

Managing A Company's Cash Flow: The Case of Sonelec (Comoros)

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Summary

The cash flow budget reflects all of the company's budgets (operating budget, investment budget and the financing budget) translated into terms of cash receipts and disbursements, and allows for the transformation of accounting flows (income and expenses from the income statement) into cash flows (cash disbursements and receipts).

The cash flow budget is the document which, in the company, lists the cash inflow and outflow forecasts over a given period (usually the year) in order to evaluate the cash position at regular intervals (the month)¹.

The cash flow budget aims to present the various movements of funds, not only in volume, but also in terms of payment and collection dates within the proposed time frame. The monthly breakdown makes it possible to regularly monitor the company's cash flow and to measure cash requirements.

We can therefore say that the cash flow budget is a forecast of the cash receipts and disbursements expected by a company during the following year and that it is a short-term financial planning tool.

Keywords: Cash management, Société Sonelec, Comoros

Introduction and concept

The economic and financial environment in which companies evolve has become a source of risk. This is mainly due to its unstable nature, accelerated changes, increased competition in different sectors, the emergence of new economic zones, and technological innovations. For a long time, cash management was considered to be a simple budget execution activity, with no particular stakes. Until recently, it remained the domain of the cashier. It has developed strongly since the 1970s. It consists of forecasting and managing company flows, anticipating and preventing financial risks, negotiating and controlling banking transactions, investing surpluses and, above all, ensuring the company's liquidity and solvency.

The National Electricity Company SONELEC is a Public Industrial and Commercial Establishment (EPIC) with legal personality and financial autonomy with a status to ensure the mission of the company MAMWE in the electricity sector set up by Decree No. 18-081/PR on the Statute of the National Electricity Company of Comoros (SONELEC) of 06 September 2018. Like so many other Companies in the country, SONELEC is hit hard by deep, multiform and persistent crises. It seems that it is the most severely affected despite its importance to the country as a whole.

This study makes it possible to measure and improve the managerial plan of SONELEC, to foresee the needs, to find the means necessary for the life and the development of the company and to control its operation. Financial management has always occupied a privileged place in the management of the company because it concerns its

¹ Jean-Claude Juhel, "Gestion optimale de la trésorerie des entreprises", *Gestion et management*. University Nice Sophia Antipolis, 1978, p44.

birth, its growth and its autonomy. It covers both relatively technical practices among which we can mention cash management.

In this context, financial management has become a necessary and indispensable management tool for steering the company. It concerns all areas of the institution because all the choices and decisions of the organization have a financial implication. The purpose of financial management is to establish a diagnosis of the company's financial situation, to make a judgment on its financial balance and profitability.

Cash flow management allows us to judge the "financial health" of the company and to inform decision making. A cash surplus always reflects good financial management of the company.

Cash management has to meet a certain number of objectives, the main ones being to manage, control and secure all of the company's financial flows, to ensure the company's solvency at the lowest cost, to arbitrate between the various financing and investment products, to manage financial and exchange rate risks and to optimize and manage the relationship between the bank and the company. It is therefore essential for us to study certain aspects of cash management and to show its preponderant role. This is why we proposed to analyze the impact it can have on the financial situation at SONELEC.

The choice of the theme is made according to several criteria of which we quote: the Importance and the utility of this one in our speciality through its persistence during our formation, the necessity of the control of the management of treasury for the survival of any company, and the crucial role of the treasury in the management of the company.

The sustainability of the company is strongly dependent on the optimal management of its various resources, namely: human, financial and material; but the management of financial resources occupies a central place in the management of other resources. The latter is carried out on the long term (investments) as well as on the short term (cash flow). In order to balance the financial situation of this institution, it is necessary to manage the cash flow in an optimal way. This requires a healthy, regulated and normal management in order not to put the company in difficulty and cause its bankruptcy. It is therefore the accountant's responsibility to manage the cash flow appropriately, regardless of the situations in which it may find itself.

