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 year-on-year by € 14,908 thousand to € 113,909 thousand. Significant changes resulted from both the cash flow from operating activities and the cash flow from investing activities. The fall in cash flow from operating activities was mainly due to the year-on-year decline in the operating result (EBIT). This was offset by the year-on-year increase in provisions and the reduction in income tax payments. The cash outflow from investing activities was lower than in the previous year. This decline was mainly the result of payments received for short-term deposits (previous year: payouts). The decrease in payments received for the disposal of intangible assets, property, plant and equipment and investment property had an opposing effect.

Change in liabilities from financing activities

The balance of the proceeds from the issuance of bonds and the taking out of (financial) loans, as well as the balance of 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 € 37,211 thousand (previous year: € 39,733 thousand). The change in the liabilities from financing activities is reflected in the decrease in liabilities to banks in the amount of € 36,687 thousand (previous year: € 37,869 thousand), see also Note 38. The balance of the proceeds from the issuance of bonds and the taking out of (financial) loans, as well as the balance of payments for the redemption of (financial) loans to other lenders, has been recognised as a change in the liabilities from financing activities in the amount of € 603 thousand (previous year: € 1,853 thousand). Exchange rate effects and other effects are insignificant.

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	**31.12.2020**	31.12.2019
Cash and cash equivalents with a maturity up to 3 months	5,975	23,131
Short-term deposits with a maturity of 4–12 months	40,000	45,000
Bank balances and cash in hand	80,883	89,910
Cash, cash equivalents and short-term deposits	**126,858**	**158,041**
Receivables from HGV	82,000	95,000
Overdrafts	- 11	- 19
Short-term deposits with a maturity of 4–12 months	- 40,000	- 45,000
Financial funds at the end of the period	**168,847**	**208,022**