IAS 7 – STATEMENT OF CASH FLOWS

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1. Introduction

IAS 7 *Cash Flow Statements* was issued by the International Accounting Standards Committee in December 1992.


In April 2001, the International Accounting Standards Board resolved that all Standards and Interpretations issued under previous Constitutions continued to be applicable unless and until they were amended or withdrawn.

Since then, IAS 7 and its accompanying documents have been amended by the following IFRSs:

- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (issued December 2003)
- IAS 21 *The Effects of Changes in Foreign Exchange Rates* (as revised in December 2003)
- IFRS 8 *Operating Segments* (issued November 2006)*
- IAS 23 *Borrowing Costs* (as revised in March 2007)*
- IAS 1 *Presentation of Financial Statements* (as revised in September 2007)*
- *Improvements to IFRSs* (issued May 2008).*

As a result of the changes in terminology made by IAS 1 in 2007, the title of IAS 7 was changed to *Statement of Cash Flows*.

2. Objective

Information about the cash flows of an entity provides

- a basis to assess the ability of the entity to generate cash and cash equivalents
- and its need of the entity to utilize those cash flows.

As also

- help evaluate the ability of an entity to generate cash and cash equivalents and the timing and certainty of their generation.
The objective of this Standard is

- To require the provision of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flows
- This classifies cash flows during the period from:
  - operating,
  - investing and
  - financing activities.

3. Scope

Users of an entity’s financial statements are interested in how the entity generates and uses cash and cash equivalents regardless of nature of the entity’s activities and irrespective of whether cash can be viewed as the product of the entity, as may be the case with a financial institution.

This standard is applicable to all types of entities.

An entity shall prepare a statement of cash flows in accordance with the requirements of this Standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented.

- Recollect, Statement of cash flow is one of the components of the complete set of accounts. (IAS1.10). Comparatives also need to be presented.

4. Benefits of Cash Flow Information

A statement of cash flows, when used in conjunction with the rest of the financial statements, provides information that enables users to evaluate:

- the changes in net assets of an entity,
- its financial structure (including its liquidity and solvency) and
- its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities.

Statement of cash flow is useful in assessing:

- entity’s ability to generate cash and cash equivalents and
- entity’s ability to meet obligations and pay dividends
- Reasons for differences between profit or loss and cash receipts and payments
• Both cash and noncash aspects of entities’ investing and financing transactions

It Enhances the comparability of the reporting of operating performance by different entities because it eliminates the effects of using different accounting treatments for the same transactions and events.

Historical cash flow information may provide an indicator of the amount, timing and certainty of future cash flows.

It is also useful in checking the accuracy of past assessments of future cash flows and in examining the relationship between profitability and net cash flow and the impact of changing prices.

5. DEFINITIONS OF TERMS

5.1 Cash. Cash on hand and demand deposits with banks or other financial institutions.

5.2 Cash equivalents. Short-term highly liquid investments that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Examples of cash equivalents:

Treasury bills,
commercial paper, and
money market funds

5.3 Direct method. A method that derives the net cash provided by or used in operating activities from major components of operating cash receipts and payments.

5.4 Financing activities. The transactions and other events that cause changes in the size and composition of an entity’s capital and borrowings.

5.5 Indirect (reconciliation) method. A method that derives the net cash provided by or used in operating activities by adjusting profit (loss) for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing activities.

5.6 Investing activities. The acquisition and disposal of long-term assets and other investments not included in cash equivalents.

5.7 Operating activities. The transactions and other events not classified as financing or investing activities. In general, operating activities are principal revenue-producing activities of an entity that enter into the determination of profit or loss, including the sale of goods and the rendering of services. (IAS 7.6)
Cash equivalents are held

- for the purpose of meeting short-term cash commitments

- And Not

- for investment or other purposes.

For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Investments with short maturity i.e. maturity of three months or less from the date of acquisition (and not the date of statement of financial position) qualifies as cash equivalent. (IAS 7.8)

Generally bank overdrafts are normally considered as financing activities. Bank overdrafts which are repayable on demand and form integral part of cash management of are included as a component of cash & cash equivalent. A typical characteristic of such overdraft is that the balances fluctuate from positive to overdraft.