To this end, cash flow management remains the relevant question for all company managers, since its excess is harmful and its insufficiency is undesirable; this leads us to ask the following central question: **Does cash management influence the financial situation of the company?**

We followed a methodology based on a bibliographical research in order to define and identify the basic concepts and notions of cash management and cash flow; an empirical study based on the analysis of the accounting and financial documents of the host organization.

The overall objective of our study is to examine the cash management system implemented by SONELEC to show the considerable impact it can have on the company's financial situation.

In light of the above, our work is divided into two parts: The first is entitled the presentation of the SONELEC and the second part spreads us the management of treasury in a Company.

Working methodology

A- Legal framework

The National Electricity Company SONELEC is a Public Industrial and Commercial Establishment (EPIC) with legal personality and financial autonomy with a status to ensure the mission of the company MAMWE in the electricity sector. It is placed under the supervision of the Minister of Energy and the Ministry of Finance.

Its headquarters is in Moroni "Volo Volo" with branch offices in Mutsamudu and Fomboni by Decree No. 18-081/PR on the Statute of the National Electricity Company of the Comoros (SONELEC) of 06 September 2018.

Other offices may be created in any place of the national territory. Its corporate name is Société Nationale d'Électricité (SONELEC).²

1. History of the Company

Comoros gained access to electricity in 1964, from a company called SEC (Société d'électricité aux Comores) that produced electricity specifically for the country. Power generation capacity was small and covered only the capital city of Moroni.

The company evolved gradually and in 1970 it was renamed "Electricité des Comores" (EDC); it was not until 1978 that EDC became a water and electricity production and distribution company.

Over time, the insufficient production of water and electricity compared to the needs of consumers and the financial difficulties generated for many years, have forced the Comorian State to privatize the Establishment.

In June 1997, the government awarded the exclusive operation of the water and electricity utilities to a foreign company named VIVANDI under a one-year contract called "Comorienne de l'Eau et d'Electricité" (CEE).

After some time, the company experienced difficulties in collecting unpaid bills. Therefore, the EEC proceeded for the first time with the installation of prepaid meters "CACH POWER" in the administrative premises and planned to put total meters in towns and villages. These meters were intended to combat the state's unpaid bills and the considerable non-technical loss caused by energy fraud. The latter could not meet the needs of the population, which led the state to terminate the contract.

In December 2001, a Management Committee, composed of Directors (Director of the National Post and Telecommunications Company, Hydrocarbons and ONICOR), representatives of the Presidency and the Ministry of Finance was appointed to ensure the continuity of the public water and electricity service SPEE until January 15, 2002, date on which the President set up a Public Establishment of an industrial and commercial nature called "Madji na Mwendje ya komor" (EPIC Ma-Mwe) whose headquarters are in Moroni at Boulevard de Volo volo. agencies and branch offices have been created anywhere in the national territory. The Company has a legal form with legal personality and autonomy and is headed by a General Manager appointed by presidential decree.

2. Purpose and Mission of the Company

The objective of SONELEC is to satisfy the needs of Comorian people in electricity. It is responsible for any operation directly related to this relationship. It must maintain without suspension a better performance of the production of electricity in good conditions. It must also foresee future needs by anticipating the acquisition of equipment.

3. SONELEC's activity

The company SONELEC has as main activities :

- Transportation production;
- Distribution and marketing of electricity;
- Operation and maintenance of the works;
- Equipment;
- Electrical power installations;
- Connecting customers to the electricity networks.

4. The resources of SONELEC

The capital of SONELEC is six hundred million Comorian francs (60000000 FC) divided into six thousand (6,000) shares of one hundred thousand Comorian francs (100,000 FC) each, fully paid up and held by the State.

- The company's resources are :
- Equity;
- Revenue from the Company's activities ;
- Borrowing resources;
- Income from investments ;
- State Grants;
- Gifts and bequests ;
- Miscellaneous products.

