

Universal Funding Proposal Model

Enter Profit and Loss History

(B)



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*“By failing to prepare,
you are preparing to fail”*

Benjamin Franklin

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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


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 3 of 11

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Objective of this Module

- With historic Profit and Loss and Balance Sheet data entered and configured
- The process can move to the next stage: Historic P&L data can be entered into the model

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, 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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1. History: Typically exported or using a back-up file from the companies accounting system. Ideally full granular history for last 5 years, (can be less than 5 years). If sales are by nominal or by customer that is fine. If granular history is not available then a sub total for total sales by month is perfectly acceptable. If only annual figures are available you can divide by 12 to enter an average monthly sales figure. The same goes for margin and overheads.
2. Column 1 contains the P&L nominal descriptions. The history by default is listed from column 2

Step 4 – Enter and Setup P&L History

Company Name		Demo Company Ltd					
		Latest Month	Month -1	Month -2	Month -3	Month -4	Month -5
Year >>>		2020	2020	2020	2019	2019	2019
Month >>>		Mar	Feb	Jan	Dec	Nov	Oct
Chart of Accounts Category	P&L Structure	Most Recent Month First, from Right to Left					
Select Category	Sales						
Sales	Sales Nominal 1	£13,484.16	£11,512.06	£9,130.28	£27,376.24	£17,394.50	£10,111.11
Sales	Sales Nominal 2	£10,771.33	£9,209.65	£7,304.22	£21,900.99	£13,915.60	£14,111.11
Sales	Sales Nominal 3	£8,617.06	£7,367.72	£5,843.38	£17,520.79	£11,132.48	£11,111.11
Sales	Sales Nominal 4	£6,893.65	£5,894.17	£4,674.70	£14,016.63	£8,905.99	£9,111.11
Sales	Sales Nominal 5	£5,514.92	£4,715.34	£3,739.76	£11,213.31	£7,124.79	£7,111.11
Sales	Sales Nominal 6	£4,411.94	£3,772.27	£2,991.81	£8,970.65	£5,699.83	£6,111.11
Sales	Sales Nominal 7	£3,529.55	£3,017.82	£2,393.45	£7,176.52	£4,559.86	£5,111.11
Sales	Sales Nominal 8	£2,823.64	£2,414.25	£1,914.76	£5,741.21	£3,647.89	£4,111.11
Sales	Sales Nominal 9	£2,258.91	£1,931.40	£1,531.81	£4,592.97	£2,918.31	£3,111.11
Select Category	Total Sales	£58,285.17	£49,834.69	£39,524.15	£118,509.31	£75,299.26	£77,111.11
Select Category	Cost of Sales						
Cost of Sales	Cost of Sales Nominal 1	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 2	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 3	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 4	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 5	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 6	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00

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When your historic Profit and Loss data is ready, simply copy and paste taking care to ensure the first column of figures is the most recent month as per the illustration above.

Depending on your Accounting system there is a 50/50 chance that the default order will be laid out in the correct manner. If this is not the case, you will need to manipulate your figures in a spreadsheet to put it into the correct layout before copying and pasting into the Universal Forecasting and Funding Proposal Model.

Do include sub totals and totals as these are used to check the validity of the data entry later, as explained below, the sub totals and totals (and Headings), are not directly used in the Universal Forecasting and Funding Proposal Model.

Having copied your historic Profit and Loss data, the Universal Forecasting and Funding Proposal Model needs to be configured to categorise your data as Sales, Cost of Sales or Overheads as follows.

Chart of Accounts Category Tool Tip

	Company Name	
	Year >>>	2020
	Month >>>	Mar
Chart of Accounts Category	Chart of Accounts Category:	
Select Category	Select the Chart of Accounts category next to each P&L nominal being sure to exclude any Headings, Sub-headings and totals (these should be left as 'Select Category')	
Sales	Sales Nominal 6	€13,464.16
Sales	Sales Nominal 7	€10,771.00
Sales	Sales Nominal 8	€8,617.00
Sales	Sales Nominal 9	€6,893.65
Sales	Sales Nominal 10	€5,514.00
Sales	Sales Nominal 11	€4,411.00
Sales	Sales Nominal 12	€3,528.00
Sales	Sales Nominal 13	€2,823.00
Sales	Sales Nominal 14	€2,118.00

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Note: Throughout the Universal Forecasting and Funding Proposal Model there are 'Tool Tips' that tell you what needs to be done to correctly use the model.