6. Exclusion of Non cash Transactions

The statement of cash flows, as its name implies,

- Includes only actual inflows and outflows of cash and cash equivalents.

- It excludes all transactions that do not directly affect cash receipts and payments. However, IAS 7 does require that the effects of transactions not resulting in receipts or payments of cash be disclosed elsewhere in the financial statements.

- The reason for not including non cash transactions in the statement of cash flows and placing them elsewhere in the financial statements (e.g., the footnotes) is that
  - It preserves the statement’s primary focus on cash flows from operating, investing, and financing activities.

- Cash flows exclude movements between items that constitute cash or cash equivalents because these components are part of the cash management of an entity rather than part of its operating, investing and financing activities.

- Cash management includes the investment of excess cash in cash equivalents.

8. Classifications in the Statement of Cash Flows
The statement of cash flows prepared in accordance with IAS 7 (and also in accordance with US GAAP) requires classification into these three categories:

8.1. **Investing activities** include

- the acquisition and disposition of property, plant and equipment and
- other long-term assets and
- debt and equity instruments of other entities (that are not considered cash equivalents or held for dealing or trading purposes.)

Investing activities include cash advances and collections on loans made to other parties (other than advances and loans of a financial institution).

**ELEMENTS OF INVESTING CASH FLOW COVERED IN PARA 16 OF IAS 7**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash payments to acquire long-term assets.</td>
</tr>
<tr>
<td></td>
<td>Cash receipts from long-term assets.</td>
</tr>
<tr>
<td></td>
<td>Cash payments for acquisition of equity and debt instruments of other enterprises and interest in joint ventures.</td>
</tr>
<tr>
<td></td>
<td>Cash advances and loans made to other parties.</td>
</tr>
<tr>
<td></td>
<td>Cash payments for future, forward, option and swap contracts.</td>
</tr>
<tr>
<td></td>
<td>Cash receipts for acquisition of equity and debt instruments of other enterprises and interest in joint ventures.</td>
</tr>
</tbody>
</table>
Cash receipts from loans and advances made to other parties.

Cash receipts from future, forward, option and swap contracts.

8.2. Financing activities include

- obtaining resources from and
- returning resources to the owners.

Also included is obtaining resources through borrowings (short-term or long-term) and repayments of the amounts borrowed.

<table>
<thead>
<tr>
<th>ELEMENTS OF FINANCING CASH FLOW COVERED IN PARA 17 OF IAS 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash proceeds from issuing shares or other equity instruments.</td>
</tr>
<tr>
<td>Cash payments to owners to acquire or redeem the entity’s shares.</td>
</tr>
<tr>
<td>Cash proceeds from issuing short-term and long-term borrowings.</td>
</tr>
<tr>
<td>Cash repayments of amounts borrowed.</td>
</tr>
<tr>
<td>Cash payments by a lease for the reduction of the outstanding liability relating to a finance lease.</td>
</tr>
</tbody>
</table>

8.3. Operating activities, which can be presented under the (IFRS-preferred) direct or the indirect method, include all transactions that are not investing and financing activities.

In general, cash flows arising from transactions and other events that are recognised in profit or loss are operating cash flows.

- Some transactions, such as the sale of an item of plant, may give rise to a gain or loss that is included in recognised profit or loss. The cash flows relating to such transactions are cash flows from investing activities and not operating activities.

- An Exception to above:

- However, cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale as described in paragraph 68A of IAS 16 Property, Plant and Equipment are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities.
Operating activities are principal revenue-producing activities of an entity and include delivering or producing goods for sale and providing services.

Operating activities are key indicators of sufficiency of cash flows

- to repay loans,
- to maintain the operating capability of the entity,
- to pay dividends and
- to make new investments without recourse to external sources of financing.

