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COURSE BROCHURE

Cash Flow Statement Preparation and Interpretation Training Course

11 – 15 January 2027
Geneva

Cash Flow Statement Preparation and Interpretation Training Course

Ref: 1477_54799 **Date:** 11 – 15 January 2027 **Location:** Geneva **Fees:** 6500 GBP

Cash Flow Statement Preparation and Interpretation is a 1-week training course for accountants and financial analysts who compile or rely on the statement of cash flows, ending with a fully prepared and annotated cash flow statement for a case entity. Lenders, investors and boards increasingly judge earnings quality by how well profit converts into operating cash. Jupiter Prime Training runs this course to sharpen both the preparation mechanics and the reading of the result.

Why Cash Flow Statement Preparation and Interpretation Matters Now

Three groups lean harder on the statement of cash flows than before. Lenders set covenants on operating cash generation and debt service capacity. Equity analysts compare reported earnings with cash conversion to spot aggressive revenue or capitalisation policies. Audit committees ask finance teams to explain classification judgements, such as where interest, dividends and lease payments sit. Misclassified flows invite restatements and tougher borrowing terms. The course rests on the international accounting requirements for statements of cash flows and on widely used cash ratio analysis.

Who Gains Most from Cash Flow Statement Preparation and Interpretation

- Financial reporting accountants responsible for compiling year-end and interim statements of cash flows
- Management accountants who reconcile profit to cash for internal performance packs
- Credit and investment analysts who assess borrowers or investees from published accounts
- Consolidation specialists who eliminate intra-group flows and translate foreign subsidiary cash
- Internal auditors who test classification choices and reconciliation workings

Group reporting functions gain most when preparers and reviewers from the same close cycle attend together and agree one set of classification policies.

Cash Flow Statement Preparation and Interpretation Capabilities

Participants move from mechanical compilation to explaining what each section of the statement reveals about an entity's financing and investment choices.

- Build an indirect-method reconciliation from profit before tax to operating cash — supporting the year-end close
- Prepare a direct-method operating section from ledger and receivables data — informing internal reporting packs
- Classify interest, dividends, tax and lease flows consistently — defending judgements to auditors
- Calculate cash conversion, free cash flow and cash coverage ratios — guiding lending and investment assessments
- Test non-cash transactions and disclosure notes for completeness — protecting the statement's reliability
- Communicate cash movement insights in plain language — answering board and lender questions

Key Cash Flow Statement Preparation and Interpretation Terms

- Statement of cash flows — a primary financial statement showing cash inflows and outflows for a period, grouped into operating, investing and financing activities.
- Indirect method — presentation that starts with profit and adjusts for non-cash items and working capital movements to reach operating cash.
- Direct method — presentation that lists gross operating receipts and payments.
- Cash equivalents — short-term, highly liquid investments readily convertible to known cash amounts.
- Free cash flow — operating cash flow less capital expenditure.
- Non-cash transaction — an investing or financing event that is disclosed but excluded from the statement.

Cash Flow Statement Preparation and Interpretation Day by Day

Day 1: Who Reads the Statement and Why

- Statement Purpose and Primary Users — Lender, Investor and Board Expectations
- Profit Versus Cash Disconnects — Accrual Timing and Non-Cash Charges
- Cash and Cash Equivalents Definition — Boundary Choices for Deposits and Overdrafts
- Three Activity Categories — Operating, Investing and Financing Boundaries
- Published Statement Walk-Through — Retail and Manufacturing Annual Reports

Day 2: Indirect Method Preparation

- Profit Before Tax Starting Point — Choosing the Reconciliation Anchor
- Non-Cash Adjustments — Depreciation, Impairment and Provision Movements
- Working Capital Movements — Receivables, Inventory and Payables Changes
- Gains and Losses on Disposal — Reclassifying Proceeds to Investing
- Balance Sheet Movement Worksheet — Tracing Every Line to a Flow

Day 3: Direct Method and Classification Judgements

- Direct-Method Receipts and Payments — Deriving Gross Flows From Ledgers
- Interest and Dividend Classification — Consistent Policy Across Periods
- Income Tax Paid — Separating Operating From Investing-Related Tax
- Lease and Borrowing Flows — Principal Versus Interest Split
- Group Statements — Intra-Group Eliminations and Foreign Currency Translation

Day 4: Interpreting Cash Performance

- Cash Conversion Ratio — Testing Earnings Quality Against Operating Cash
- Free Cash Flow Measures — Capacity for Dividends and Debt Repayment
- Cash Coverage and Debt Service Ratios — Lender Covenant Assessment
- Capital Expenditure Patterns — Maintenance Versus Growth Investment Signals
- Red Flags in Classification — Detecting Window Dressing and Reclassification

Day 5: Practising the Annotated Cash Flow Statement

- Case Entity Worksheet — Applying the Balance Sheet Movement Method
- Dual Presentation Exercise — Applying Direct and Indirect Methods Side by Side
- Classification Policy Note — Applying Judgements on Interest, Tax and Leases
- Ratio Commentary — Applying Conversion and Coverage Measures to Results
- Annotated Cash Flow Statement — Final Version With Notes and Commentary

Applying Cash Flow Statement Preparation and Interpretation After the Course

- Rebuild the latest period's statement using the balance sheet movement worksheet and document every reconciling difference found.
- Draft a one-page classification policy note on interest, dividends, tax and leases and agree it with the auditor.

Cash Flow Statement Preparation and Interpretation Questions FAQ

What is cash flow statement preparation and interpretation, and why does it matter now?

It is the skill of compiling the statement of cash flows correctly and explaining what it shows. It matters now because lenders, investors and audit committees use operating cash to judge earnings quality and repayment capacity.

Which roles gain most from cash flow statement preparation and interpretation?

Financial reporting accountants and credit or investment analysts gain most. You benefit most if you compile period-end statements or assess borrowers.

How does cash flow statement preparation and interpretation differ from a general financial statement analysis course?

It concentrates on one primary statement in depth rather than surveying all statements and ratios. Participants prepare the statement themselves, using both methods, before interpreting it.

What do you bring back from cash flow statement preparation and interpretation training?

You bring back an annotated cash flow statement for a case entity, a balance sheet movement worksheet and a classification policy note you can adapt for your own reporting cycle.

Cash Flow Statement Preparation and Interpretation: The Way Forward

The annotated cash flow statement first informs whether reported profit is converting into operating cash at an acceptable rate. Reporting accountants use it at period end, while analysts use the same structure when assessing other entities. After its first use, the perspective worth revisiting is the classification policy, since a change in financing structure often shifts where interest and lease flows belong.