Universal
Funding Proposal Model

Completion Instructions

(B)

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"In preparing for battle, I have always found that plans are useless, but planning is indispensable."

Dwight D. Eisenhower

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What The Model Provides?

- A detailed 5-year forecast model
  - ✓ Years 1 and 2 detailed by month
  - ✓ Years 3 to 5 detailed per year

- Understand and Plan for the Future
- Model the Impact of Funding
- Support Funding Applications

The 'Universal' Model can be used with any Accounting system

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11 Modules

1 of 11: Instructions

2 of 11: Data Input Templates for P&L and Balance Sheet

3 of 11: Entering Historic P&L Data

4 of 11: Enter Historic Balance Sheet Data

5 of 11: Establish your 'Baseline' Forecast (P&L)

6 of 11: Establish Treatment for Base Line Balance Sheet Data

7 of 11: Enter Cash Flow and Balance Sheet Assumptions

8 of 11: Adjust P&L Forecast to Reflect Impact of Funding

9 of 11: Enter Cash Flow Assumptions with Funding

10 of 11: Generate Funding Proposal

11 of 11: Generate Forecast Report

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Module 1 of 11

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Instructions are Found on Tab 1

Step	Model Tab
	Monthly P&L Tab
1	Prepare a spreadsheet with as much history (up to 5 years) from the most recent date the accounts are complete to as per Sample P&L tab
2	The first column should contain the P&L nominal descriptions and each month should be listed from the next column onwards, starting with the most recent month
3	Copy the P&L you have prepared and paste it into the section provided (yellow cells for nominal descriptions and orange cells for values)
4	Select the Chart of Accounts category next to each P&L nominal being sure to exclude any Headings, Sub-headings and totals
5	Select the Year and Month the accounts are complete to from the drop down boxes provided (the remaining months will auto populate)
6	Enter the company name in the box provided
	Closing Balance Sheet Tab
7	Prepare a spreadsheet with the Balance sheet for the period up to the most recent date the accounts are complete to (this should be the same month as the most recent month in your P&L history)
8	The first column should contain the Balance Sheet nominal descriptions and the second should contain the closing balances
9	Copy the Balance Sheet you have prepared and paste it into the section provided (yellow cells for nominal descriptions and orange cells for values)
10	Select the Chart of Accounts category next to each Balance Sheet nominal being sure to exclude any Headings, Sub-headings and totals
	Baseline Forecast Tab *This tab is used to set an assumed baseline of the business' performance over the next 5 years*
11	Review performance over the past 24 months ensuring the totals and sub totals match the P&L you have prepared
	Sales forecast
12	The % Applied column will provide you with the year on year % movement by nominal over the past 6 months
13	You can change the automatically generated forecast by either: Entering a year on year (YOY %) increase or decrease for each nominal in the % Applied column (this will maintain the prior year phasing) Adjust individual months (next 24 months only) by over-typing the figure generated (once this has been done the YoY % entered will not impact that cell)
14	Adjust the forecast assumptions for Yr3 - Yr5 by either: Entering a year on year (YOY %) increase or decrease for each nominal in the YoY % column Entering the £ forecast for each nominal in the Yr. Total column *changing a % will not amend the forecast once a forecast value has been entered*
15	Add a forecast for any new customers / sales channels in the rows provided
	Gross Margin
16	The % Applied column will provide you with the Margin % achieved over the past 6 months
17	You can change the automatically generated forecast by either: Entering the average Gross Margin % which will generate the same Gross Margin % for each month in that year Adjust individual months (next 24 months only) by over-typing the figure generated (once this has been done the YoY % entered will not impact that cell)
	Overheads
18	...se or decrease for each cost line (this will maintain the prior year phasing)
19	...months only) by over-typing the figure generated (once this has been done the YoY % entered will not impact that cell)
20	...es in the rows provided
21	...on including Depreciation, Interest Paid or Tax are automatically set to zero as they are calculated on the 3 Way Forecast tab
22	If you wish to fore... Debts, please use the row provided. This will ensure the correct P&L, Balance Sheet and Cashflow treatment