The presence of a Tool Tip is highlighted by a small red triangle in the top right-hand corner of a cell as per the example.

Each line on your Profit and Loss data input tab will need to be categorised to 'tell' the Universal Forecasting and Funding Proposal Model how to treat each entry. This is achieved using a drop-down selector in the first column adjacent to each Profit and Loss entry.

The Chart of Accounts Category' Tool Tip provides a brief description / set of instructions:

'Select the Chart of Accounts Category next to each P&L nominal, being sure to exclude Headings, Sub-Headings and Totals, (these should be left as 'Select Category''

P&L Structure Tool Tip

Company Name		Demo Company Ltd					
P&L Structure:		Latest Month	Month -1	Month -2	Month -3	Month -4	Month -5
		2020	2020	2020	2019	2019	2019
		Mar	Feb	Jan	Dec	Nov	Oct
Chart of Accounts Category	P&L Structure	P&L Structure:					
Select Category	Sales	This column should contain the P&L nominal descriptions, each month should then be listed from the next column onwards, starting with the most recent month					
Sales	Sales Nominal 1			€9,130.28	€27,376.24	€17,394.50	€18,393.48
Sales	Sales Nominal 2			€7,304.22	€21,900.99	€13,915.60	€14,714.48
Sales	Sales Nominal 3			€5,843.38	€17,520.79	€11,132.48	€11,771.48
Sales	Sales Nominal 4			€4,674.70	€14,016.63	€8,905.99	€9,411.48
Sales	Sales Nominal 5			€3,739.76	€11,213.31	€7,124.79	€7,534.48
Sales	Sales Nominal 6	€4,411.94	€3,772.27	€2,991.81	€8,970.65	€5,699.83	€6,021.48
Sales	Sales Nominal 7	€3,529.55	€3,017.82	€2,393.45	€7,176.52	€4,559.86	€4,821.48
Sales	Sales Nominal 8	€2,823.64	€2,414.25	€1,914.76	€5,741.21	€3,647.89	€3,857.48
Sales	Sales Nominal 9	€2,258.91	€1,931.40	€1,531.81	€4,592.97	€2,918.31	€3,011.48
Select Category							
Select Category							
Select Category							
Select Category	Total Sales	€58,285.17	€49,834.69	€39,524.15	€118,509.31	€75,299.26	€79,621.48

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The P&L Structure is the first column copied into Tab 4 and should contain a description of each entry in your Profit and Loss account data, (The Nominal Descriptions); Sales, Cost of Sales or Overheads.

The 'P&L Structure' Tool Tip provides a brief description / set of instructions:

'This column should contain the P&L Nominal Descriptions, each month should then be listed from the next column onwards, starting with the most recent month.'

Setup Chart of Accounts Category for Sales Nominals

Company Name		Latest Month
Year >>>		2020
Month >>>		Mar
Chart of Accounts Category	P&L Structure	
Select Category	Sales	
Sales	Sales Nominal 1	16
Sales	Sales Nominal 2	33
Select Category	Sales Nominal 3	06
Sales	Sales Nominal 4	65
Cost of Sales	Sales Nominal 5	92
Overheads	Sales Nominal 6	94
Sales	Sales Nominal 7	€3,529.55
Sales	Sales Nominal 8	€2,823.64
Sales	Sales Nominal 9	€2,258.91

Select 'Sales' for each Sales Nominal

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Each customer or sales channel should be categorised as 'Sales' so the Universal Forecasting and Funding Proposal Model can correctly identify each, use the data in the correct manner to generate an accurate output.

Setup Chart of Accounts for each Cost of Goods Nominal

Company Name		Latest Month	M
Year >>>		2020	20
Month >>>		Mar	
Chart of Accounts Category	P&L Structure		
Select Category	Cost of Sales		
Cost of Sales	Cost of Sales Nominal 1		£2,250.00
Cost of Sales	Cost of Sales Nominal 2		
Select Category	Cost of Sales Nominal 3		
Sales	Cost of Sales Nominal 4		
Cost of Sales	Cost of Sales Nominal 5		
Overhead	Cost of Sales Nominal 6		
Cost of Sales	Cost of Sales Nominal 7		
Cost of Sales	Cost of Sales Nominal 8		
Cost of Sales	Cost of Sales Nominal 9		£2,250.00
Cost of Sales	Cost of Sales Nominal 10		£2,250.00
Select Category			
Select Category			
Select Category			

Select 'Cost of Sales' for each Cost of Sales Nominal

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Each Cost of Sales entry should be categorised as 'Cost of Sales' so the Universal Forecasting and Funding Proposal Model can correctly identify each, use the data in the correct manner to generate an accurate output.