² Activity Report 2019, MAMWE

SONELEC also ensures the operation and maintenance of works, equipment and installations for the transport and distribution of electrical energy.³

Its purpose is to:

- To manage directly or indirectly the activities of production, transport, distribution and marketing of electrical energy in the Union of Comoros;
- To ensure the operation, maintenance, upkeep and development of electrical infrastructures;
- To plan, carry out studies, seek and manage financing for all the infrastructure and works necessary for the production, transmission and distribution of electricity;
- To operate the public service of generation, transmission and distribution of electricity according to the established quality standards and to ensure the quality control;
- To inform and educate users of the electricity utility;
- To undertake any administrative, industrial, technical, commercial, movable, real estate or service operation directly or indirectly related to its object.

SONELEC's mission is to produce, transport, distribute and market electrical energy throughout the Comoros, including Ngazidja, which is the Grande Comores, and Moheli. Knowing that the Island of Anjouan is supplied by the EDA (Water and Electricity of Anjouan).

The SONELEC ensures its missions directly or within the framework of contract of service provision, concluded with public or private people.

Financial management of SONELEC

B- Role of the General Management

1. Data production

The General Management sends a quarterly report on the company's activities to the Chairman of the Board of Directors, with a copy to the ministers responsible for supervision.

The company's General Management, on the basis of the forecasts and proposals of its various entities, establishes each year the forecast statement of resources and expenses, the projects and programs of activities, and the investment projects of the company.

It submits them to the Board of Directors, which approves the budget no later than two months before the start of the new financial year.

The General Manager is the authorizing officer for the company's budget. He may delegate part of this responsibility to the Deputy General Manager, the Technical Directors or the Regional Directors.

A Chief Accounting Officer is appointed by the Minister of Finance. He/she shall perform his/her duties in accordance with the law.

The company's financial statements are prepared in accordance with the regulations in force. They are subject to the verifications and controls provided for by the laws and regulations. The National Electricity Company has financial regulations.

The Company's General Management prepares and submits to the Board of Directors for review, within three months of the end of the fiscal year, the draft financial statements and the report on the implementation of the budget for the past fiscal year, certified by the auditors.

The balance sheet, the income statement, the financial table of resources and uses, and more generally all the financial documents are communicated to the members of the Board of Directors, fifteen days before the Board meeting.

SONELEC is subject to the fiscal and social payment of taxes, social contributions and other taxes set by the regulations in force.

SONELEC is subject to the controls provided by the laws and regulations in force. Also, it may be subject to an external financial audit conducted by a firm of international reputation.

1- Financial forecasts

³ Decree No. 18-081/PR on the Statute of the National Electricity Company of the Comoros (SONELEC) of 06 September 2018

The projected financial statements include:

- cash flow budget;
- the projected income statement ;
- the forecasted balance sheet.

2- The cash flow budget

The cash flow budget is the result of the operating budgets (production, sales, purchases, etc.) as well as the investment and financing budgets. To this end, it summarizes all the forecasted disbursements (expenses from operating expenses, payment of supplier debts from the previous fiscal year, investment acquisitions, loan repayments, loan interest, tax payments, etc.) and receipts (operating revenues from water and electricity billing, payment of customer receivables from the previous fiscal year, revenues from the sale of fixed assets, external financing resources such as loans, subsidies, capital contributions) for the budget period.

The primary purpose of cash management is to prevent the risk of the company's defaulting on payments and to assess projected financing needs and provide the basis for any balancing decisions. The cash flow budget is a synthesis of the cash flow budget and the cash flow budget. It shows the positive amount (cash surplus) or negative amount (cash shortage) of the foreseeable cash flow at the end of each month.

To do this, the cash flow budget must take into account the company's initial cash position, i.e., the one shown on the opening balance sheet. The cash shortfall requires adjustments to the forecasts in order to absorb the negative balances.

3- The projected income statement

The projected income statement must be prepared four months after the closing of the accounts for the financial year. This income statement must be accompanied by a report describing the basis for the forecasts, the constraints or difficulties encountered or likely to arise during the execution of the budget and any risks incurred by the company.

