

Cash Flow Financial Performance Analysis at PTOF Bandung-Indonesia Company

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Abstract: The purpose of this study is to know the financial performance of PTOF Bandung-Indonesia by looking at its cash flow statement. The method used in this research is quantitative, using descriptive statistics. The research design is the stage of data collection, data presentation, and conclusion drawing. The data analysis uses ratio analysis by primary data directly from PTOF Bandung-Indonesia. Because it has only been established for one year, the data that can be taken is within one year of observation. The company's performance is good because, from the cash flow statement, one can see that the company can meet current liabilities, interest payments, and taxes in a predetermined period. It can be said that the company can manage the existing cash flow to produce sustainable cash flow. This research has limitations, including the period, only one year, and in one company. For this reason, future research is expected to use a longer observation period with a larger number of companies, and their performance needs to be compared with similar companies. This research can be useful for managers and investors, especially in financial management, that effective and efficient cash management can help companies achieve their goal of maximizing profit.

Keywords: Cash Flow Performance, Cash Flow Statement, Company Performance, Financial Performance.

INTRODUCTION

Corporate finance is one of the important elements that can determine whether a company develops. From a financial point of view, all company activities are divided into fund producers and fund users. Through good financial management, it is expected that companies can improve financial performance in each of their economies. "The financial performance of a company depends on how management manages finances and carries out the company's activities. Therefore, the management is required to improve their abilities and professionalism. It is so that the company's management can achieve its goals set previously. In achieving the company's goals, the company's financial performance describes the financial condition and development in achieving company goals" (Fabozzi, 2000: 775); (Fabozzi et.al, 1999); (Oktavia & Kennedy, 2021).

To find out the company's financial performance or financial condition, we can look through the financial statements. "The company's financial statements are a source of information between financial data and activities of a company and parties with interest in the data or activities of the company. Financial statements consist of income statements, balance sheets, cash flow statements, reports of changes in capital, and notes to financial statements" (Buckle, 2014: 195); (ICAI, 2000).

One component of the financial statements that are quite influential on the financial statements is the cash flow statement. The cash flow statement can provide relevant information about a company's cash receipts or disbursements in a certain period by classifying transactions in operating, investing,

and financing activities in a certain period. These three cash flow statement activities are important in assessing the company's financial performance (Supatminingsih, 2018).

In assessing a company's financial performance, a cash flow statement is one of the tools used to assess financial performance. The cash ratios used in measuring financial performance are operating cash flow ratios, fund flow coverage ratios, cash to interest coverage ratios, cash to current debt coverage ratios, capital expenditure ratios, total debt ratios, free net cash flow ratios, cash flow adequacy ratios (Lufriansyah, 2019). Using cash inflows can see whether the company's performance is good or bad through its ability to pay dividends to investors and its obligations to interested parties (Yeo, 2018).

PTOF Bandung-Indonesia is a company engaged in renting shared workspaces and private offices known as Coworking Offices located in South Bandung. PTOF offers several products: a private desk, dedicated desk, shared desk, meeting room, virtual room, and legality. PTOF offers each individual an interesting experience working, both independently and in groups. PTOF provides a place with a comfortable, quiet atmosphere and is supported by the best facilities and services but at an affordable cost.

Based on the description above, the analysis of cash flow statements as one of the company's financial performance is used as a consideration tool to determine the company's ability and make decisions for internal and external parties.

Therefore, the researcher tries to identify the problems in a case study by looking at the financial performance of PTOF Bandung-Indonesia, which is measured using cash flow statement analysis. So the purpose of this study is to find out the financial performance of PTOF Bandung-Indonesia by looking at its cash flow statement.

LITERATURE REVIEW

The financial report is financial information presented and prepared by the Board of Directors of a company to internal and external parties, including all business unit business activities, which is a means of completing the process and contact information for interested parties. "Financial statements include balance sheets, income statements, statements of changes in equity, cash flow statements, and notes to financial statements. The financial report summarizes a process of recording and financial transactions that occur during the relevant financial year" (Baridwan, 2004).

