Notes to the Cash Flow Statement

43. Notes to the Cash Flow Statement

Free Cash Flow

The balance of the cash inflow from operating activities and the cash outflow from investing activities makes up the free cash flow. This indicates what cash resources are available for dividend distribution or the redemption of existing loans. The free cash flow fell as against the previous year from € 185,639 thousand to € 144,276 thousand. The drop is mainly due to the increased cash outflow for investing activities. In addition to the year-on-year reduction in payments arising from the disposal of non-current assets, the increase in the cash outflow for investments is due primarily to the development in short-term deposits. Cash flow from operating activities showed positive development. The increase is due to a higher operating result (EBIT) and also to a drop in trade receivables and other assets. Higher tax payments in the year under review had the opposite effect and put pressure on the cash flow from operating activities in a year-on-year comparison.

Change in Liabilities from Financing Activities

The balance of the proceeds from the issuance of bonds and (financial) loans and payments for the redemption of (financial) loans produces the change in liabilities from financing activities pursuant to IAS 7. In the reporting year, the Group made payments for the redemption of (financial) loans in the amount of € 40,494 thousand. There were no proceeds from the issuance of bonds and (financial) loans. This change in the liabilities from financing activities is reflected in the reduction in liabilities to banks in the amount of € 41,471, see also ▶ Note 38, page 123. The change is also due to exchange rate effects amounting to € - 2,255 thousand and to other effects in the amount of € 1,278 thousand.

Financial Funds

Financial funds include cash in hand and bank balances with a remaining term of up to three months and receivables and liabilities relating to HGV. Receivables from HGV are overnight deposits available on demand. They are recognised at nominal value.

Financial Funds

in € thousand	31.12.2017	31.12.2016
Cash and cash equivalents with a maturity up to 3 months	49,953	12,869
Short-term deposits with a maturity of 4–12 months	20,000	18,795
Bank balances and cash in hand	131,561	145,528
Cash, cash equivalents and short-term deposits	**201,514**	**177,192**
Receivables from HGV	74,000	74,000
Short-term deposits with a maturity of 4–12 months	- 20,000	- 18,795
Financial funds at the end of the period	**255,514**	**232,397**