Statement of Cash Flows

Accounting & Finance

The three sections, and why operating cash flow matters most.

The three sections.

The sections

Operating — from trading activity	Investing — buying and selling assets
Financing — debt and equity movements	Net change reconciles opening to closing cash

Reading it

Positive operating cash flow is essential	Negative investing may mean healthy growth
Financing inflows may mean dependency	Compare operating cash flow to profit

> If profit is consistently far above operating cash flow, ask why. It often signals aggressive revenue recognition.