Tab 1: Step by Step Instructions

Process | Sample P&L | Sample Balance Sheet | Monthly P&L | Closing Balance Sheet | Baseline Forecast | Baseline Balance Sheet | Baseline 3 Way Forecast

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Monthly P&L

Step	Model Tab Monthly P&L Tab
1	Prepare a spreadsheet with as much history (up to 5 years) from the most recent date the accounts are complete to **as per Sample P&L tab**
2	The first column should contain the P&L nominal descriptions and each month should be listed from the next column onwards, starting with the most recent month
3	Copy the P&L you have prepared and paste it into the section provided (**yellow cells for nominal descriptions and orange cells for values**)
4	Select the Chart of Accounts category next to each P&L nominal being sure to **exclude any Headings, Sub-headings and totals**
5	Select the Year and Month the accounts are complete to from the drop down boxes provided (the remaining months will auto populate)
6	Enter the company name in the box provided

1. Prepare history – up to 5 years data
2. Column 1 = Nominal Descriptions then most recent month 1st
3. Copy prepared P&L data into the sections provided
4. Setup the Chart of Accounts category for each P&L nominal
5. Select Year and Month accounts are up to in dropdown
6. Enter Company Name

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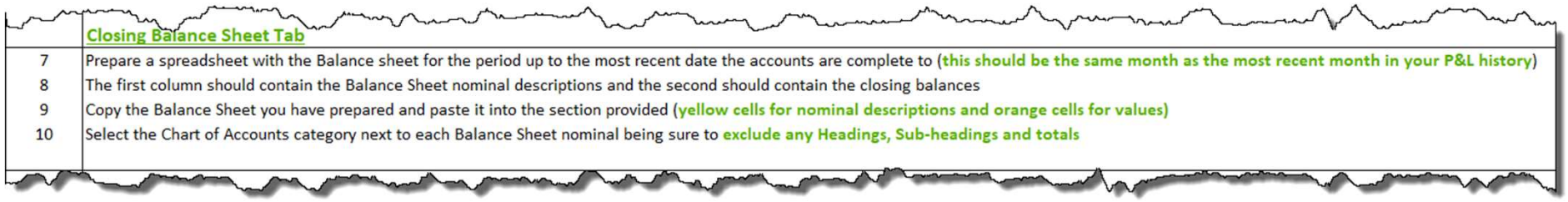
Closing Balance Sheet



	Closing Balance Sheet Tab
7	Prepare a spreadsheet with the Balance sheet for the period up to the most recent date the accounts are complete to (this should be the same month as the most recent month in your P&L history)
8	The first column should contain the Balance Sheet nominal descriptions and the second should contain the closing balances
9	Copy the Balance Sheet you have prepared and paste it into the section provided (yellow cells for nominal descriptions and orange cells for values)
10	Select the Chart of Accounts category next to each Balance Sheet nominal being sure to exclude any Headings, Sub-headings and totals

7. Prepare Balance Sheet up to most recent date
8. Balance Sheet Descriptions and closing balance for each
9. Copy and paste into Closing Balance Sheet
10. Setup the Chart of Accounts category for each BS nominal

