

## Title: Cash Flow Statement

*Scenario: Growth*

*Format: Dynamic Case Study*

Green Spokes is a start-up bicycle manufacturing business that has been running for a few years. Please now log into the simulation and look at the BRIEFING tab.

Here you will find an introduction from Claire Jones (CEO), and an overview of the company, a segmentation research report, a competition report and some company targets.

As a member of the management team of the company, whatever your role, it is important that you understand the financial implications of any decisions made.

There are 3 financial reports that the management team of an organization should review, both individually and as a group. These are the Profit and Loss Account, Balance Sheet, and Cash Flow Statement. To develop your understanding, attempt the activity detailed below, and compare your results with that of your colleagues.



Discuss any differences and note the key learning points. If there are some areas of the Cash Flow Statement on which you are unclear, and you are not a finance student, it is suggested that you review a text book or on-line resource aimed at “Finance for non-Finance Managers” and you will find details of the 3 key financial reports in the first few chapters.

Consider how the Cash Flow Statement relates to the Profit and Loss Account and Balance Sheet

### **TASK:**

Open the Growth scenario in SimVenture and examine the Cash Flow Statement by accessing History/Quarterly Reports/ Cash Flow. Compare Year 3, Quarter 3 with Year 3 Quarter 4 (the following quarter). What are the key differences between the two reports? What have been the main factors causing the increase or decrease in the cash flows reported? Consider some key methods by which the decisions of the business management team could influence each of these items.