### DESCRIPTION OF ELEMENTS OF OPERATING CASH FLOWS IN IAS 7

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash receipts from sale of goods and rendering services.</td>
</tr>
<tr>
<td>Cash receipts from royalty, fees, commissions and other revenue.</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services.</td>
</tr>
<tr>
<td>Cash payments to and on behalf of employees.</td>
</tr>
<tr>
<td>Cash receipts and payments by an insurance enterprise for premiums and claims, annuities and other policy benefits.</td>
</tr>
<tr>
<td>Cash payments and refunds of income-taxes unless these are specifically identified as cash flow from financing or investment.</td>
</tr>
<tr>
<td>Cash receipts and payments relating to contracts held for dealing or trading purposes.</td>
</tr>
<tr>
<td>Cash flow arising from dealing in securities when an enterprise holds securities for such purposes.</td>
</tr>
<tr>
<td>Cash advances and loans made by financial institutions.</td>
</tr>
</tbody>
</table>

8.4 While both US GAAP and IFRS define these three components of cash flows, the international standards offer somewhat more flexibility in how certain types of cash flows are categorized. Differences exist between the two standards in the presentation of overdrafts, dividends, and interest.

For example, under US GAAP, interest paid must be included in operating activities,

but under the provisions of IAS 7 this may be consistently included in
either operating or financing activities.

Basic example of a classified statement of cash flows Liquid Corporation

Statement of Cash Flows

For the Year Ended December 31, 2009

Net cash flows from operating activities
Cash receipts from customers:
Cash paid to suppliers and employees € xxx
Interest paid (xxx)
Income taxes paid (xx)
Net cash provided by operation activities (xx)

Cash flows from investing activities:
Purchase of property, plant, and equipment € (xxx)
Sale of equipment xx
Collection of notes receivable xx
Net cash used in investing activities (xx)

Cash flows from financing activities:
Proceeds from issuance of share capital xxx
Repayment of long-term debt (xx)
Reduction of notes payable (xx)
Net cash provided by financing activities xx
Effect of exchange rate changes on cash xx
Net increase in cash and cash equivalents € xxx
Cash and cash equivalents at beginning of year xxx
Cash and cash equivalents at end of year €xxxx

Footnote Disclosure of Non cash Investing and Financing Activities
Note 4: Supplemental Statement of Cash Flows Information

Significant non cash investing and financing transactions:
Conversion of bonds into ordinary shares € xxx
Property acquired under finance leases xxx € xxx

9. Reporting cash flows on a net basis
Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

(a) Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity; and

(b) Cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.

Cash flows arising from each of the following activities of a financial institution may be reported on a net basis:

(a) Cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date;
(b) The placement of deposits with and withdrawal of deposits from other financial institutions; and
(c) Cash advances and loans made to customers and the repayment of those advances and loans.

10. Foreign currency cash flows

Cash flows arising from transactions in a foreign currency shall be recorded in an entity’s functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

The cash flows of a foreign subsidiary shall be translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Cash flows denominated in a foreign currency are reported in a manner consistent with IAS 21 The Effects of Changes in Foreign Exchange Rates. This permits the use of an exchange rate that approximates the actual rate. For example, a weighted average exchange rate for a period may be used for recording foreign currency transactions or the translation of the cash flows of a foreign subsidiary.

However, IAS 21 does not permit use of the exchange rate at the end of the reporting period when translating the cash flows of a foreign subsidiary.

Unrealized gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.
11. Interest and dividends

Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as operating, investing or financing activities.

The total amount of interest paid during a period is disclosed in the statement of cash flows whether it has been recognized as an expense in profit or loss or capitalized in accordance with IAS 23 Borrowing Costs.

Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.

12. Taxes on income

Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

Taxes on income arise on transactions that give rise to cash flows that are classified as operating, investing or financing activities in a statement of cash flows. While tax expense may be readily identifiable with investing or financing activities, the related tax cash flows are often impracticable to identify and may arise in a different period from the cash flows of the underlying transaction.

Therefore, taxes paid are usually classified as cash flows from operating activities. However, when it is practicable to identify the tax cash flow with an individual transaction that gives rise to cash flows that are classified as investing or financing activities the tax cash flow is classified as an investing or financing activity as appropriate. When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid is disclosed.

13. Reporting Cash Flows from Operating Activities

Direct vs. indirect methods.
**IFRS has expressed a preference for the direct method of presenting net cash from operating activities.** In this regard the IASC was probably following in the well-worn path of the FASB in the United States, which similarly urged that the direct method of reporting be adhered to. For their part, most preparers of financial statements, like those in the US, have chosen overwhelmingly to ignore the recommendation of the IASC, preferring by a very large margin to use the indirect method in lieu of the recommended direct method.