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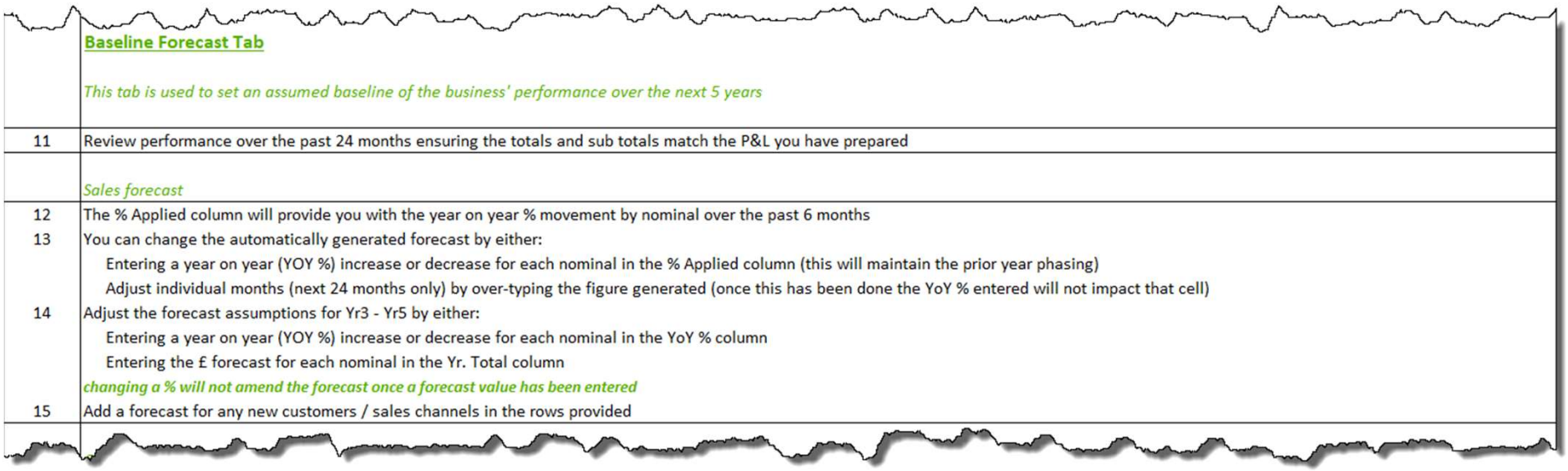
Baseline Sales Forecast



	Baseline Forecast Tab
	This tab is used to set an assumed baseline of the business' performance over the next 5 years
11	Review performance over the past 24 months ensuring the totals and sub totals match the P&L you have prepared
	Sales forecast
12	The % Applied column will provide you with the year on year % movement by nominal over the past 6 months
13	You can change the automatically generated forecast by either: Entering a year on year (YOY %) increase or decrease for each nominal in the % Applied column (this will maintain the prior year phasing) Adjust individual months (next 24 months only) by over-typing the figure generated (once this has been done the YoY % entered will not impact that cell)
14	Adjust the forecast assumptions for Yr3 - Yr5 by either: Entering a year on year (YOY %) increase or decrease for each nominal in the YoY % column Entering the £ forecast for each nominal in the Yr. Total column *changing a % will not amend the forecast once a forecast value has been entered*
15	Add a forecast for any new customers / sales channels in the rows provided

11. Ensure past 24 months sub totals match
12. Applied % provides movement over last 6 months
13. Adjust the automatically generated forecast
14. Adjust the forecast assumptions for years 3, 4 and 5
15. Add forecast for new customers/sales channels

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Baseline Margin and Overheads

	Gross Margin
16	The % Applied column will provide you with the Margin % achieved by individual cost of sale line over the past 6 months
17	You can change the automatically generated forecast by either:
	Entering a % will apply that % to total sales in that month. Alternatively, you can enter a desired amount in the relevant cell
	Entering a total gross margin % to apply to sales in a month, please use the row provided. However, please note that any further changes to individual lines will haver no impact
	Overheads
18	Enter a year on year (YOY %) increase or decrease for each cost line (this will maintain the prior year phasing)
19	Adjust individual months (next 24 months only) by over-typing the figure generated (once this has been done the YoY % entered will not impact that cell)
20	Add a forecast for any new cost lines in the rows provided
21	Any nominals that have a description including Depreciation, Interest Paid or Tax are automatically set to zero as they are calculated on the 3 Way Forecast tab
22	If you wish to forecast Bad Debts, please use the row provided. This will ensure the correct P&L, Balance Sheet and Cashflow treatment
	VAT Assumption
23	Enter the appropriate VAT % for each P&L line. This will feed through to the VAT calculation on the 3 Way Forecast tab

16. Applied % provides margin achieved over last 6 months
17. Adjust the automatically generated forecast margin
18. Enter year on year increase or decrease for each cost line
19. Adjust each individual month as appropriate
20. Add a forecast of any additional cost lines
21. Depreciation, Interest Paid or Tax automatically set to Zero
22. Enter Bad Debt provisions in the row provided
23. Enter the appropriate VAT% for each P&L Line.