The accounting principles and methods used for the revision of the income statement should be those that are expected to be used for the retrospective accounts of the period covered by the forecast (and that were used for the accounts of the previous period).

4- The forecasted balance sheet

The forecasted balance sheet is established at the same time as the forecasted income statement, i.e. after the validation of the budget for the financial year, and built on the same basis as the annual balance sheet Assets Balance Sheet (before distribution).

C- The Main Fund

This cash register is intended to centralize the receipts from payments made by the company's customers in cash, by check or by bank transfer. These receipts are systematically paid to the bank the next day.

1. Recording of revenues

Revenue transfers to the main cashier are supported by cash receipts journals and financial reports provided by the system in place to track receivable payments.

In addition to the control performed by the head cashier directly with the cashiers, the treasurer performs a second check before validating the day's cash.

The receipts are therefore recorded in the cash register on the basis of financial reports signed by the main cashier and the cashier who received the receipts.

2. Recording of expenses

- Actual expenditures are supported by invoices or expense vouchers and are recorded on the basis of these vouchers;
- Payments to the bank must be supported by remittance advices and copies of check remittances;

For the central fund, a detailed summary statement of unpaid checks not returned to clients must be prepared to complete the physical statement of its balance. In addition, this statement is recommended each time there is a payment to the bank. Cashiers are required to justify the details and origin of the physical cash balance.

3. Accounting treatment of investment grants

The receipt of an investment grant also enriches the recipient company. Therefore, like operating grants and balancing grants, it must be passed through the income statement. However, unlike operating and balancing subsidies, investment subsidies do not offset an item that instantly reduces income.

Fixed assets acquired or created with the aid of the grant are not expensed as soon as they are delivered. Depreciable fixed assets are recognized in the income statement as they are depreciated, and non-depreciable fixed assets are recognized only on disposal.

Their immediate recognition in income does not therefore seem as justified as for operating or balancing subsidies. Two methods of recognizing the amount of the subsidy in income are therefore provided for: - spreading - immediate recognition in income

a) Spreading the Grant

Three stages of accounting should be considered:

- the awarding of the grant;
- the deferral of the reversal of the grant to income;
- the retirement of the asset financed by the grant

b) The awarding of the grant

As soon as the grant is acquired, its amount is recorded in equity under account 131. Capital Grants or 138. Other Investment Grants to account 4411.State Investment Grants, insofar as the promise is concerned. Then, after the grant promise is fulfilled, a cash account is debited by crediting 4411. Investment Grant Statement.

This chapter has allowed us to expand our theoretical and practical knowledge in the specific area of financial management within SONELEC and we will in the next chapter spread the cash management in business.

D- Preparation of the cash flow budget

The development of the cash flow budget is done first by determining the monthly revenues (receipts) and monthly expenses (disbursements), then by constructing a table that will group them together named the cash flow budget.

1- Determination of cash receipts

Cash receipts are composed of operating and non-operating cash receipts.

2- Operating receipts

Cash receipts are derived from the sales budget, as sales are the most important part of the company's cash flow, VAT and the payment period granted to customers must be taken into account.

3- Non-operating cash receipts

Non-operating cash receipts include:

- Stable financing resources such as new loans, capital contributions, and government grants;
- Resources resulting indirectly from the company's investment policy (disposal of the asset) ;
- Any other transaction that involves a cash inflow for the company.

4- Disbursement Determination:

Just like cash receipts, cash disbursements are also composed of operating and non-operating items.

a- Operating disbursements

The operating disbursements are taken from the procurement budget with the integrated supplier payment period, all expenses are shown in VAT included.

b- Non-operating disbursements

Non-operating disbursements relate to :

- acquisition of fixed assets ;
- repayment of loans ;
- dividends to be paid during the year following the previous year ;

- advance payments and balances of income tax.

If the cash flow is positive, this means that there is a cash surplus, so the company must consider profitable investments to avoid wasting monetary value.

