

Key financial statements

1 Balance sheet (Statement of financial position)

"Financial position" at a certain point in time (Assets and liabilities)

working capital (current assets - current liabilities)

Adjustments

Inventory

FIFO = Closing inventory valued at "latest" price (das was zuerst reinkommt muss auch zuerst raus, deshalb nehme ich Preis des letzten Kaufs)

LIFO = Closing inventory valued at "earliest" price (das was zuletzt reinkommt geht auf zuerst raus, bleibt also das "lager" zum damaligen Preis)

Average price

$$r = 1 - \sqrt[n]{\frac{s}{c}}$$

Depreciation

straight-line method (lineare Abschreibung) = same value each year

reducing balance method (degressive Abschreibung)

where r=rate of depreciation, n=estimated useful life in years, s=estimated residual value, c=cost of value

Formulae

example= Value 20'000, rate= 10% --> 1.year = 20'000 * 0.1 = 2'000, remaining value 18'000 --> 2.year 18'000 * 0.1 = 1800, remaining value = 16'200 etc etc etc....

Common standard = IFRS = International Financial reporting standard
GAAP = Generally accepted accounting principles

2 Profit and Loss statement (Income statement)

Financial performance over a period (Profit or loss, Surplus or deficit)

Accruals / Prepayments --> Abgrenzungen

Profit and Loss Account for the year ended 31 December 20XX

	£m		
Sales	200		
Cost of Sales	130		
Gross Profit			70
Distribution costs and administrative costs	50		
Operating Profit			20
Interest payable			5
Net Profit before Tax			15
Taxation			5
Net Profit after Tax			10

4 Cash flow statement

External, historical view of cash flow

Receipts	500	400	300	600	600
Payments	400	500	500	900	400
Balance	100	-100	-200	-300	200
Cumulative balance	100	0	-200	-500	-300

Was kommt rein, was geht raus

Liquidity of company

forward looking management tool

3 Cash flow forecast

EVA = Economic added value
 Considers the total cost of capital (interests as well as cost of capital coming from equity financing, whereas financial accounting considers just interests)

measures a companies success in generating shareholder value

Economic Added Value Driver Tree



Legende: (Konstante) (Subtraktion) (Addition) (Multiplikation)