"The objective of financial statements is to provide information about the financial position, financial performance, and statement of cash flows of an entity that is useful to many users in making economic decisions, or anyone can request a specific financial statement position to meet certain information needs. In general, financial statements aim to provide financial information about a company, either at a certain time or period. It can also prepare financial reports suddenly according to company needs or periodically" (Rudianto 2012).

In his paper, Yahya, (2015) explains, Financial statements show what management has done or management's responsibility for the resources entrusted to it. Users who want to assess what has been done or the responsibility of management do so so that they can make economic decisions. These decisions, for example, may include decisions to retain or sell their investment in the company or decisions to reappoint or replace management. The parties interested in the company's existence can be divided into two groups: internal parties and external parties. Internal parties are free to see detailed data, which managers usually do. People who can use any financial data in the company and the results of the analysis are entirely for the company's benefit. External parties are other parties to the company who are not authorized to view detailed financial data.

Types of Financial Statements can be Balance Sheets or statements of financial position, Liabilities (debt), Equity (capital), Income Statements, Statements of Changes in Equity, and Statements of Cash Flows. The balance sheet or statement of financial position is that part of the financial statements of an accounting period that shows the entity's financial position at the end of that period. The balance sheet has three elements of financial statements, namely assets, liabilities, and equity. Liabilities are debts that must repay or services performed in the future to other parties. Liability is the opposite of an asset which is something that is owned. Equity is part of the ownership rights in the company, which is the difference between existing assets and liabilities. The income statement measures the company's financial performance in a certain period. The income statement is a report that measures the success of the company's operations for a certain period. The statement of changes can be sourced from the effect of error correction and changes in the accounting methods used. A cash flow statement is a report that describes a summary of cash receipts and disbursements for a certain period, usually one year. (Harlina, 2008)

According to Rudianto, (2013) "Financial performance is the result or achievement that has been achieved by company management in managing company assets effectively during a certain period. So financial performance is an analysis conducted to see how a company has implemented it using financial implementation rules properly and correctly. The company needs financial performance to know and evaluate the company's level of success based on the financial activities that have been carried out. The assessment of each company is different because of the scope of business carried out. Measurement of performance needs to be done to determine whether to carry out performance according to the specified schedule or whether performance results have been achieved as expected".

The cash flow statement describes the company's ability to generate cash. It is equivalent to the company's needs in utilizing these funds classified as operating, investing, and financing activities. Ideally, the company has positive net cash from operating activities so that the company does not have to be too dependent on investment and financing activities. According to Darsono and Ashari, (2005:91), "To assess financial

performance through the cash flow statement, the following cash flow ratio is used:

An operating Cash Flow Ratio above 1 indicates that the company can pay its current liabilities without using cash flows from other activities.

Fund Flow Coverage Ratio, indicating that a large ratio indicates a better ability than pre-tax profit to cover commitments maturing within one year.

Cash Coverage Ratio to Interest, indicating that a large ratio indicates that operating cash flow can better cover interest costs. The possibility of the company not being able to pay interest is very slight.

The Cash Coverage to Current Debt ratio indicates that a large ratio indicates the company's ability to pay its current liabilities is getting bigger.

Capital Expenditure Ratio indicates that a low ratio indicates a low ability while a high ratio indicates a high ability of cash flows to finance capital expenditures.

Total Debt Ratio, indicating that a fairly low ratio indicates that the company has a poor ability to pay all its obligations from cash flows originating from its normal operating activities.”

METHODS

The method used in this research is quantitative, using descriptive statistics. The research design is the stage of data collection, data presentation, and conclusion drawing. The data analysis used is ratio analysis. The ratio analysis method is a method of calculating and interpreting financial ratios to assess the company's financial performance. Data is primary data obtained directly from the company PTOF Bandung-Indonesia. Because it has only been established for one year, the data that can be taken is within one year of observation.

