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# Cashflow Statements

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## Chapter Notes

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### Step to be completed

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**STEPS INVOLVED IN ANSWERING A CASHFLOW STATEMENT**

**Step 1 - identify the change in net cash and net debt**

	Opening Amount (BS)	Closing Amount (BS)	Change
Cash			
Bank			
Net Cash			
Debentures			
Liquid Resources			
Net debt			

Liquid resource - This is an asset that can be converted into cash quickly. For example Government securities and bonds

**Step 2 - Calculate the change in Debtors, Stock and creditors**

	Opening Amount (BS)	Closing Amount (BS)	Change	Treat As (Positive/ Negative)
Debtors				
Stock				
Creditors				

**Step 3 - Calculate the amount paid during the year for taxation, dividends and interest**

	Opening amount (due) (if any) (BS)	Amount for this year (P & L)	Less Closing amount (if any) (BS)	Amount Paid
Taxation				
Dividends				
Interest payable				
Interest Received				

**Step 4 - Calculate the changes in fixed assets (Including depreciation)**

	Opening Balance (BS)	Add any additions or changes	Less disposals & depreciation	Closing amounts (BS)
L & B cost				
L & B Dep				
Delivery Van Cost				
Delivery Van Dep				

Note - if there are more than one fixed asset treat them separately

1. Enter the opening and closing balance from the balance sheet
2. Enter the relevant information in the additional information
3. Complete the table with the missing figure

**Step 5 - Calculate the changes in the capital structure of the business**

	<b>Opening amount (BS)</b>	<b>Closing Amount (BS)</b>	<b>Change</b>
Ordinary Share Capital			
Share Premium			
Debentures			
Government Securities			
Investments			