The **direct method** shows the items that affected cash flow and the magnitude of those cash flows. Cash received from, and cash paid to, specific sources (such as customers and suppliers) are presented, as opposed to the indirect method’s converting accrual-basis profit (or loss) to cash flow information by means of a series of add-backs and deductions. Entities using the direct method are required by IAS 7 to report the following major classes of gross cash receipts and gross cash payments:

1. Cash collected from customers
2. Interest and dividends received
3. Cash paid to employees and other suppliers
4. Interest paid
5. Income taxes paid
6. Other operating cash receipts and payments

Formulas for conversion of various statements of comprehensive income amounts for the direct method presentation from the accrual basis to the cash basis are summarized below.

<table>
<thead>
<tr>
<th>Accrual Basis</th>
<th>Additions</th>
<th>Deductions</th>
<th>Cash Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>+ Beginning AR</td>
<td>- Ending AR AR written off</td>
<td>= Cash received from customers</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>+ Ending inventory Beginning AP</td>
<td>- Depreciation and amortization* Beginning inventory</td>
<td>= Cash paid to suppliers</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>Ending AP</td>
<td>= Cash paid for operating expenses</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td>+ Ending prepaid expenses</td>
<td>– Depreciation and amortization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning accrued expenses</td>
<td>Beginning prepaid expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ending accrued expenses payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bad debts expense</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### CASH RECEIPTS


### CASH PAYMENTS

- Payment to & on behalf of employees = wages & salaries + closing o/s balance – opening o/s balance.
- Payment of expenses = expenses incurred + opening o/s balance - closing o/s balance.

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The **indirect method** (sometimes referred to as the reconciliation method) is the most widely used means of presentation of cash from operating activities, primarily because it is easier to prepare.:

- It focuses on the differences between net operating results and cash flows.
- It begins with the amount of profit (or loss) for the year, which can be obtained directly from the statement of comprehensive income.
- Revenue and expense items not affecting cash are added or deducted to arrive at net cash provided by operating activities.
- The statement of cash flows prepared using the indirect method emphasizes changes in the components of most current asset and current liability accounts.
- Changes in inventory, accounts receivable, and other current accounts are used to determine the cash flow from operating activities. Although most of these adjustments are obvious (most preparers simply relate each current asset or current liability on the statement of financial position to a single caption in the statement of comprehensive income), some changes require more careful analysis.

**Drawbacks of the indirect method**

- The user’s difficulty in comprehending the information presented.
➢ Does not show from where the cash was received or to where the cash was paid.
➢ Only adjustments to accrual-basis profit (or loss) are shown. In some cases the adjustments can be confusing. For instance, the sale of equipment resulting in an accrual-basis loss would require that the loss be added to profit to arrive at net cash from operating activities.

Although the indirect method is more commonly used in practice, the IASC and the FASB both encouraged entities to use the direct method. As pointed out by IAS 7, a distinct advantage of the direct method is that it provides information that may be useful in estimating or projecting future cash flows, a benefit that is clearly not achieved when the indirect method is utilized instead. Both the direct and indirect methods are presented below.

**Direct method**

Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from sale of goods</td>
<td>€xxx</td>
</tr>
<tr>
<td>Cash dividends received*</td>
<td>xxx</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>€xxx</td>
</tr>
<tr>
<td>Cash paid to suppliers</td>
<td>(xxx)</td>
</tr>
<tr>
<td>Cash paid for operating expenses</td>
<td>(xxx)</td>
</tr>
<tr>
<td>Cash paid for income taxes**</td>
<td>(xxx)</td>
</tr>
<tr>
<td>Cash disbursed for operating activities</td>
<td>€(xxx)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>€xxx</td>
</tr>
</tbody>
</table>

*Alternatively, could be classified as investing cash flow.*
**Taxes paid are usually classified as operating activities. However, when it is practical to identify the tax cash flow with an individual transaction that gives rise to cash flows that are classified as investing or financing activities, then the tax cash flow is classified as an investing or financing activity as appropriate.*

