**Cash Flow Statement**

**Revenue (Income)**

* **Net Sales:** Sales revenue minus returns, allowances, and discounts.
* **Gross Sales:** Total sales before any deductions for returns, allowances, and discounts.

**Expenses**

* **Cost of Sales:** Another term for Cost of Goods Sold (COGS), often used in service industries.
* **Selling, General, and Administrative Expenses (SG&A):** Combined selling and administrative expenses.
* **Amortization Expense:** Similar to depreciation, but for intangible assets like patents or trademarks.
* **Impairment Loss:** A reduction in the value of an asset due to a significant decline in its market value.

**Profit Levels**

* **Operating Margin:** Operating Profit divided by Revenue, expressed as a percentage.
* **Gross Margin:** Gross Profit divided by Revenue, expressed as a percentage.
* **Pre-Tax Income:** Income before income taxes have been deducted. It’s the same as Earnings Before Taxes (EBT).

**Additional Items**

* **Comprehensive Income:** Total change in equity during a period from all sources other than from transactions with owners (e.g., net income plus other comprehensive income items like foreign currency translation adjustments).
* **Minority Interest (Non-Controlling Interest):** The portion of net income attributable to minority shareholders in subsidiaries that are not wholly owned by the parent company.
* **Operating Income Before Depreciation and Amortization (OIBDA):** Operating income before depreciation and amortization expenses are subtracted.
* **Interest Coverage Ratio:** EBIT divided by interest expense, used to measure a company's ability to meet its interest obligations.
* **Provision for Income Taxes:** An estimate of the amount of income tax expense that the company expects to pay for the current period.

**Segment Reporting**

* **Segment Revenue:** Revenue broken down by different business segments (e.g., geographical regions, product lines).
* **Segment Profit:** Profit broken down by different business segments.

**Other Considerations**

* **Accounting Policies:** Notes explaining how various figures are calculated and which accounting principles are applied.
* **Restated Earnings:** Earnings that have been adjusted from previously reported figures, often due to corrections or changes in accounting policies.

**Cash Flow from Operating Activities (Cash flow related to the company's main business activities)**

1. **Net Income:** The profit of the company after all expenses, including taxes and interest, have been deducted from total revenue.
2. **Depreciation and Amortization:** Non-cash expenses that reduce the value of assets over time.
3. **Changes in Working Capital:**
   * **Accounts Receivable:** Money owed to the company by customers. If accounts receivable increases, it means the company has not received all cash for its sales.
   * **Inventory:** Goods the company holds for sale. If inventory increases, it means the company has spent money on goods not yet sold.
   * **Accounts Payable:** Money the company owes to suppliers. If accounts payable increases, it means the company has delayed payment to suppliers.
   * **Accrued Liabilities:** Expenses that have been incurred but not yet paid.
   * **Prepaid Expenses:** Payments made in advance for goods or services to be received in the future.
4. **Net Cash Provided by Operating Activities:** The total cash generated from the company’s core business operations.

**Cash Flow from Investing Activities (Cash flow related to buying and selling long-term assets)**

1. **Capital Expenditures (CapEx):** Money spent on buying or maintaining long-term assets like property, equipment, and buildings.
2. **Proceeds from Sale of Assets:** Cash received from selling long-term assets like property or equipment.
3. **Purchase of Investments:** Money spent on buying investments like stocks or bonds.
4. **Proceeds from Sale of Investments:** Cash received from selling investments.
5. **Net Cash Used in Investing Activities:** The total cash spent on or generated from investing activities.

**Cash Flow from Financing Activities (Cash flow related to borrowing and repaying money, and equity transactions)**

1. **Proceeds from Issuance of Stock:** Cash received from issuing new shares of stock.
2. **Proceeds from Borrowing:** Cash received from taking out loans or issuing bonds.
3. **Repayment of Debt:** Cash used to repay loans or bonds.
4. **Dividends Paid:** Cash paid to shareholders as a return on their investment.
5. **Repurchase of Stock (Treasury Stock):** Cash used to buy back the company’s own shares.
6. **Net Cash Provided by (Used in) Financing Activities:** The total cash generated from or used in financing activities.

**Additional Items**

1. **Net Increase (Decrease) in Cash and Cash Equivalents:** The total change in cash during the period, considering all operating, investing, and financing activities.
2. **Cash and Cash Equivalents at Beginning of Period:** The amount of cash the company had at the start of the period.
3. **Cash and Cash Equivalents at End of Period:** The amount of cash the company had at the end of the period.
4. **Non-Cash Investing and Financing Activities:** Significant investing and financing activities that don’t involve cash transactions (e.g., acquiring assets through a lease).

**Other Considerations**

* **Interest Paid:** Cash paid for interest on loans and other borrowings.
* **Income Taxes Paid:** Cash paid for income taxes.
* **Operating Cash Flow (OCF):** Another term for net cash provided by operating activities.
* **Free Cash Flow (FCF):** Cash generated by operating activities minus capital expenditures. It represents the cash available for the company to repay creditors or pay dividends and interest to investors.

**Operating Activities**

* **Adjustments for Non-Cash Items:** Any adjustments made to net income for items that affect earnings but do not involve actual cash transactions (e.g., stock-based compensation, unrealized gains/losses on investments).
* **Changes in Deferred Revenue:** Adjustments for revenue that has been received but not yet earned.
* **Changes in Other Current Assets/Liabilities:** Adjustments for changes in other short-term assets and liabilities not specifically listed.

**Investing Activities**

* **Acquisition of Subsidiaries:** Cash used to purchase other companies or businesses.
* **Proceeds from Disposal of Subsidiaries:** Cash received from selling parts of the company.
* **Capitalized Development Costs:** Money spent on developing new products or technologies, which is treated as an investment.

**Financing Activities**

* **Proceeds from Government Grants:** Cash received from government grants or subsidies.
* **Payments of Lease Obligations:** Cash used to pay for lease agreements.

**Supplemental Information**

* **Effect of Exchange Rate Changes on Cash:** The impact of changes in foreign currency exchange rates on the cash balance, relevant for companies operating in multiple countries.
* **Reconciliation of Net Income to Net Cash Provided by Operating Activities:** A detailed breakdown showing how net income is adjusted for non-cash items and changes in working capital to arrive at net cash provided by operating activities.

**Complex Terms**

* **Derivative Instruments:** Financial contracts whose value depends on the value of an underlying asset. The cash flows related to these can be included under operating, investing, or financing activities, depending on their nature.
* **Hedging Activities:** Cash flows associated with financial strategies to offset potential losses from fluctuations in prices, interest rates, or foreign exchange rates.