

## Course Introduction

In today's business world, understanding the finance and accounting knowledge is no longer an option for management and executives. Indeed, organizations will be able to perform better and achieve superior results if all staff in the organizations are able to apply relevant finance and accounting tools in their jobs and functions.

Whether it is a new business or an existing one, cash flow management will always be a significant component contributing to the success of an enterprise's operation. Therefore, this course is designed to discuss the main features of cash flow statement, the techniques and methods to develop cash flow budgeting, and interpret the performance of an organization using the cash flow statements.

This one-day seminar also highlights the important considerations when performing cash flow budgeting and interpretation of cash flow statement.

## Who Should Attend

Managers and executives who do not work in accounting and finance, but who need to know how basic accounting and finance work, and apply accounting and finance related techniques when making business decisions.

## Course Outlines

### Topic 1. MYTH OF "PROFIT"

- Definition of profits.
- Subjective judgments influencing the profit figures – provisions and accruals
- Accounting rules explained: accrual and matching concepts

## **Topic 2. CASH FLOW VERSUS PROFIT**

- Reconciling between the profits and cash flow figures
- Auditor's report and interpretations

## **Topic 3. LINKING THE FINANCIAL STATEMENTS**

- The link between the three financial statements – balance sheet, profit and loss account, and cash flow statement.
- Structure of Cash Flow Statement – operating activities, investing activities, and financing activities.

## **Topic 4. Terms of Sale vs. Terms of Payment**

- Cash flow from operating activities – direct method versus indirect method
- Cash flow from investing activities
- Cash flow from financing activities

## **Topic 5. ANALYZING BUSINESS PERFORMANCE USING CASH FLOW STATEMENTS**

- Using the published financial statements of listed companies, this session demonstrates and interprets the financial and operating performance of these enterprises in terms of:
  - a. Liquidity
  - b. Solvency
  - c. Profitability
  - d. Financing
  - e. Investing

## **Topic 6. CASH FLOW BUDGETING**

- Planning and developing an annual budget
- Forecasting and Projection of future activities – operating, investing, and financing
- Preparing operating activity budgets
- Preparing cash flow budget

## **Topic 7. CASH FLOW STRATEGIES FOR YOUR BUSINESS**

- Key consideration in cash flow management