

Govt Naveen Girls College Baikunthpur

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Fund Flow Statement

Introduction

Meaning of fund-flow statement

Need for Fund-flow statement

Funds from Operations

Changes in Working Capital

Format of Fund-flow statement

Meaning

The fund-flow statement is defined as 'a statement which summarises, the sources from which funds were obtained and the specific uses to which the funds were put.'

Sources

- Fund from Operation
- Sale of Fixed Asset
- Issue of Shares

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Application

- Purchase of Fixed Asset
- Purchase of Investments
- Increase in Working Capital

Need for the Fund Flow Statement

Profit and Loss A/c shows book profits for specific period of time and Balance sheet shows the financial position of the concern at particular point of time. It does not show the flow of funds (increase / decrease in funds) of concern during year. Hence separate fund flow statement need to be prepared.

Preparation of Fund Flow Statement

Analysis of balance sheet enables to ascertain the changes in working capital and other major sources of finance and where these funds are employed. Profit and loss A/c is analysed to ascertain the funds from operating activities.

Funds from Operations

Net Profit (After Tax)	XX
Adjust: Non-Cash Expenses	
Depreciation/ Amortisation	XX
Adjust: Non-operating Items	
Interest or Dividend	
Loss/Profit on sale of fixed asset	XX
Funds from Operation	XX

Statement of Changes in Working Capital

Particulars	Current Year	Previous Year	Increase / Dec in W.C.
A. Current Assets			
Stock			
Debtors			
Bank			
Total CAs			

Particulars	Curnt Year	Prev Year	Increase / Dec in W.C.
B. Current Liabilities			
Creditors			
O/S Expenses			
Total CLs			
Working Capital (A-B)			

Fund Flow Statement

Inflows	Rs.	Rs.
Funds from Operation	XX	
Decrease in Working Capital	XX	
Sale of Fixed Assets	XX	
Sale of Investment	XX	
Issue of Shares/ Debentures	XX	
Non-Operating income	XX	
Loan Taken	XX	
Total Inflows		XX

Fund Flow Statement

Outflows	Rs.	Rs.
Loss from Operations	XX	
Increase in Working Capital	XX	
Purchase of Fixed Assets	XX	
Purchase of Investment	XX	
Redemption of Shares/Debentures	XX	
Non-Operating Expenses	XX	
Dividend Paid	XX	
Total Outflows		XX

Thankyou