



Analysis of the Company's Cash Flow Statement Kopinian Café

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Abstract

Café is a very popular place for young people today, so many entrepreneurs open up opportunities in this business, but seeing a promising market, entrepreneurs still find it difficult to manage their financial reports. Financial reports are important for a company to know the financial condition of the business being run, and the preparation of non-detailed financial statements will also have a big impact on the company, which causes difficulties in developing a business and including investment capital. With the existence of financial reports on. This writing aims to help the company "Kopinian" Café improve company performance by identifying the company's current financial condition. The cash flow statement method is sourced from the income statement and balance sheet report. This statement of cash flows is prepared with three business activities: cash flows from operating activities, investing activities, and financing activities. Kopinian Café has good management performance, shown by companies that can ideally pay current debts, pay liabilities, and manage inventory turnover.

Keywords: Financial Statement, Management Finance, Cash Flow

1. Introduction

Making a cash flow statement is important to show management's ability to manage the company's cash which shows the sources of cash funds and the use of cash funds in a certain period. Revenues greater than expenses can cause cash flow problems. Paying attention to the cash flow that has been made can facilitate the best consideration and be used as a benchmark for making financial decisions and strategies. Gitman (2012) defines financial statements as a recording process summary. So the financial statement analysis depends on the information taken from the financial statements (Brigham & Houston, 2018), which believes that financial statements are part of the financial reporting process.

Financial statements are a structured presentation of an entity's financial position and performance (Sukono, 2022). Financial statements have several types, namely statements of the economic situation at the end of the period, statements of profit and loss and other comprehensive income during the period, statements of changes in equity during the period, statements of cash flows during the period, and notes to financial statements (Glory, 2021; Omondi & Muturi, 2013). financial ratio analysis is a technique for evaluating the performance and condition of a company. So based on the analysis of financial ratios, the company's development will be known in the past, present, and future (Firdaus & Endri, 2020).

The cash flow statement provides information on the sources. It uses cash in a period by showing the state of money from the company's daily activities and measuring the investments that occur in the company intending to obtain future profits, and knowing whether the company's funds are sufficient to get dividends and also cover all daily activities of the company, as well as pay debts on time, and show additional capital. The preparation of the cash flow statement begins with the preparation of data sources, namely balance sheets and income statements. The results are compiled with three main business activities: operational, investing, and financing (IAI, 2016). With a cash flow report, it is expected to be able to: 1. Know the actual cash flow 2. Can help regarding the relationship between cash flow and profit in accounting 3. View own liquidity 4. View information about the quality of profits generated by the company

2. Materials and Methods

2.1. Materials

The types of assets used in preparing the cash flow financial statements at Cafe Kopinian are non-current assets. Non-current assets are not easily converted into money quickly because they have a useful life of more than one year. In preparing this cash flow statement, there are two types of assets: current and non-current. Existing assets that will be used data such as cash, banks, accounts receivable, and prepaid rent. Non-current assets that will be used data such as land, buildings, vehicles, and trademarks.

2.2. Methods

The method used in preparing the cash flow financial statements at the Cafe Kopinian is interviewed. Interviews were conducted by asking the owner of Cafe Kopinian about the things needed to prepare cash flow financial statements, such as assets owned, total income, operational costs, etc. The steps for preparing a cash flow statement: 1. Has a data source Balance Sheet Report and Profit and Loss Report, 2. Calculate the increase or decrease in cash, 3. Calculate net cash (net) in operating activities using the indirect method, 4. Calculating net cash (net) in investing activities, 5. Calculating net cash (net) in supporting activities, 6. Calculating net (net) cash in financing activities, and 7. Calculate the amount of net money from the three activities along with the initial cash balance.

3. Results and Discussion

3.1 Financial Reports

3.1.1 Business Financial Asset Data

The total financial assets from current assets amounted to IDR 23,091,667, such as cash, banks, trade receivables, and prepaid rent. Meanwhile, the total financial assets of non-current assets amounted to IDR 3,680,000, including land, buildings, and vehicles. In addition, the company has trademark assets.

