

Cash flow statement (indirect method)

The cash flow statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as; operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.

31 March 2010 £000		31 March 2011 £000
(1,664)	Net (surplus)/deficit on the provision of services	
(570)	Adjust net surplus or deficit on the provision of services for noncash movements	
0	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	
(2,234)	Net cash flows from operating activities	
(2,776)	Investing activities	
(8,427)	Financing activities	
<u>(13,437)</u>	Net (increase)/decrease in cash and cash equivalents	<u>0</u>
9,822	Cash and cash equivalents at the beginning of the reporting period	
23,259	Cash and cash equivalents at the end of the reporting period	0