**Indirect method**

Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before income taxes</td>
<td>€ xx</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>xx</td>
</tr>
<tr>
<td>Unrealized loss on foreign exchange</td>
<td>xx</td>
</tr>
<tr>
<td>Interest expense</td>
<td>xx</td>
</tr>
<tr>
<td>Operating profit before working capital changes***</td>
<td>xx</td>
</tr>
<tr>
<td>Increase in accounts receivable</td>
<td>(xx)</td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>xx</td>
</tr>
</tbody>
</table>
Increase in accounts payable                xx
Cash generated from operations          xx
Interest paid           (xx)
Income taxes paid (see note**above)       (xx)
Net cash flows from operating activities  €xxx

Net Reporting by Financial Institutions
IAS 7 permits financial institutions to report cash flows arising from certain activities on a net basis. These activities, and the related conditions under which net reporting would be acceptable, are as follows:
1. Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customers rather than those of the bank, such as the acceptance and repayment of demand deposits
2. Cash flows relating to deposits with fixed maturity dates
3. Placements and withdrawals of deposits from other financial institutions
4. Cash advances and loans to banks customers and repayments thereon

Reporting Futures, Forward Contracts, Options, and Swaps
IAS 7 stipulates that cash payments for and cash receipts from futures contracts, forward contracts, option contracts, and swap contracts are normally classified as investing activities, except
1. When such contracts are held for dealing or trading purposes and thus represent operating activities
2. When the payments or receipts are considered by the entity as financing activities and are reported accordingly

Further, when a contract is accounted for as a hedge of an identifiable position, the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged.


Revised IAS 1 has eliminated the extraordinary categorization of gains or losses, so this no longer will impact the presentation of the statement of cash flows under IFRS. Under IFRS, prior to revisions to IAS 1 in 2005, cash flows associated with extraordinary items were to be disclosed separately as arising from operating, investing, or financing activities in the statement of cash flows, as appropriate.

By way of contrast, US GAAP permits, but does not require, separate disclosure of cash flows related to extraordinary items. If an entity reporting under US GAAP chooses to make this disclosure, however, it is expected to do so consistently in all periods.

Reconciliation of Cash and Cash Equivalents

An entity should disclose the components of cash and cash equivalents and should present a reconciliation of the difference, if any, between the amounts reported in the statement of cash flows and equivalent items reported in the statement of financial position.
By contrast, under the US GAAP the definition must tie to a specific caption in the statement of financial position. For example, if short-term investments are shown as a separate caption in the statement of financial position, the definition of cash for the purposes of the statement of cash flows must include “cash” alone (and not also include short-term investments). On the other hand, if “cash and cash equivalents” is the adopted definition in the statement of cash flows, a single caption in the statement of financial position must include both “cash” and “short-term investments.”

15. Acquisitions and Disposals of Subsidiaries and Other Business Units

IAS 7 requires that the aggregate cash flows from acquisitions and from disposals of subsidiaries or other business units should be presented separately as part of the investing activities section of the statement of cash flows.

The following disclosures have also been prescribed by IAS 7 in respect to both acquisitions and disposals:
1. The total consideration included
2. The portion thereof discharged by cash and cash equivalents
3. The amount of cash and cash equivalents in the subsidiary or business unit acquired or disposed
4. The amount of assets and liabilities (other than cash and cash equivalents) acquired or disposed, summarized by major category

16. Other Disclosures Required or Recommended by IAS 7

Certain additional information may be relevant to the users of financial statements in gaining an insight into the liquidity or solvency of an entity. With this objective in mind, IAS 7 sets forth other disclosures that are required or in some cases, recommended.
1. Required disclosure—Amount of significant cash and cash equivalent balances held by an entity that are not available for use by the group should be disclosed along with a commentary by management.

2. Recommended disclosures—the disclosures that are encouraged are the following:
   a. Amount of undrawn borrowing facilities, indicating restrictions on their use, if any
   b. In case of investments in joint ventures, which are accounted for using proportionate consolidation, the aggregate amount of cash flows from operating, investing and financing activities that are attributable to the investment in the joint venture
   c. Aggregate amount of cash flows that are attributable to the increase in operating capacity separately from those cash flows that are required to maintain operating capacity
   d. Amount of cash flows segregated by reported industry and geographical segments

The disclosures above recommended by the IAS 7, although difficult to present, are unique since such disclosures are not required even under the US GAAP. They are useful in enabling the users of financial statements to understand the entity’s financial position better.

Basic example of the preparation of the statement of cash flows under IAS 7 using a worksheet approach