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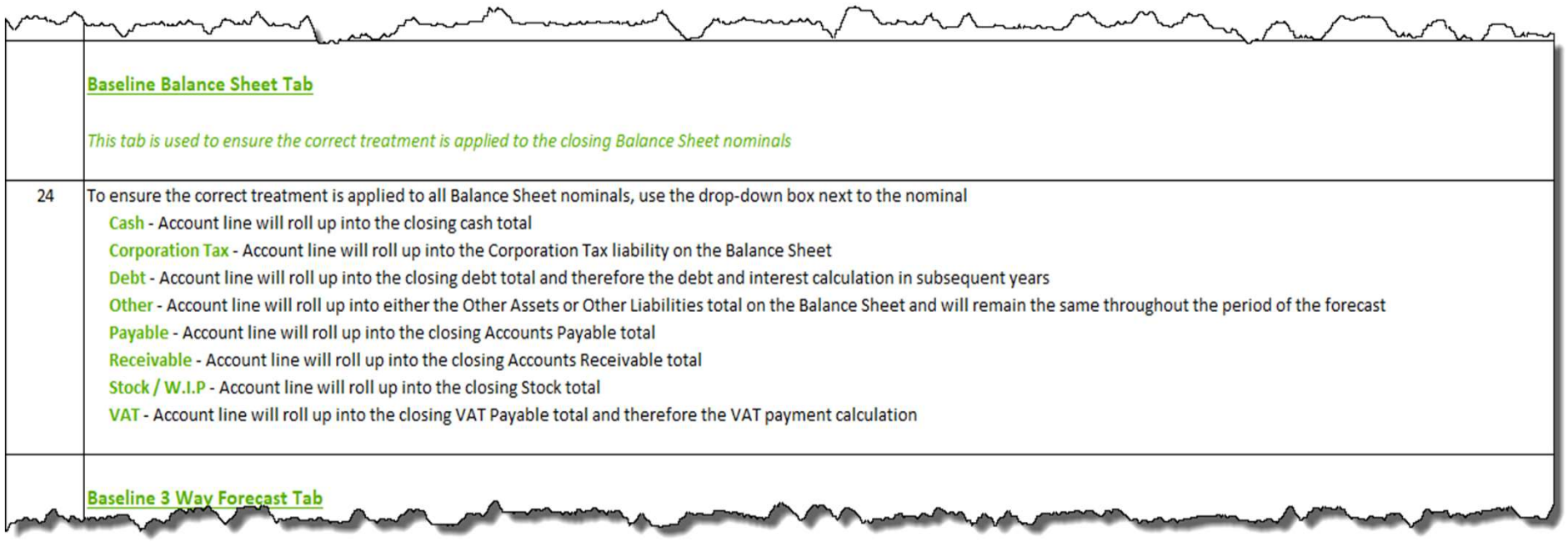
Baseline Balance Sheet



	Baseline Balance Sheet Tab *This tab is used to ensure the correct treatment is applied to the closing Balance Sheet nominals*
24	To ensure the correct treatment is applied to all Balance Sheet nominals, use the drop-down box next to the nominal Cash - Account line will roll up into the closing cash total Corporation Tax - Account line will roll up into the Corporation Tax liability on the Balance Sheet Debt - Account line will roll up into the closing debt total and therefore the debt and interest calculation in subsequent years Other - Account line will roll up into either the Other Assets or Other Liabilities total on the Balance Sheet and will remain the same throughout the period of the forecast Payable - Account line will roll up into the closing Accounts Payable total Receivable - Account line will roll up into the closing Accounts Receivable total Stock / W.I.P - Account line will roll up into the closing Stock total VAT - Account line will roll up into the closing VAT Payable total and therefore the VAT payment calculation
	Baseline 3 Way Forecast Tab

