# Cash Flow Statement and Forecasting: IAS 7 Preparation and 13-Week Cash Models

2 – 6 August 2027
Paris - Right Bank business hotel



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## Introduction:

Many finance teams produce the cash flow statement last, as a balancing exercise, so misclassified capital creditors, missed non-cash items and unexplained exchange differences reach auditors and lenders. The same teams then forecast cash from a spreadsheet that does not tie back to the ledger or the budget. This Core Concept course teaches the cash flow statement under IAS 7 step by step, by the indirect and direct methods, and then turns the same drivers into a 13-week and monthly rolling cash forecast. Participants build a Cash Flow Statement and 13-Week Forecast Pack for a case company.

## Course Objectives:

- Classify receipts and payments into operating, investing and financing activities under IAS 7 and document the judgement behind each policy choice
- Prepare the operating section by the indirect method from a balance sheet movement worksheet and derive the direct method from ledger control accounts
- Present consolidated cash flows with intragroup eliminations, subsidiary acquisitions and disposals and the effect of exchange rate changes on cash
- Draft the non-cash transaction note and the reconciliation of liabilities from financing activities and review the statement against an error checklist
- Build a 13-week receipts and disbursements forecast and a monthly rolling forecast driven by working capital days and linked to the budget
- Explain cash performance with free cash flow, a profit-to-cash bridge, scenario tests and actual-versus-forecast variance analysis

## Target Audience:

- Accountants who prepare the statement of cash flows and its supporting notes at each reporting date
- Reporting staff who consolidate group cash flows across subsidiaries and currencies
- Planning and analysis staff who produce monthly cash projections alongside the budget
- Treasury staff who maintain short-term receipts and payments forecasts
- Controllers and reviewers who sign off cash flow figures before release to auditors, lenders or management

## Course Outline:

### Day 1: Purpose of the Statement of Cash Flows and Classification Judgements

- Cash and Cash Equivalents Definition: Demand Deposits, Short-Term Deposits and Bank Overdraft Treatment
- Operating, Investing and Financing Activity Classification Under IAS 7
- Judgement Calls: Capitalised Development Spend, Lease Payments and Supplier Finance Arrangements
- Interest Paid, Dividends Received and Income Tax Cash Flow Classification Choices
- Diagnostic Review of an Existing Cash Flow Statement Against Accounting Policy Notes

### Day 2: Indirect Method and Direct Method Construction

- Indirect Method Starting Point and Add-Back of Depreciation, Impairment and Provisions
- Working Capital Movement Schedule: Receivables, Inventories, Payables and Contract Balances
- Disposal Gains, Unrealised Exchange Differences and Share-Based Payment Adjustments
- Direct Method Gross Receipts and Payments Derived from Ledger Control Accounts
- Balance Sheet Movement Worksheet Tying Opening and Closing Positions

### Day 3: Cash Flow Analysis and Forecast Building

- Free Cash Flow Build: Operating Cash Less Capital Expenditure and Lease Principal
- Profit-to-Operating-Cash Bridge and Cash Conversion Measure
- Working Capital Driver Model Using Debtor Days, Stock Days and Creditor Days
- 13-Week Receipts and Disbursements Forecast Template by Cash Category
- Monthly Rolling Forecast Linked to the Annual Budget and Projected Balance Sheet

### Day 4: Group Consolidation, Currency Effects, Disclosures and Forecast Variance

- Consolidated Cash Flows: Intragroup Eliminations and Subsidiary Acquisition or Disposal
- Exchange Rate Effect on Cash Held in Foreign Currencies
- Non-Cash Investing and Financing Transactions and the Reconciliation of Liabilities from Financing Activities
- Common Preparation Errors: Double Counting, Sign Reversal and Misclassified Capital Creditors
- Downside Cash Scenario Testing and Actual-Versus-Forecast Variance Log

### Day 5: Case Company Cash Flow Statement and 13-Week Model

- Case Data Pack: Comparative Trial Balances, Fixed Asset Roll-Forward and Group Chart
- Case Statement of Cash Flows Prepared by Indirect and Direct Methods
- Case Review Checklist Sign-Off and Disclosure Note Drafting
- Case 13-Week Cash Forecast Model with Downside and Upside Scenarios
- Cash Flow Statement and 13-Week Forecast Pack Presentation to a Finance Review Panel

## Skills You Will Gain:

- Cash Flow Classification Judgement
- Indirect Method Reconciliation
- Direct Method Derivation
- Consolidated Cash Flow Preparation
- Cash Flow Disclosure Drafting
- Working Capital Driver Modelling
- Short-Term Cash Forecasting
- Cash Variance Explanation

## Why Attend This Course:

- Leave with a Cash Flow Statement and 13-Week Forecast Pack for a case company, reusable as a template for your own ledger
- Close the reporting period with a cash flow statement that ties to the balance sheet without a balancing figure
- Give management a cash outlook that shares its assumptions with the budget and can be explained line by line
- Compare preparation and forecasting practice with accountants and planners from manufacturing, services, construction and retail organisations

## Conclusion:

A reliable cash flow statement and a credible cash forecast rest on the same foundation: clean classification and well-understood working capital drivers. The course moves from the purpose and classification rules of IAS 7, through indirect and direct method construction, to free cash flow analysis and 13-week and rolling forecasts, then to group consolidation, currency effects, disclosures, common errors and variance analysis. The final day applies every step to a case company and produces a Cash Flow Statement and 13-Week Forecast Pack ready for review.