Setup Chart of Accounts for each Overheads Nominal

Company Name		Latest Month
Year >>>		2020
Month >>>		Mar
Chart of Accounts Category	P&L Structure	
Select Category	Overheads	
Overheads	Salaries	£6,799.51
Overheads	Rent	£4,000.00
Overheads	Advertising	£3,548.51
Select Category	Depreciation	£15,000.00
Sales	Travel & Subs	£3,043.04
Cost of Sales	Staff	£2,526.32
Overheads	Heat & Light	£2,061.78
Overheads	Office Expenses	£2,019.83
Overheads	Motor Expenses	£2,008.57
Overheads		£1,000.00

Select
'Overheads'
for each
Overhead
Nominal

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Each Overheads entry should be categorised as 'Overheads' so the Universal Forecasting and Funding Proposal Model can correctly identify each, use the data in the correct manner to generate an accurate output.

Note: Cost of Sales lines, (Cost of Sales Nominals, or Variable Costs), are sometimes incorrectly recorded in the Accounts of businesses as Overheads, (Overheads Nominals or Fixed Costs). If this is the case this can be corrected here by simply categorising any overheads that vary as a direct function of sales volume as 'Cost of Sales'.

Example: In a contracting business, labour is sold by the hour, however, staff costs are frequently entered into the accounts as Overheads or Fixed Costs. If the number of hours sold is forecast to increase by 200% over a 5-year term, in order to deliver those hours, the total labour available must also increase by 200%.

To overcome this, any incorrectly posted overhead items can simply be categorised as 'Cost of Sales'.

Tab 4 – Enter and Setup P&L History

Company Name		Demo Company Ltd				
Year >>>		Latest Month	Month - 1	Month - 2	Month - 3	Month - 4
Month >>>		2020	2020	2020	2019	2019
Chart of Accounts Category		P&L Structure				
Select Category	Sales					
Sales	Sales Nominal 1	£13,464.16	£11,512.06	£9,130.28	£27,376.24	£17,394.55
Sales	Sales Nominal 2	£10,771.33	£9,209.65	£7,304.22	£21,900.99	£13,915.61
Sales	Sales Nominal 3	£8,617.06	£7,367.72	£5,843.38	£17,520.79	£11,132.48
Sales	Sales Nominal 4	£8,893.65	£5,894.17	£4,674.70	£14,016.63	£8,905.99
Sales	Sales Nominal 5	£5,514.92	£4,715.34	£3,739.76	£11,213.31	£7,124.79
Sales	Sales Nominal 6	£4,411.94	£3,772.27	£2,991.81	£8,970.65	£5,699.81
Sales	Sales Nominal 7	£3,529.55	£3,017.82	£2,393.45	£7,176.52	£4,559.86
Sales	Sales Nominal 8	£2,823.64	£2,414.25	£1,914.76	£5,741.21	£3,647.89
Sales	Sales Nominal 9	£2,258.91	£1,931.40	£1,531.81	£4,592.97	£2,918.31
Select Category						
Select Category						
Select Category	Total Sales	£58,285.17	£49,834.69	£39,524.15	£118,509.31	£75,299.26
Select Category						
Select Category						
Select Category						
Select Category	Cost of Sales					
Cost of Sales	Cost of Sales Nominal 1			£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 2			£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 3			£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 4			£2,250.00	£2,250.00	£2,250.00

Don't Categorise Headings, Sub Headings or

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Only the individual line items should be categorised.

If for example each line item in sales were to be correctly categorised as 'Sales' (set Sales to be the Chart of Accounts Category), and the 'Total Sales' line, also (incorrectly) categorised as 'Sales', this would cause a problem. The Universal Forecasting and Funding Proposal Model would count each separate entry PLUS the total as sales, as a consequence the total sales reported in the model would be two times higher than reality.