24. Ensure correct treatment of Balance Sheet nominals:

- **Cash**
- **Debt**
- **Payable**
- **Stock / WIP**
- **Corporation Tax**
- **Other**
- **Receivable**
- **VAT**

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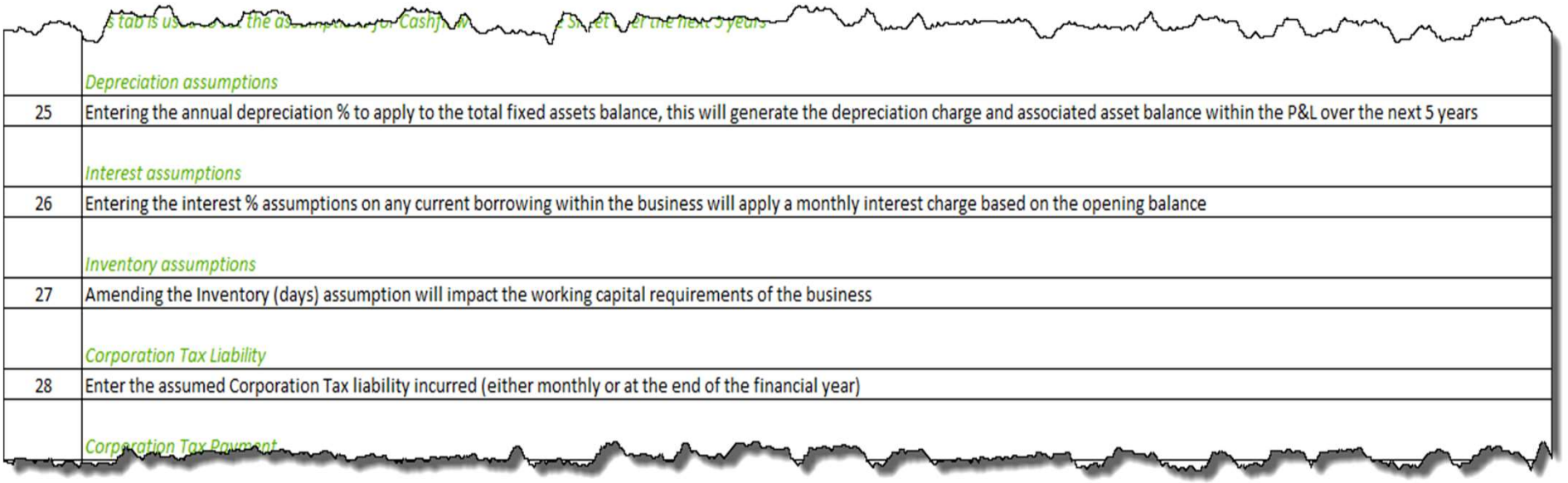
Baseline 3 Way Forecast



	Depreciation assumptions
25	Entering the annual depreciation % to apply to the total fixed assets balance, this will generate the depreciation charge and associated asset balance within the P&L over the next 5 years
	Interest assumptions
26	Entering the interest % assumptions on any current borrowing within the business will apply a monthly interest charge based on the opening balance
	Inventory assumptions
27	Amending the Inventory (days) assumption will impact the working capital requirements of the business
	Corporation Tax Liability
28	Enter the assumed Corporation Tax liability incurred (either monthly or at the end of the financial year)
	Corporation Tax Payment

25. Enter annual depreciation % to apply to fixed assets balance
26. Enter interest % assumptions on any current borrowing
27. Amend the inventory (days) assumptions
28. Enter the assumed Corporation Tax liability

