

Statement of cash flow case study examples

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Statement of cash flow

Statement of cash flow one of the financial statements of an organization. It analyses the inflow and out flow of cash in an organization. This paper seeks to analyze a cash flow statement of an Australian health care organization for the year 2010. The Statement of cash flow is presented with comparative figures for 2009.

Receipts from government grants increased in the year 2010 by \$13, 763, 000. Receipts from government grants are cash inflows. Receipts from patient fees increased in the year 2010 by \$2, 785, 000. This could be explained by improved efficiency in revenue collection or an increase in the number of patients. Receipts from patient fees are cash inflows. There was an increase in private practice fees in the year 2010 by \$ 491, 000. This could be explained by an increase in the number of patients who were attended to under private practice. Receipts from private practice fees are cash inflows. Capital grants government increased from \$3, 082, 000 in 2009 to \$7, 247, 000 in 2010. Capital grants government is a cash inflow. Receipts from GST recovered increased slightly from \$22, 764, 000 in 2009 to \$24, 734, 000 in 2010. Receipts from GST recovered are cash inflows. Receipts from other revenue decreased in 2010 by \$642, 000. Receipts from other revenue are cash inflows.

Payments for employee benefits increased from \$180, 493 in 2009 to \$195, 266. This could be due to an increase in the number of employees which was necessitated by an increase in the number of patients. Payments for employee benefits are cash outflows. Payments for supplies and consumables also increased in the year 2010 by \$7, 641, 000. Payments for

other expenses decreased in 2010 by \$10, 714, 000. GST paid increased in the year 2010 by \$1, 049, 000. Payments for supplies and consumables, Payments for other expenses and GST paid are cash outflows.

Cash flows from operating activities increased from a net cash outflow of \$ 2, 747, 000 in 2009 to a net cash inflow of \$8, 911, 000 in 2010. This is an impressive improvement in the operating cash flow position.

Proceeds from Sale of Property, Plant & Equipment, which is a cash outflow, decreased significantly from \$1, 750, 000 in 2009 to \$429, 000 in 2010.

Purchases of Property, Plant & Equipment, which is a cash out flow, increased from \$14, 464, 000 in 2009 to \$17, 863, 000 in 2010. There was a huge decrease in the cash flow from the sale of investment from \$10, 518, 000 in 2009 to nil in 2010. Sale of investment is a cash inflow. Proceeds from redemption of investment, which was a cash outflow, decreased in the year 2010 by \$1, 768. The net cash flows from investing activities increased from a net cash outflow position of \$2, 196 to \$19, 202.

Repayment of lease finance increased slightly from \$49, 000 in 2009 to \$ 45, 000. Repayment of lease finance is a cash outflow. Repayment of borrowing decreased from \$259, 000 in the year 2009 to \$140, 000 in 2010.

Repayment of borrowing is a cash outflow. Contributed capital from government increased in from \$4, 520, 000 in the year 2009 to \$10, 366, 000 in 2010. The net cash from financing activities increased in 2010 by \$5, 657, 000.

The overall cash flow position of the health care organization improved from a negative cash flow of \$423, 000 in the year 2009 to \$114, 000 in 2010. If it continues with the trend, the overall cash flow position in 2011 is likely to

positive. There are no worrying signs in the cash flows position of this organization. The general increase in operating cash flow is a positive indicator. This is also no major borrowings which may affect future cash flows.

References

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