



Questions directors should ask about the Statement of cash flows

Cash balance

Does the cash balance at the end of the cash flow statement match:

- the cash at bank shown in the balance sheet, and
- the balance in our bank accounts?

Does the cash at bank figure match the closing balance on our bank statement at the end of the reporting period?

Cash from operating activities

Is the **net cash from operating activities** (cash generated by our day-to-day operations) positive?

Is it higher or lower than the previous reporting period?

- If it has decreased, why?

How does it compare with the budget?

Cash from investing activities

If **net cash from investing activities** is negative, what assets were purchased during the reporting period?

How were these assets funded: from existing cash reserves or through borrowings?

If **net cash from investing activities** is positive, what assets were sold during the reporting period?

Cash from financing activities

If **net cash from financing activities** is negative:

- Have loan repayments been made in line with our loan agreements?
- Have lease liabilities been repaid during the reporting period?

If **net cash from financing activities** is positive:

- Why did the corporation borrow additional funds?
- How have those funds been used?

Overall cash position

Overall, has the corporation's cash position improved or worsened during the reporting period? What are the main reasons?

