



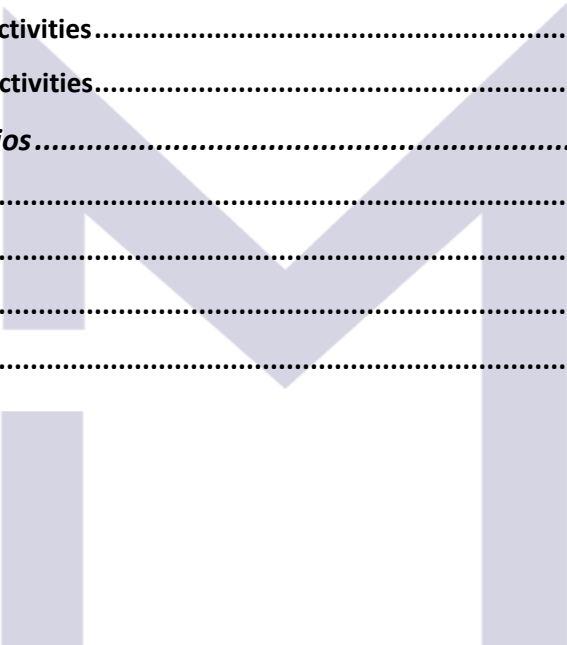
Crisis cash flow management

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L1 Cash flow statement

The Financial Statements of any company have 3 main components:

- The Statement of _____
- The Statement of _____
- The Statement of _____

The Statement of Financial Position (SoFP)

Based on the Statement of Financial Position of HUHUREZ SA as at 31 December 20X9 one can observe that:

- the financial statements present the current period data and the _____
- the SoFP shows what are the _____ and the _____ of the company at each reporting date
- the assets are separated into _____ and current _____;
- the current assets are those assets which are not meant to last more than _____ in the company
- the liabilities are also _____ and _____ liabilities
- the equity represents the company's _____ towards its shareholders/participants
- In the equity, the retained earnings represent the retained (or not distributed) profit of the company from the beginning to the end of the reporting period

The most important relationship to be observed in the statement of financial position is:

A = _____ ⇔ _____ = Net Assets

Or

Equity = _____

The Statement of Profit or Loss and Other Comprehensive Incomes

The Statement of Profit or Loss and Other Comprehensive Incomes is the _____, showing us the performance of the company in the reported period.

The two parts of this statement are:

_____ – which shows how the company realised its profit: what were the incomes and what were the expenses

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And

_____ which shows what were the other factors triggering the increase of the company's equity – the most common element in this statement is the _____ of the period.

Based on the SoPoLOCI we may state:

The Gross Profit =

The Operating Profit =

The Profit Before Tax =

The Profit or Loss for the period =

The Cash Flow Statement

The SoFP shows the _____

The SoPoL shows _____.

The particularity of cash flow is that it is not just presenting the data from the accounting information, it is analysing and uses this data so as to show us where the money _____ or where the money _____.

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L2 The information we have

On one side, cash flow statement shows _____ the company made the money and _____ they did it.

On the other side it shows us _____ the money came from and _____ they go to.

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This cash flow statement has three parts:

- CF from _____ activities shows
- CF from _____ activities shows
- CF from _____ activities shows

Cash flow from operations

The first information shown in the cash flow made under direct method is:

- The money received by the company from its _____
- And the money paid for _____

The cash flow may be realised and presented using the direct method or starting and adjusting the operating profit (or the profit before interest and tax) so as to determine the cash generated from operations. No matter the method we should arrive to the same values.

The cash generated from operating activities = _____
less _____
less _____

Cash flow from investing activities

The cash flow from investing activities shows money paid to acquire _____ as well as money received from _____.

Cash flow from financing activities

The cash flow from financing activities shows the money _____ to the finance providers, either as repayment of borrowings, either as dividends to the shareholders as well as the money _____ as long term loans or new share capital.

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L3 Cash flow-based scenarios

The worst-case scenario

The worst-case scenario may vary depending on the type of our business, on the economic environment and on the company stage of development.

The worst case scenario might be:

How long we can last

Based on the presented example:

The money we can count on short term =

The money we need to pay monthly in order for the business to subsist =

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⇒ The business can last for _____ months.

Pessimistic scenarios

Starting with your last cash flow you may try to forecast the money you can receive and pay in the months to come in a pessimistic scenario.

The pessimistic scenario assume that your business has no chances to increase its sales, but even so, you still may try to operate and make some money.

Optimistic scenarios

The optimistic approach is to try to increase your business, find some new sources of revenues and see if this may help your cash flow

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