**Abstract**

In Financial accounting, a Cash Flow Statement, also known as statement of cash flows, is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. The statement captures both the current operating results and the accompanying changes in the balance sheet. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business. International Accounting Standard 7 (IAS7), is the International Accounting Standard that deals with cash flow statement