Select Month using the Dropdown

Company Name		Demo Company Ltd				
		Latest Month	Month -1	Month -2	Month -3	Month -4
Year >>>		2020	2020	2020	2019	2019
Month >>>		Mar	Feb	Jan	Dec	Nov
Chart of Accounts Category	P&L Str					
Select Category	Sales					
Sales	Sales Nominal 1	£11,394.50	£27,376.24	£17,394.50	£13,915.60	£11,394.50
Sales	Sales Nominal 2	£9,249.99	£17,520.79	£11,132.48	£8,905.99	£7,367.72
Sales	Sales Nominal 3	£8,843.38	£5,843.38	£17,520.79	£11,132.48	£8,905.99
Sales	Sales Nominal 4	£6,893.65	£5,894.17	£4,674.70	£14,016.63	£8,905.99
Sales	Sales Nominal 5	£5,514.92	£4,715.34	£3,739.76	£11,213.31	£7,124.79
Sales	Sales Nominal 6	£4,411.94	£3,772.27	£2,991.81	£8,970.65	£5,699.83
Sales	Sales Nominal 7	£3,529.55	£3,017.82	£2,393.17	£1,476.52	£4,559.17

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The most recent month is entered using the drop down and the other months automatically populate:

Select Year using the Dropdown

Company Name		Demo Company Ltd				
		Latest Month	Month -1	Month -2	Month -3	Month -4
Year >>>		2020	2020	2020	2020	2020
Month >>>		Apr	Mar	Feb	Jan	
Chart of Accounts Category	P&L Structure					
Select Category	Sales					
Sales	Sales Nominal 1	€11,394.55		€27,376.24		€17,394.55
Sales	Sales Nominal 2	€10,771.33	€3,817.06	€21,900.99		€13,915.33
Sales	Sales Nominal 3	€8,817.06	€7,387.72	€5,843.38	€17,520.79	€11,132.42
Sales	Sales Nominal 4	€6,893.65	€5,894.17	€4,674.70	€14,016.63	€8,905.92
Sales	Sales Nominal 5	€5,514.92	€4,715.34	€3,739.76	€11,213.31	€7,124.79
Sales	Sales Nominal 6	€4,411.94	€3,772.27	€2,991.81	€8,970.65	€5,699.83
Polac	Sales Nominal 7	€3,772.27	€3,383.45	€2,991.81	€5,486.52	€4,411.94

Set the Reporting Year

Select the year.

Enter the Company Name

Company Name	Demo Company Ltd				
Year >>>	Latest Month	Month -1	Month -2	Month	Month
Month >>>	2020	2020	2020	2020	2020
	May	Apr	Mar	Feb	Dec
Chart of Accounts Category	P&L Structure				
Select Category	Sales				
Sales	Sales Nominal 1	€13,464.16	€11,512.06	€9,130.28	€27,376.24
	Sales Nominal 2	€10,274.33	€9,208.65	€304.20	€21,800.80
					€17,394.50
					€12,115.60

Enter the
Company
Name

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Enter your company name as you want it presented on the final report (and for all other references to your company name) in the area highlighted at the top of the Monthly P&L, Step 4.

All Done!

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Step 4 – Enter and Setup P&L History

Company Name		Demo Company Ltd					
		Latest Month	Month -1	Month -2	Month -3	Month -4	Month -5
Year >>>		2020	2020	2020	2019	2019	2019
Month >>>		Mar	Feb	Jan	Dec	Nov	Oct
Chart of Accounts Category	P&L Structure	Most Recent Month First, from Right to Left					
Select Category	Sales						
Sales	Sales Nominal 1	£13,484.16	£11,512.06	£9,130.28	£27,376.24	£17,394.50	£10,111.11
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Sales	Sales Nominal 9	£2,258.91	£1,931.40	£1,531.81	£4,592.97	£2,918.31	£3,111.11
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Select Category	Cost of Sales						
Cost of Sales	Cost of Sales Nominal 1	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 2	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 3	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 4	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 5	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00
Cost of Sales	Cost of Sales Nominal 6	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00

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When your historic Profit and Loss data is ready, simply copy and paste taking care to ensure the first column of figures is the most recent month as per the illustration above.

Depending on your Accounting system there is a 50/50 chance that the default order will be laid out in the correct manner. If this is not the case, you will need to manipulate your figures in a spreadsheet to put it into the correct layout before copying and pasting into the Universal Forecasting and Funding Proposal Model.

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Status and Next Step

- With historic Profit and Loss data entered, chart of accounts and other setting configured correctly
- The process can move to the next stage: Enter Opening Balance Sheet data into the model

NEED FURTHER SUPPORT?

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Visit: www.vfd-pro.com/workshops