3.1.2 Preparation of Financial Statements

Preparation of financial statements using cash flow statements with the indirect method. To create a cash flow statement, two sources of data are needed: An income statement for the current period and a Balance report from the current period with the previous period's balance sheet. Then will present the profit and loss report data from Kopinian Café for the 2022 period in Table 1

Table 1: Income Statement Kopinian Café

Kopinian Café	
Income Statement	
Period 01 - 31 Januari 2022	
Account	Balance
Income	
Revenue	55,500,000
Sales Return	0
Total Current Assets	55,500,000
Cost To Revenue	
Cost of goods sold	24,850,000
Total Cost Over Revenue	24,850,000
Gross Profit	30,650,000
Operational Costs And Others	
Promotion and Advertising	1,200,000
Account Tax	200,000
Salary and Allowance Expenses	9,000,000
Cost of Depreciation	530,000
Fuel, Parking, and Tolls	300,000
Electricity, Water, and Gas	1,500,000
Internet	1,000,000
Safety and Cleanliness	20,000
Insurance	150,000
Goods Maintenance and Service	0
Meal allowance	1,000,000
Other expenses	100,000
Total Operational and Other Costs	15,000,000
Net Profit	15,650,000

It can be seen from the income statement report for the 2022 period above the Kopinian Café company has received a profit of IDR 15,650,000. Next, data will be presented regarding the balance report from Kopinian Café from the 2022 period to the 2021 period in Table 2

Table 2: Balance Report Kopinian Café

Kopinian Café			
Balance Report			
Period January 2022			
DESCRIPTION	PERIOD 2021	PERIOD 2022	NET CHANGE
Assets			
Current Assets			
Cash	14,520,000	6,550,000	7,970,000
Bank	20,000,000	9,428,333	10,571,667
Accounts Receivable	10,000,000	6,450,000	3,550,000
Inventory	20,000,000	15,000,000	5,000,000
Prepaid Lease	4,000,000	3,000,000	1,000,000
Other Current Assets	0	0	
Total Current Assets	68,520,000	30,428,333	38,091,667
Fixed Assets			
Land	200,000,000	200,000,000	0
Building	290,000,000	290,000,000	0
Vehicle	34,000,000	30,320,000	3,680,000
Accum Depreciation of Buildings	1,733,333	2,189,667	(456,334)
Accum Depreciation of Vehicle	1,650,000	2,088,900	(438,900)
Total Fixed Assets	527,383,333	524,598,567	2,784,766
Total Assets	595,903,333	555,026,900	40,876,433
Obligation			
Debt			
Account Payable	27,000,000	16,000,000	(11,000,000)
Bank Debt	100,000,000	99,000,000	(1,000,000)
Total Debt	127,000,000	115,000,000	(12,000,000)
Other Debt			
Output VAT	0	0	0
PPH 21	0	0	0
Accrual Expenses	1,000,000	0	1,000,000
Total Other Payables	1,000,000	0	1,000,000
Total Liabilities	128,000,000	115,000,000	13,000,000
Capital			
Initial capital	180,000,000	180,000,000	0
Prive	0	0	0
Prive/Dividend	0	(9,000,000)	0
Retained earning	56,900,000	56,900,000	0
Profit of the Period	0	15,650,000	(15,650,000)
Total Capital	236,900,000	243,550,000	(15,650,000)
Total Liabilities and Capital	364,900,000	358,550,000	6,350,000

Based on the balance report, the numbers in the net change column have positive or non-minus results, resulting in cash outlays, whereas cash receipts occur if the number is minus. Through the income statement and balance sheet data sources, a cash flow statement is obtained, which will be presented in Table 3.