If the cash flow is negative, this is translated by a cash flow insufficiency, so the company must find a way to finance its cash flow in the short term, this can be done by discounts, bank overdrafts or bank loans, but the latter are expensive in terms of agios.

The cash-flow budget plays an essential role in the financial management system and is established by carrying forward the previous cash-flow to each period as the initial cash-flow. The final cash-flow is obtained by balancing the initial and final cash flows.

The structural bases of accounting information processing are based on three main components.

- Regularity of the accounting documents and degree of sincerity ;
- Accounting charge according to the permanent authorizations of the administrations in perfect concordance with the one edited by the present guide of procedure harmonized with the texts acting the modalities of management of the industrial and commercial establishments with public capital;
- Respect of classifications to facilitate the accounting recording.

Resulats

E- Cash management at SONELEC

Cash-flow management means forecasting the company's liquidity in the future in order to better manage it. This will allow us to know precisely the financial situation of the company, at a moment T. We will then be able to make the right management decisions at the right time. To establish a cash-flow forecast we must list the expected movements to know the available balance at any date in the future.

In this chapter, we will look at forecasting cash-flow management in section 1 and permanent cash-flow management in section 2.

1- Cash-flow forecasting

To set up an efficient forecast management system, it is necessary to give yourself time to reflect. It is preferable to carry out a preliminary study to define the right procedures and the appropriate tools for your cash-flow forecast. Each type of company has a different problem. Identify yours well to clarify the stakes and objectives of your cash-flow forecast. For each department of the company, we need to define who will be the person in charge of developing the forecast. We also need to decide how often the forecast will be updated.

2- Cash-Flow Forecast:

a- principles

Cash-flow forecasting means determining how the company's liquidity will develop in the future. These liquidities can take the form of bank or inter-company current account balances, term deposits or other receivables.

Cash-flow forecasting is only one of the activities of cash management. These other activities are :

- Processing disbursements and receipts on bank accounts
- Follow-up of movements on bank and intra-group current accounts
- Management of investments and financing related to the company's activity
- Optimization of costs and profits related to financial flows
- Evaluation of the overall cash-flow situation and its evolution
- Bank account and relationship management Overall, the objectives of cash management are:
- Optimize the cost or profitability of financial flows and secure them
- To provide decision makers with up-to-date and forecasted information regarding the financial capacity of the company.

Each of the different functions corresponds to more or less important issues depending on the company (according to its activity).

- Bank accounts record all cash inflows and outflows and show the balance available at a given time.
- Cash-flow forecasting is the process of extending this record into the future, based on expected cash flows.

This provides you with projected account statements that show a balance available at any time in the future.

The characteristics of these surveys are as follows:

- The balance at the beginning of the forecast period must be equal to the last actual balance on the bank statement.
- The movements in the forecast portion have a higher or lower probability of occurring as expected; generally, this probability gets lower and lower the further into the future you go, making the forecast free balance less and less reliable.
- For each forecast movement, there are three uncertainties:
 - Whether it happens or not;
 - Its amount;
 - And the date on which it occurs.

These three parameters each have an independent impact on the balance available at a given date.

Certain characteristics impact cash management:

- As time goes by, inaccuracies in the forecasts accumulate and the balance of the forecast statement deviates from reality. It is therefore essential to regularly correct the balance of the forecast statement so that the principle of connection with the actual balance is always respected.
- The forecaster needs to be as clear as possible about the reliability of each category of forecast movement: the likelihood of it occurring, the accuracy of the forecast date and the amount.
- The tool used to develop the forecasts must provide maximum flexibility to vary each of the three forecast parameters for each movement.

These three elements directly determine the reliability of the forecasted availability and consequently the relevance of the decisions that will be made based on it.

b- The Budget Forecast

Assuming that the operating budgets (sales budget, distribution cost budget, production budget and supply budget) are linked to the operating cycle, the data in these budgets are directly related to the volume of activity. However, the facility's activity is constrained by its insufficient production and distribution capacity.

