

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 € 144,276 thousand to € 29,341 thousand. The drop is mainly due to the increased cash outflow for investing activities. Operating cash flow also declined due to the increase in trade receivables and other assets and the decrease in provisions. This was offset by a higher operating result (EBIT) over the previous year.

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 € 27,867 thousand (previous year: € 40,494 thousand). There were € 136,924 thousand (previous year: € 0 thousand) in proceeds from the issuance of bonds and (financial) loans. This change in the liabilities from financing activities is reflected in the increase in liabilities to banks in the amount of € 112,777 thousand (previous year: reduction of € 41,471 thousand) see also [Note 38](#). Furthermore, the first-time consolidation of HHLA TK Estonia AS in the reporting year led to an increase in liabilities to banks of € 6,276 thousand. The balance of the proceeds from the issuance of bonds and (financial) loans and 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 € - 2,897 thousand. Furthermore, exchange rate effects of € 72 thousand (previous year: € - 2,255 thousand) and other effects of € 269 thousand (previous year: € 1,278 thousand) changed liabilities to banks.

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	31.12.2018	31.12.2017
Cash and cash equivalents with a maturity up to 3 months	25,683	49,953
Short-term deposits with a maturity of 4–12 months	22,450	20,000
Bank balances and cash in hand	133,327	131,561
Cash, cash equivalents and short-term deposits	181,460	201,514
Receivables from HGV	95,000	74,000
Overdrafts	- 21	0
Short-term deposits with a maturity of 4–12 months	- 22,450	- 20,000
Financial funds at the end of the period	253,989	255,514