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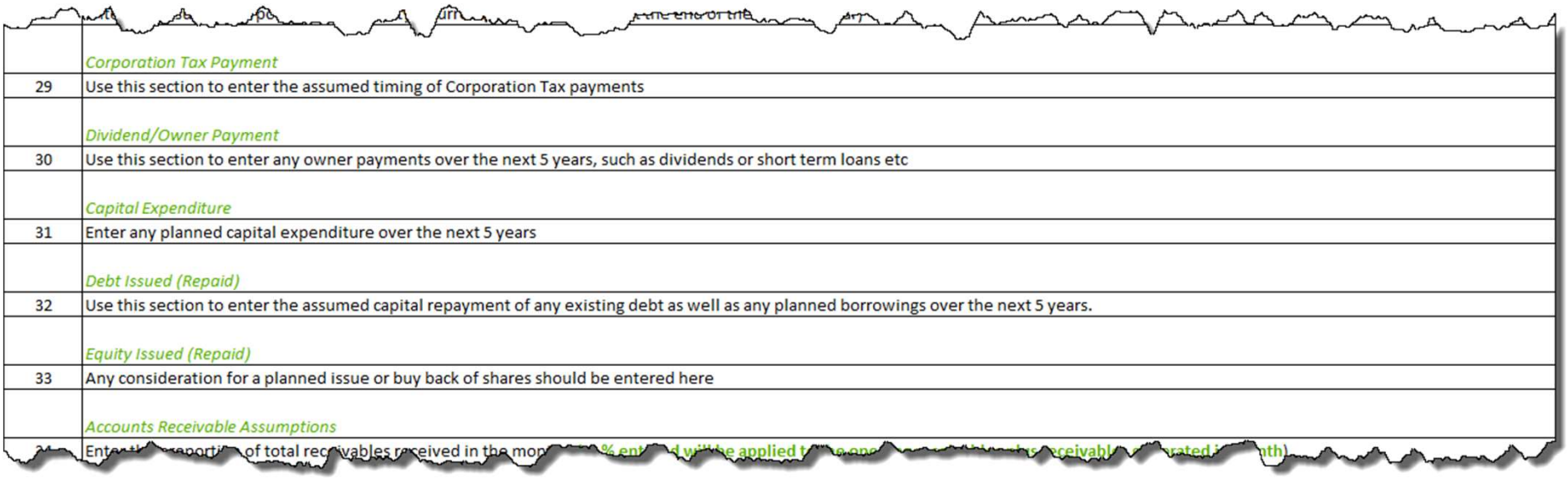
Baseline 3 Way Forecast ctd.



	Corporation Tax Payment
29	Use this section to enter the assumed timing of Corporation Tax payments
	Dividend/Owner Payment
30	Use this section to enter any owner payments over the next 5 years, such as dividends or short term loans etc
	Capital Expenditure
31	Enter any planned capital expenditure over the next 5 years
	Debt Issued (Repaid)
32	Use this section to enter the assumed capital repayment of any existing debt as well as any planned borrowings over the next 5 years.
	Equity Issued (Repaid)
33	Any consideration for a planned issue or buy back of shares should be entered here
	Accounts Receivable Assumptions

29. Enter the assumed timing of Corporation Tax payments
30. Enter any owner dividend payments
31. Enter any planned capital expenditure
32. Enter any assumed capital repayments for existing debt
33. Enter any issue or share buy back assumptions