The development of SONELEC's operational budgets must begin with the budget where the most serious constraint is located, such as the production budget. The other operational budgets, notably the sales and distribution budgets and the supply budget, are then built according to the objectives in the first budget.

Discussion

1- Preparation of operating budgets

The quantities to be produced must be harmonized with the sales program. The amount of cubic meters of water produced and the number of KWH produced are however limited by the production capacity currently available to the company.

The establishment of the production or distribution program should take into account the following steps:

- Determination of the available capacity of different resources in men and equipment ;
- Determination of the bottleneck, i.e. the resource whose insufficient capacity limits production the most;
- Determining which program makes the most cost-effective use of this scarce resource;

The company currently has 7 units in operation out of 13 with a maximum cumulative production capacity limited to 8,200 megawatts against 18,121 megawatts installed at the Voidjou plant.

In normal operation with the G1BS, G5, GMTU and the 6 Caterpillar units, the maximum capacity is 12.4 Megawatts which represents an annual production of 55.980 million KWH. The same constraints are observed at the level of water distribution limiting the annual production to 3.285 million m³ of water.

Table N°01 summary of the 2021 budget

Nature	Forecast 2021
REVENUES	
Electricity bill	8 975 145 600
Electrical connection estimate	427 500 000

Electricity fee	750 000 000
Other (fines, penalties and services)	37 500 000
Other	
Own Revenue	10 190 145 600
External contributions	3 657 806 877
Operating subsidies	2 000 000 000
Other receipts (Receivables)	3 657 806 877
EXPENSES	
Operation	16 049 674 403
Purchase of raw materials and supplies	13 079 381 600
Other purchases and external expenses	853 568 317
Rentals	31 380 000
Maintenance and repair	34 095 000
Insurance	14 436 000
Transportation and travel	57 000 000
Salaries & personnel expenses	1 151 070 000
Social charges	86 593 754
Miscellaneous management fees	199 367 000
Taxes and similar payments	452 782 732
Customs fees	90 000 000
Investment	1 304 788 333
Construction and rehabilitation	10 820 000
STS Card	590 361 300
Transport equipment	57 989 000
Computer equipment	25 618 033
Office furniture	20 000 000
Review groups	600 000 000
Not including farms	1 013 000 000
Debt	570 000 000
Bank fees and loan repayment	443 000 000
Total expenses	18 67 462 736

Source: sonelec company, 2020

The expenditure of gasoil to 30/12/2020 which is 3 975 975 000 KMF, is composed only to the amount by the SONELEC.

In the same way, the expenditure of investment is in the order of 94 916 531 KMF which are composed of the purchase of materials of transport (Pickup 4*4 and 2Motos), materials and parts of maintenance, constructions and installation of the power station of ITSAMBOUNI, Mitsamihouli as well as Foubouni and the furniture of office of the new building of the current SONELEC

It is noted that SONELEC is committed to pursuing the Government's policy of non-accumulation of salary arrears, the gross amount of which is 1 091 345 164.

Despite the difficulties we have, SONELEC is committed to contributing to the state budget to the tune of 97721028 KMF; for the consumption tax (TC), the tax on wages (TS) as well as the corporate tax (IS).

As we are not able to honor our commitments, other expenses are 405465340 KMF; composed of the purchase of oil, filter, transport and customs, mission and travel as well as the external expenses that go with it.

Despite the difficulties we have, SONELEC is committed to contributing to the state budget to the tune of 97721028 KMF; for the consumption tax (TC), the tax on wages (TS) as well as the corporate tax (IS).

2- Strategic analysis

The budget is the accounting and financial expression of the action plans adopted to implement the company's strategy in the short term. It is a short-term forecast, established in terms of quantities and monetary units, summarizing the operations of a company in order to control and plan future operations.

The budget covers a limited period, generally one year. The quantified program of action that it reflects is in reality dominated by immediate or very close constraints, but it must allow the adaptation of the company's activity to the technical, commercial, financial and political circumstances of the moment. This limited duration places the budget within the general evolution of the company defined by the long-term plan which aims to build its future.

