

Variance Analysis Cash Flow Report

Company:
Example Company Ltd.
Reporting Period:
Q1 2024
Date Prepared:
2024-04-08
Prepared by:
Finance Department

Cash Flow Variance Summary

Category	Budgeted Cash Flow	Actual Cash Flow	Variance	Variance (%)	Comments
Operating Activities	1,200,000	1,050,000	-150,000	-12.5%	Lower collections from customers
Investing Activities	-300,000	-250,000	50,000	-16.7%	Delayed capital expenditures
Financing Activities	100,000	200,000	100,000	100.0%	Additional loan received
Net Increase/(Decrease)	1,000,000	1,000,000	0	0%	

Detailed Variance Explanation

Item	Variance Amount	Reason/Comment
Customer Receipts	-80,000	Delayed payments from key clients
Supplier Payments	30,000	Reduced due to negotiation for better terms
Purchase of Equipment	50,000	Some projects postponed to next quarter
New Loan	100,000	Working capital loan acquired

Important Notes

- Variance analysis helps identify and explain significant deviations between budgeted and actual cash flows.
- This report should be prepared periodically (monthly/quarterly) to support informed financial decisions.
- Clear documentation of reasons for key variances improves transparency and accountability.
- Action plans should be developed for significant unfavorable variances.
- Attach supporting schedules or documents, if required, for detailed explanations.