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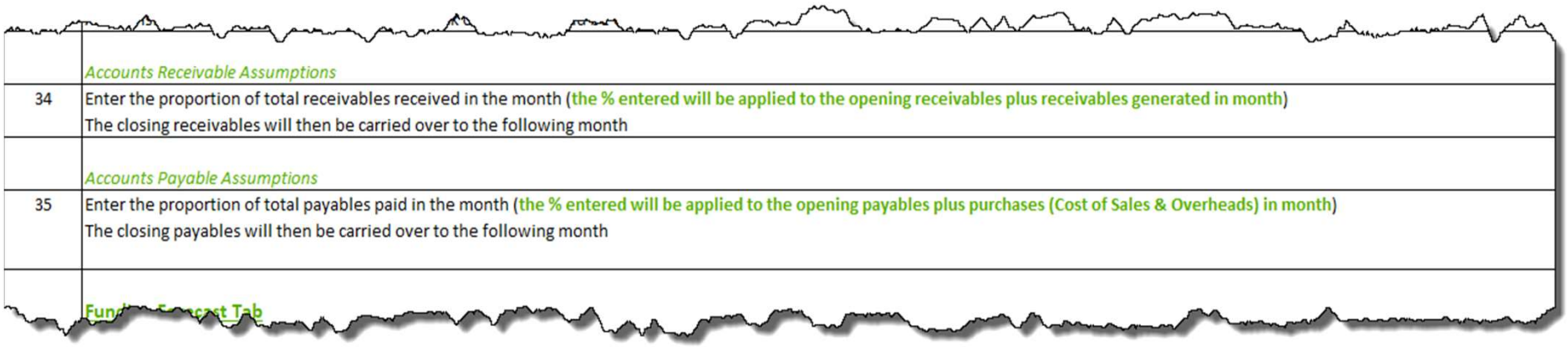
Accounts Receivable & Accounts Payable



	Accounts Receivable Assumptions
34	Enter the proportion of total receivables received in the month (the % entered will be applied to the opening receivables plus receivables generated in month) The closing receivables will then be carried over to the following month
	Accounts Payable Assumptions
35	Enter the proportion of total payables paid in the month (the % entered will be applied to the opening payables plus purchases (Cost of Sales & Overheads) in month) The closing payables will then be carried over to the following month

34. Enter proportion of receivables expected each month
35. Enter proportion of payables expected each month

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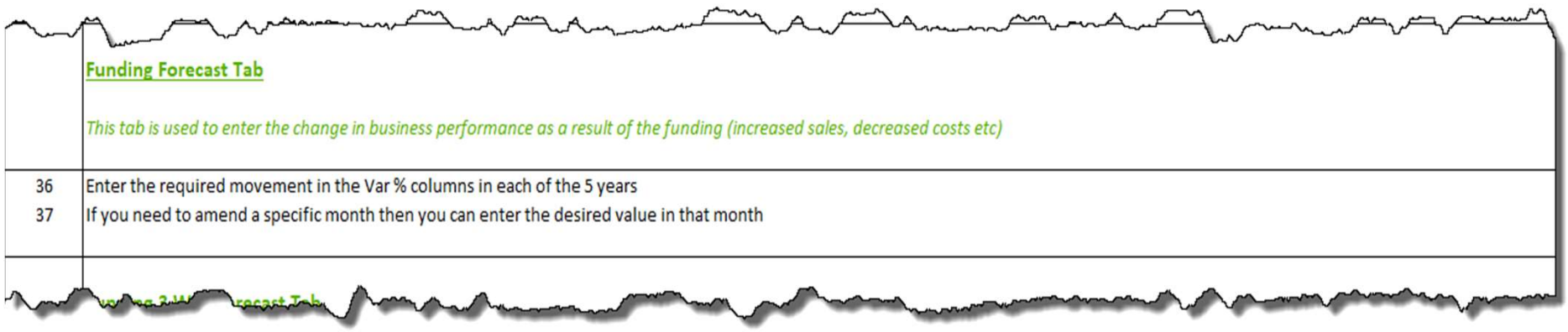
With Funding Forecast



Funding Forecast Tab

This tab is used to enter the change in business performance as a result of the funding (increased sales, decreased costs etc)

36	Enter the required movement in the Var % columns in each of the 5 years
37	If you need to amend a specific month then you can enter the desired value in that month

Change the Forecast to reflect the impact funding has on sales, margin & overheads

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With Funding Three Way

	Funding 3 Way Forecast Tab *This tab is used to set the assumptions for Cashflow and Balance Sheet (including funding) over the next 5 years*
38	Enter any revisions to the Baseline Forecast as a result of the funding

Change the Forecast to reflect the impact of the funding on sales, margin and overheads.

(E.g. Website to generate online sales, or capital investment to increase manufacturing capacity and lower cost of goods…)

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