foods, etc (Annual Report, 2009, p. 02). The company operates its business in five different segments. The name of these segments is:

* Fresh Baking Segment
* Fresh Dairy Segment
* Home Ingredient Segment
* Asia Pacific Segment
* The Commercial Segment

In addition, company not only operates its business in Australia but also served in different countries of the world like New Zealand, China, Fiji, Papua New Guinea, etc. The company’s management is keenly working on the principle to provide fresh, well processed and valuable food products to its worthy customers (Annual Report, 2009, p. 02).

1. The amounts reported in the financial statements are rounded off to its nearest decimal numbers.
2. The name of the business that audited the company financial statements is KPMG (Annual Report, 2009, p. 55).
3. When an organization work in a group or with its subsidiary holdings they prepared the Group (Consolidated) Financial Reports and when the company assessed its business individually not on the basis of group then the company prepares the Entity (Company) Financial Reports.
4. The net profit after tax in the year June 30, 2009 is $ 182. 7 million (Annual Report, 2009, p. 56).
5. Income Statements, Balance Sheet, Statements of Recognized Income and Expense and Statements of Cash Flows.
6. The total number (not value) of actual fully paid ordinary shares at June 30, 2009 is          1, 355, 069 shares.
7. The total auditor’s remuneration $1, 650. 7 million.
8. The total value of Cost of Goods Sold (Cost of Sales) at June 30, 2009 is $ 1, 565. 8 million (Annual Report, 2009, p. 56).
9. Income Statement
10. The value of Net Cash Flows from Operating Activities at 30 June 2009 is $285. 1 (Annual Report, 2009, p. 59)
11. This value is net inflow of cash.
12. The value of cash and cash equivalents held at June 30, 2009 are $ 65. 4 Million (Annual Report, 2009, p. 59).
13. Operating Activities, Investing Activities and Financing Activities.
14. The value of Total Equity at 30 June 2009 is $1620. 9 (Annual Report, 2009, p. 57).
15. The one item in the equity section of the balance sheet is Retained profits.
16. The value of Total Current Assets at June 30, 2009 is $ 630. 8 million (Annual Report, 2009, p. 57).
17. The name of financial report is Balance Sheet.
18. The total cash paid to suppliers and employees in the year 2009 are $ 2, 601. 7 million.
19. The total cash proceeds received from sale of plant and equipment (property, plant and equipment) in the year 2009 are $19. 3 million (Annual Report, 2009, p. 59).
20. The computation of Goodman Fielder Ltd. current and quick ratio is computed below:
21. Formula of Current Ratio = Current Assets/Current Liabilities
22. Current Ratio (2009) = 630. 8/386. 5 = 1. 63
23. Current Ratio (2008) = 575. 8/540. 5 = 1. 06
24. Formula of Acid Test Ratio = Current Assets - Inventory/Current Liabilities
25. Acid Test Ratio (2009) = 630. 8 – 130. 6 / 386. 5  = 1. 29
26. Acid Test Ratio (2008) = 575. 8 – 201 / 540. 5 =  0. 69

Comments on Current Ratio:

The current ratio indicates that Goodman Fielder Ltd. has not been able to maintain a perfect balance between its short-term assets and liabilities. Even though, in the year 2009 the Goodman Fielder Ltd. has increased its current assets slightly, which may indicate the fact that the company has expanded into newer dimensions, it is quite evident that no drastic change has occurred in the company’s financial policies. In both the years Goodman Fielder Ltd. had $1 in assets for every $1 in liabilities. The ratio here indicates that Goodman Fielder Ltd. has not been in a stable position in terms of paying off its current debts, i. e. debts or liabilities payable within the next accounting period (usually 12 months), or the ability of doing so.

Comments on Acid Test Ratio:

Goodman Fielder Ltd. quick ratio is better in the year 2009 as compare with the year 2008. Although Goodman Fielder Ltd. has a higher inventory but proper maintenance of working capital management strategy has ensured to produce a fair enough quick ratio in the year 2009. In the year 2008, it clearly gives the negative signal that company is in the state of liquidity crunch. The total current liabilities of Goodman Fielder Ltd. at June 30, 2009 amount $ 386. 5 million (Annual Report, 2009, p. 57). The one current liability at June 30, 2009 is Trade and other payables amount $ 284. 2 million. (Annual Report, 2009, p. 57).

## REFERENCES

1. Goodman Fielder Ltd. (2009). Annual Report.