

# Indirect Cash Flow Statement

## Profit Review for the Year Ended [31 December 20XX]

Particulars	Amount (USD)
<b>Cash flows from Operating Activities</b>	
Net Profit Before Tax	[XX,XXX]
Adjustments for:	
Depreciation & Amortization	[X,XXX]
Interest Expense	[X,XXX]
Interest Income	(X,XXX)
Loss/(Gain) on Sale of Assets	[X,XXX]
Operating Profit Before Changes in Working Capital	[XX,XXX]
Increase/(Decrease) in Trade Receivables	(X,XXX)
Increase/(Decrease) in Inventories	(X,XXX)
Increase/(Decrease) in Trade Payables	X,XXX
Cash Generated from Operations	[XX,XXX]
Income Taxes Paid	(X,XXX)
<b>Net Cash from Operating Activities</b>	<b>[XX,XXX]</b>
<b>Cash flows from Investing Activities</b>	
Purchase of Property, Plant and Equipment	(X,XXX)
Proceeds from Sale of Assets	X,XXX
Interest Received	X,XXX
<b>Net Cash used in Investing Activities</b>	<b>[(X,XXX)]</b>
<b>Cash flows from Financing Activities</b>	
Proceeds from Borrowings	X,XXX
Repayment of Borrowings	(X,XXX)
Interest Paid	(X,XXX)
<b>Net Cash from Financing Activities</b>	<b>[X,XXX]</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>[X,XXX]</b>
Cash & Cash Equivalents at Beginning of Period	X,XXX
Cash & Cash Equivalents at End of Period	<b>[X,XXX]</b>

### Important Notes:

- The indirect method starts with net profit and adjusts for non-cash items and changes in working capital.
- This format is widely used as it links accrual accounting net profit to cash flows.
- Helps identify cash sourced/generated and used in core business, investments, and financing.
- Important for stakeholders to assess company liquidity and operational efficiency.
- Non-cash transactions (like depreciation) do not impact actual cash movement, but must be adjusted for accurate cash flow reporting.