The object of this research is the financial performance of cash flows from PTOF Bandung-Indonesia, a company engaged in the rental of shared workspaces and private offices known as Coworking Offices. PTOF Bandung-Indonesia was formed on February 20, 2019. PTOF is located on Batununggal Street, South Bandung, West Java, Indonesia.

PTOF Bandung-Indonesia is a branch of the central company, namely PTMAP. PTMAP has branch companies consisting of PTHK Bandung, PTOF and Café CB. One management oversees three businesses. Regarding the funding system at PTOF, there is one business management in three

business branches. The products offered at PTOF Bandung-Indonesia are:

Making company legality

PTOF Bandung-Indonesia, in partnership with a trusted notary, also provides services for making company legalities. With the aim that your company is protected by state law and can increase business credibility. Another advantage of having legality as a company grows is that it is easier to sell shares.

Private Office

Private Office has a capacity of four people. With a comfortable workspace. Tenants will get a good impression and create a lot of inspiration. The team has privacy and will have a soundproofed room to do the best job of achieving the goals of the PTOF Bandung-Indonesia company. The company provides lockers to store valuables and card access to enter the building. Facility: Comfortable workspace, high-speed Internet, Lounge, Cutlery Free tea and coffee, and Locker.

Shared Desk

Shared Desk PTOF Bandung-Indonesia has a capacity of 21 people. With a comfortable workspace. In this case, tenants will feel comfortable and get a lot of inspiration. Customers will get a collaborative environment for the team to thrive, not only for personal work. Facilities: Comfortable workspace, high-speed internet, lounge area, cutlery. Free tea and coffee.

Virtual Office

Virtual Office is a workspace or office located in the internet world. An individual can complete the tasks required to carry out virtual office features: Thousands of locations, Business space facilities worldwide, and Telephone answering service available.

RESULTS AND DISCUSSION

One of the most important factors to see the development of a company lies in the elements of its financial statements because these elements can also evaluate whether the policies adopted by a company are appropriate or not. Many companies end up going bankrupt because of unhealthy financial factors. A company is required to improve its performance to be able to maintain its financial position in times of crisis as well as in intense competition. Looking at the current economic situation and conditions, companies are having a hard time. For this reason, it is important to maintain good financial performance so that the

financial position continues to use standard financial implementation rules.

Data

The table below is the cash flow data from PTOF Bandung-Indonesia.

Table 1: PTOF Bandung-Indonesia Cash Flow Data

PTOF BANDUNG CASH FLOW REPORT FOR DECEMBER 2021		
No	Estimated Name	Total
A	Beginning Balance	
1	Bank account	93,375,678.92
2	Petty cash	4,108,789.00
	Total Initial Balance	
B	INCOME	
	1. OFFICE FIFTEEN	
	1.1 Private Office	8,500,000.00
	1.2 Meeting Rooms	1,017,900.00
	1.3 Sharedesk	671,115.00
	1.4 Virtual Office	2,000,000.00
	1.5 Legality Deed Making Services	
	1.6 Food & Drink	
	Total income	109,673,482.92
C	RECEPTION	
1	Intercon - Pandawa Bank	5,049,846.00
2	Dropping Salary funds in Bandung	
3	CV	
4	Kumala Hotel Income Deposit	
5	Bank interest	2,297.25
6	My Pocket Refund	4,200.00
	TOTAL RECEIPT	5,056,343.25
	TOTAL RECEIVING & REVENUE	114.729,826.17
D	RECEIVABLES	
	TOTAL ACCOUNT RECEIVABLES	0
E	LIABILITY	
	TOTAL LIABILITY	0
F	EXPENDITURE	
1	Dividend Payment	
2	Payment of PPh 4 Paragraph 2	
3	Income Tax Payment 21	
	TOTAL EXPENDITURE	0
G	BURDEN	
1	Employee Salary Expense	5,049,846.00
2	Employee Service	4,005,496.00
3	Shophouse Rental Expenses	
4	Employee THR	
	TOTAL LOAD	9,055,342.00
H	OPERATING COSTS	
	FIXED UTILITY COST	
1	Electricity	2,509,5000.00
2	Water	150,660.00
3	Internet	9,900,0000.00
4	call	187,405.00
5	UN	
6	Petty Cash	