As a numerical forecast, budgets allow :

- assure senior management that the allocation of resources primarily serves the strategic objectives;
- anticipate financial balances.

3- Predictive approach

The purpose of the forward-looking approach is to prepare the SONELEC establishment to exploit the assets and face the difficulties it will encounter in the future. It includes a definition of the objectives to be achieved and the means to be implemented. It is declined in the long term (strategic plan), medium term (operational plan) and short term (budget).

The budgets of the decentralized units are both forecasting and coordination instruments between the responsible decentralized units in the course of budget shuttles. This procedure must include variants depending on whether the budgets are dependent on the volume of sales (operational budget) or independent of the level of short-term activity (investment and overhead budget).

4- Budget negotiations

After judging the budgets to be unrealistic, the general management asks the departments/directorates to modify their projects. This is followed by a budget shuttle (i.e., back and forth) and negotiations between the management (General Management,

This is done through a process of consultation between the Finance and Administration Director and the departments/management until management deems all budgets to be suitable and achievable. These are then broken down into monthly installments to establish the cash flow budget.

a- Subsequent update

As budgets are executed, adjustments are necessary to adapt forecasts to the changing environment and to correct under- and over-estimates for future periods.

b- The income statement

In anticipation of the annual financial statements, we present these statements for the first nine months. From these statements, it has emerged provisionally shown:

NATURES	AMOUNT
Realised turnover	5 874 008 250 KMF
Operating subsidies	1216940955 KMF
Total products	7 090 949 205 KMF
Total expenses	6 592 744 283 KMF
Net income (loss) for the year	-785736038 kmf

Source: sonelec company, 2020

2020 Cash Flow Statement

Description	Year 2020 (as of 10/30/2020)
Relative Cash Flow	5 874 008 250
Diesel fuel expenditure in value	4 542 675 000
Miscellaneous expenses	405 465 340
Expenditures Investment	94 916 531
Salary	967 044 465
Social charges	58 747 994
Payment of taxes	97 721 028
Loan repayment	426 173 925
NET Income	- 718 736 033

Source : sonelec company, 2020

Trade payables.

Hydrocarbons debts	6 031 489 461
Tax liabilities	2 381 467 863
Pension Fund Debts	391 872 650
CPS debt	64 694 563
Debt to other suppliers	3 023 627 375

Source : sonelec company, 2020

These are the accumulated trade payables during the period of 2020.

BANK	AMOUNT CONTRACTED	MONTHLY AMOUNT	Amount paid	Remaining balance
SNPSF	600 000 000	28 244 083	480 149 411	119 850 589
EXIM BANK	300 000 000	20 000 000	260 000 000	40 000 000
TOTAL	900 000 000	48 244 083	740 149 411	159 850 589

Source: sonelec company, 2020

Conclusion

At the end of our work which consisted in describing the cash management on the financial situation of the company, we noted that the field of the cash management knew a strong evolution during these last years.

Its control contributes strongly to the improvement of the financial health of the company, because as the saying goes: "The company which does not make profits dies slowly, but the company which does not have liquidities disappears quickly".

The methods and tools used to manage cash flow are diverse and equally effective, so it is up to the company to decide on the best tool to use.

In our case, concerning SONELEC, the analysis carried out before shows us that the cash flow of the latter is often negative which influences its financial situation in the short term and which confirms the first hypothesis and invalidates the second hypothesis.

During our practical training in the company SONELEC, we found that the company does not give great importance to cash management, so much so that the role of the treasurer is very limited, the main mission of this agent is to manage and control the cash flow, ie cash receipts and disbursements.

Since cash management is a key tool in the analysis of the company's financial situation, it has been recommended that the company take a number of measures, the most important of which are :

Given the negative cash flow, the company should find the least expensive financing:

- Monitoring of risks related to the company's cash flow;
- Monitor cash flow on a daily basis;
- Share the cash flow reflex throughout the company.

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