Table 3: Statement of Cash Flows Indirect Method Kopinian Café

Kopinian Café	
Statement of Cash Flows Indirect Method	
Period 01 October 2022 - 30 November 2022	
Operational Activities	
Net profit	15,650,000
Receivable Account	3,550,000
Other Current Assets	1,000,000
Inventory	5,000,000
Depreciation and Amortization	(895,234)
Accounts Payable	(11,000,000)
Other Short-Term Liabilities	(1,000,000)
Net cash provided by Operational Activities	4,112,966
Investment Activities	
Fixed Assets	3,680,000
Other Investment Activities	0
Net cash provided by Investing Activities	3,680,000
Funding Activities	
Long term liabilities	(1,000,000)
Equity	0
Net cash generated for Funding Activities	(1,000,000)
Cash Increase	6,792,966
Initial Cash Balance	34,520,000
Ending Cash Balance	41,312,966

3.1.2 Establishment of Financial Report Accounts

The Profit - Loss Report used is Indirect Method Report:

- Cash flow from operating activities: Initially, the company earned a profit of IDR 15,650,000 (Table 1) in 2022, then an additional IDR 4,112,966 was obtained for the company's operating activities.
- Cash flow from investing activities: In Table 2, it is shown that the company experienced a decrease in the value of fixed assets of IDR 3,680,000.
- Cash flow from financing activities: The company experienced additional cash of IDR 1,000,000 from financing activities
- A total of three cash flow activities: In the 2022 period, there was an additional ending cash balance of IDR 6,792,966.

3.2 Discussion

The increasing number of companies that include cash flow statements in their annual financial statements makes information users make cash flow reports as an analysis tool for company performance. One of the analyses of financial performance using the cash flow statement is the analysis of the ratio of cash flow statements. This cash flow statement analysis uses several components from the statement of financial position (balance sheet) and income statement as a ratio analysis tool. And based on the company's problems, namely the difficulty of seeing business development efficiently. Next, the author will discuss several calculations of cash flow ratios according to existing issues:

a. Operating Cash Flow Ratio

Total operating cash flow = IDR 4,112,966

Current liabilities = IDR 1,000,000

Use Equation:

$$\text{Cash Flow Ratio} = \frac{\text{total operating cash flow}}{\text{current liabilities}} \% \quad (1)$$

Then using formula (1), the results for the cooperative flow ratio are 4.11% so that the operating cash flow ratio is above 1, meaning that the company is likely to be able to pay current liabilities without using cash flow and other activities.

b. Inventory Turnover Ratio

Cost of Goods Sold (HPP) = IDR 24,850,000
 Inventory for the 2021 period = IDR 20,000,000
 Stock for the 2022 period = IDR 15,000,000
 Use Equation:

$$\text{Inventory Turnover Ratio} = \frac{\text{Sales}}{\text{inventory average}} \quad (2)$$

Then using formula (2), the results for the inventory turnover ratio are 1.42 times, then to determine the ideal number of an inventory turnover rate, the formula can be used:

$$(\text{inventory turnover rate} \times \text{gross profit margin}) \times 100\% \quad (3)$$

Then using formula (3), a result of 78.41% is obtained, which means below 100%, so Kopinian Café's inventory turnover can be said to be ideal and shows that the inventory of goods managed by the company can be managed efficiently.

c. Ratio of Cash Coverage to Current Liabilities

Total operating cash flow = IDR 4,112,966
 Dividend = IDR 9,000,000
 Current liabilities = IDR 11,000,000
 Use Equation:

$$\text{Ratio of Cash Coverage to Current Liabilities} = \frac{\text{operating cash flow} + \text{dividends}}{\text{current liabilities}} \quad (4)$$

Then by using formula (4), the result of the coverage ratio of cash to current liabilities is 1.19 times so that it can be seen that the company is performing quite well and efficiently, as seen from the company being able to pay current liabilities and current debt without using cash flow. Then the company has a good inventory turnover so that it can help the company know its financial position and see business development

4. Conclusion

From the analysis and discussion of the cash flow statements at the Kopinian café company, it can be concluded that its financial performance, especially from the study of cash flow statements in the 2022 period, is good. This can be shown from the value of the operating cash flow ratio above 1, which means the company can pay current liabilities. The inventory turnover ratio is below 100%, which means the company does inventory turnover well and efficiently to save expenses. The percentage of cash coverage to the current debt is above 1, which means the company can pay the existing debt without using cash flow and other activities.

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