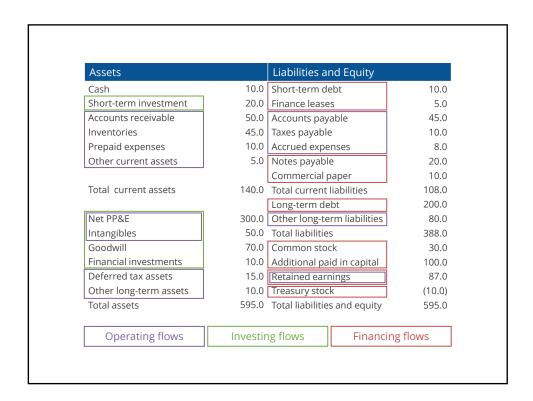


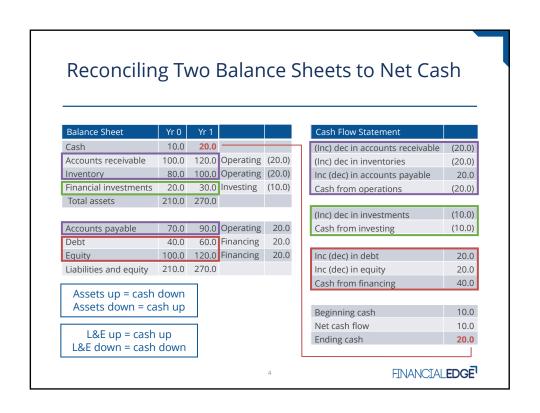
Contents

- Accruals versus cash flows
- Cash flow categories
- Reconciling two balance sheets to net cash
- BASE
- Operating working capital
- Steps to a CFS

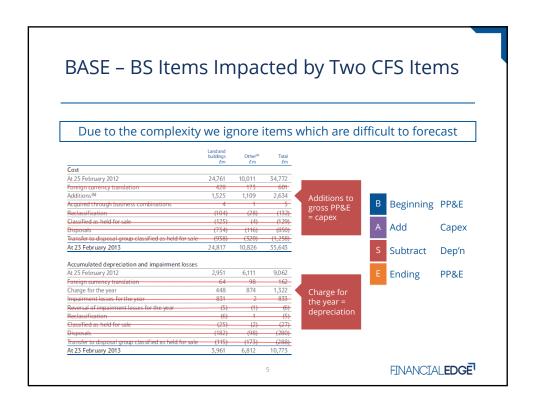
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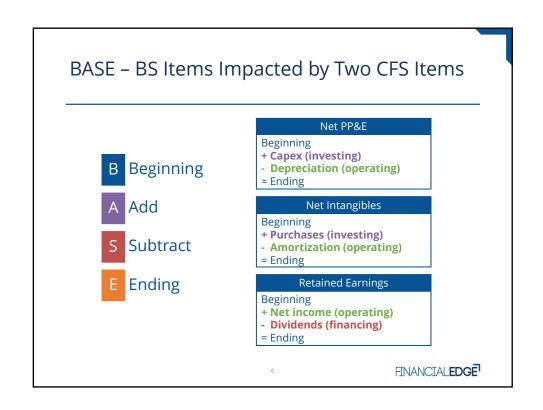














Operating Working Capital

Cash Flow Statement	
(Inc) dec in accounts receivable	(10.0)
(Inc) dec in inventories	(25.0)
Inc (dec) in accounts payable	15.0
Cash from operations	(20.0)
(Inc) dec in investments	(10.0)
Cash from investing	(10.0)
Inc (dec) in debt	20.0
Inc (dec) in equity	20.0
Cash from financing	40.0
Net cash flow	10.0

(20.0)
(20.0)
(10.0)
(10.0)
20.0
20.0
40.0
10.0

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Steps to a Cash Flow Statement

- 1. Categorize the BS accounts CFO, CFI, CFF
- 2. Calculate the changes in the BS items not captured by reconciliations
- 3. Do reconciliations and operating working capital calculations
- 4. Prepare the CFS

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