

Cash Flow Statement Breakdown

Profit Analysis

Company Name: Sample Company Ltd.

Period: Year Ended 31 December 2023

1. Cash Flow from Operating Activities

Description	Amount (USD)
Net Income	85,000
Adjustments for:	
Depreciation & Amortization	12,000
Changes in Working Capital	-7,500
Other Non-Cash Items	2,300
Total Operating Cash Flow	91,800

2. Cash Flow from Investing Activities

Description	Amount (USD)
Purchase of Equipment	-20,000
Sale of Investments	7,500
Total Investing Cash Flow	-12,500

3. Cash Flow from Financing Activities

Description	Amount (USD)
Proceeds from Loans	15,000
Repayment of Loan Principal	-10,000
Dividends Paid	-4,000
Total Financing Cash Flow	1,000

4. Net Change in Cash & Cash Equivalents

Description	Amount (USD)
Net Increase in Cash	80,300
Cash at Beginning of Period	15,200
Cash at End of Period	95,500

Important Notes:

- This cash flow statement provides an overview of cash movement, not just net profit.
- Operating cash flow indicates core business health; investing and financing highlight company growth and capital structure changes.
- Non-cash items (like depreciation) are adjusted because they do not impact actual cash.
- Negative cash flows are not always bad—they may reflect investments for future growth.
- This document is essential for financial planning and for assessing liquidity, solvency, and long-term profitability.