7	Depreciation Expense	
	TOTAL FIXED COST	12,747.565.00
I	MISCELLANEOUS EXPENSE	
1	Promotion	5,334,500.00
2	Gasoline, Parking, and Vehicle Toll	26,000.00
3	SPPD – Leader	3,000,000.00
4	Insurance – Leader	1,550,000.00
5	General Administration of BPJS Employment	
6	Cv Making Cost	
7	ATK	225,100.00
8	Environmental Safety & Cleaning Fee	427,000.00
9	Vehicle STNK Renewal Fee	
10	Tactical Cost	
11	HK & Chemical Equipment	1,2600.00
12	Miscellaneous expense	915,500.00
13	Maintenance & Repair Cost	110,000.00
14	Delivery	
15	Administrative costs	64,800.00
16	Interest tax	459.45
17	Fees and Donations	
18	Entertainment Fees	
19	Intercon - Pandawa Bank	500,000.00
	TOTAL OTHER COSTS OTHER	13,413,359.45
	TOTAL EXPENSES & OPERATIONAL COSTS	35,216,266.45
	TOTAL EXPENDITURE	35,216,266.45
	RECAPITULATION	
	TOTAL REVENUE & INCOME & BEGINNING BALANCE	114.729,826.17
	TOTAL EXPENDITURE	35,216,266.45
	TOTAL FINAL BALANCE	79,513,559.72
	Notes :	
	Account Balance. BANK BCA	75.009,845.72
	Petty Cash Office 15 balance	4,503,714.00
	TOTAL	79,513,559.72

Source: PTOF Bandung-Indonesia

Table 2: Presentation of Cash Flow Data

No	Information	Amount
1.	Total operating cash flow	149.946.092,62
2.	Current liabilities	9.055.342.00
3.	EBIT	95,400,917.92
4.	Flower	2.297.25
5.	Tax Adjustment	-
6.	Preferred Dividend	-
7.	Interest tax	459.45
8.	Cash Dividend	0
9.	Current liabilities	0
10.	Capital Expenditure	35.216.266.4
11.	Total Amoun of debt	-

In PTOF Bandung-Indonesia data, in the calculation of *cash flow*, there are several boxes in the table with a total of 0, such as receivables, current liabilities, cash dividends, d because there are no credit sales. For funding, the system is from

one PTMAP business management. Sales at the company can be calculated from the overall revenue and do not calculate the cost of goods sold because the company is a service company, not a

company manufacturing or selling products. PTOF Bandung-Indonesia also does not have stock.

We can see the ratio to determine the ability to operate cash flow in paying current liabilities from the table below.

Data Analysis

Operating Cash Flow Ratio

Table 3: Operating Cash Flow Ratio

Year	Amount Operating Cash Flow	Current Liability	Cash Flow Ratio
2021	149,946,092.62	9,055,342.00	16.55

In 2021 based on the company's operating cash flow ratio is good, it can be seen from the operating cash flow ratio of 16.55. Based on the ratio is 2021, we can interpret that the company's operating cash ratio is good because every RP.1 of

current liabilities is guaranteed by 16.55 net cash flow ratio from operating activities.

Fund Flow Coverage Ratio

This ratio is used to determine the company's ability to generate cash to pay its commitments (interest, taxes, and preferred dividends).

Table 4: The ratio of Sufficient Cash Flow

Year	EBIT	Flower	Tax Adjustment	Preferred dividend	Ratio Cash flow
2021	95,400,917.92	2,297.25	0	0	41.5

Based on the table above, the ratio of coverage of fund flows in 2021 is good. Due to the cash flow ratio of PTOF, Bandung-Indonesia has reached above standard 1, where the cash flow ratio of funds is 41.5

Cash Coverage to Interest Ratio

This ratio determines the ability to operate cash flow to pay interest.

Table 5: Coverage of Cash against Interest

Year	Operating Cash Flow	Flower	Interest tax	Operating Cash Flow Ratio
2021	149,976,092.62	2,297.25	459.4	65.27

The table above shows that the cash to interest coverage ratio is good. Which is 2021, the cash to interest coverage ratio is 65.27. Based on the ratio in that year, the ratio of cash to interest coverage is good because every Rp.1 interest obligation is

guaranteed by 65.27 net cash flow ratio from operating activities.

Capital Expenditure Ratio

This ratio is used to determine the available capital for investment and the payment of existing debt.

Table 6: Capital Expenditure Ratio

Year	Operating Cash Flow	Capital Expenditure	Cash Flow Ratio
2021	149,946,092.62	35,216,266.45	4.257

The capital expenditure ratio of PTOF Bandung-Indonesia 2021 is already good because it is above the standard ratio, namely 1. The capital expenditure ratio is 4,257, which means every Rp. 1 issued by the company to purchase its fixed assets using 4,257 net cash flow ratio from operating activities.

management strategy that impacts company profitability.

Company managers must consider the company's value and pay attention to each cash flow statement in detail to avoid a decline in the company's financial performance.

Before deciding to invest, investors can pay attention to cash flow ratio analysis as input for evaluating, choosing alternative investments, and knowing how the company is to be able to get the maximum benefit from the investment.

CONCLUSION

Based on the results of the discussion, then the writer can conclude:

Managerial Implications

The managerial implications of this research are: Good cash flow statement management can further encourage companies to improve financial performance. Managers who can manage assets and information tend to understand economic conditions and future developments, so that information can be used as an efficient cash flow

From the cash flow analysis results as measured by the operating cash flow ratio, the performance of PTOF Bandung-Indonesia is very good. It is because it reaches standard one. In other words, PTOF can meet the payment of current obligations at a predetermined time by using cash inflows from operating activities.

The performance has been good from the cash flow analysis results as measured by the ratio of coverage of fund flows at PTOF Bandung-Indonesia in 2021. It is because, in that year, the value reached the standard value of 1. It means that the profit generated by PTOF Bandung is large and the liabilities owned are small.

From the results of the analysis of the cash flow ratio as measured by the ratio of cash to interest coverage at PTOF Bandung-Indonesia in 2021 has reached the standard ratio value of 1, or can interpret that the company has a high ability to pay interest costs.

From the results of the analysis of the cash flow ratio as measured by the capital expenditure ratio, the financial performance of PTOF Bandung-Indonesia is good because the score reaches standard 1.

Based on this information above, we can conclude that the performance of PTOF Bandung-Indonesia is good because it has reached the standard value of 1. It can say that its performance is good because the cash flow statement owned can meet current liabilities, interest payments, and taxes in a predetermined period. It can be said that the company's financial performance has been good because it can manage existing cash flows to produce sustainable cash flow (sustainable cash/provide even greater cash value).

The advice that can give is that every company must be able to manage cash flow effectively. Companies must be able to determine policies in the allocation of sources and use of cash to maintain the company's financial performance. Furthermore, the company's ability should further increase its operating cash flow. Suppose the company has operating cash flow that increases in the future, then, of course. In that case, the company can cover the costs incurred quickly so that the company's performance can achieve the target expected by the company.

The limitation of this research is the period which is only one year, and in one company. For this reason, future research is expected to use a longer

observation period with a larger number of companies, and their performance needs to be compared with similar companies.

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