

Universal Funding Proposal & Business Planning / Forecasting Model

Overview

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Page: 1 of 20

Playbook

Table of Contents

Table of Contents.....	2
The Universal Forecast and Funding Proposal Model - Purpose.....	3
1. Overview.....	5
1.1. Step 1: Step by Step Instructions	6
1.2. Step 2: Example Profit and Loss Data Layout.....	8
1.3. Tab 3: Example Balance Sheet Data Layout.....	9
1.4. Tab 4: Your Profit and Loss Account Data Entry	10
1.5. Step 5: Your Closing Balance Sheet Data Entry	12
1.6. Step 6: Your Baseline Forecast Assumptions.....	13
1.7. Step 7: Baseline Balance Sheet Treatment.....	14
1.8. Step 8: Baseline 3 Way Cash Flow Forecast Assumptions	15
1.9. Step 9: Your Adjusted Forecast to Reflect the Impact of Funding.....	16
1.10. Step 10: Your 3 Way Forecast - Cash Flow Assumptions with Funding.....	17
1.11. Step 11: Your Forecast Commentary and Report Generation	18
2. List of Figures.....	20

Playbook

The Universal Forecast and Funding Proposal Model - Purpose

Use the Universal Forecast and Funding Proposal Model to support your business planning and create the following:

- **Your 5-year Business Plan and Forecast**
 - ✓ Years 1 and 2 detailed by month
 - ✓ Years 3 to 5 detailed per year
- **Understand and Plan for Your Future**
- **Model the Impact of Funding on Your Business**
- **Apply for Loan or Equity Funding**

You can use the Universal Forecasting and Funding Proposal Model regardless of the accounting system you use, to build a 5-year Business Plan / Forecast for your business.

Use your plan to understand, plan and budget for the future to help you and your team maintain a clear picture of exactly where you are on your journey.

If your business needs to raise finance, your Business Plan can quickly and easily be used to generate a robust Funding Proposal that provides everything lenders or investors need to approve funding.

"My interest is in the future because I am going to spend the rest of my life there. "

C.F. Kettering

Playbook

1. Overview

You can use the Universal Forecasting and Funding Proposal Model with any accounting system to build your 5-year Business Plan / Forecast to model your company's performance, budget, and plan for your future. If required, your plan will quickly generate a robust Funding Proposal to help you successfully apply for funding.

The Universal Forecasting and Funding Proposal Model is a sophisticated tool that comprises 11 logical process steps that you simply complete as you go:

- ◆ Step 1: The process – Step by Step Instructions detailing how to complete each step.
- ◆ Step 2: Sample P&L - an example of how your historic Profit and Loss data must be laid out.
- ◆ Step 3: Sample Balance Sheet – an example of how your Balance Sheet information should be laid out.
- ◆ Step 4: Monthly P&L – this is where you enter your historic profit and loss information.
- ◆ Step 5: Closing Balance Sheet – this is where you enter your balance sheet data.
- ◆ Step 6: Baseline Forecast – this is where you build up your forecast assumptions for the next 5 years.
- ◆ Step 7: Baseline Balance Sheet – this is where you setup the 'treatment' of your assets and liabilities.
- ◆ Step 8: Baseline 3 Way Forecast – this is where you enter your cash flow assumptions.
- ◆ Step 9: Funding Forecast – this is where you enter your 'with funding' profit and loss adjustments.
- ◆ Step 10.1: Funding 3 Way Forecast – this is where you make your 'with funding' cash flow adjustments.
- ◆ Step 10.2: Generate Funding Proposal – generate and complete your final funding proposal.
- ◆ Step 11: Forecast Report – this is where you record your notes and generate your forecast report.

Having populated the input tabs, entered your forecast assumptions, and configured the opening Balance Sheet and Cash Flow assumptions, your Funding Proposal and / or your Five-Year Business Plan and Forecast can be produced.

The rest of this document provides you with detailed step by step instructions for how to complete the model. The model is designed to be used by anybody, not just those with a financial background, however, as with all things, 'rubbish in – rubbish out'.

Playbook

Your forecast can only ever be as good as the assumptions that are used to predict your future. If you need help using the model or with any of the input information, please consult your accountant.

1.1. Step 1: Step by Step Instructions

This part of the model provides you with step by step instructions to help you complete the Universal Forecasting and Funding Proposal Model correctly.

The instructions are broken down into sections, one for each step of the model, each of which is described in more detail below.

There are 36 separate steps you must complete in sequence to provide your input data and enter your assumptions that are then used to create / generate your 5 Year Forecast and / or the Funding Proposal.

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	
<i>This tab is used to set an assumed baseline of the business' performance over the next 5 years</i>	
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 <i>changing a % will not amend the forecast once a forecast value has been entered</i>
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	Use 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	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)
21	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)
22	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)
23	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)
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25	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)
26	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)
27	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)
28	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)
29	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)
30	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)
31	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)
32	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)
33	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)
34	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)
35	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)
36	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)

Figure 1 - Tab 1: Step by Step Instructions

As stated above, the Universal Forecast and Funding Proposal Model is designed to be used by non-Finance Professionals, business owners / managers or anyone else with a reasonable understanding of business

Playbook

finance.

Note: Professional advice may be needed to ensure the correct data is entered into the model. If you are unsure of any detail, please contact your accountant for assistance.

Playbook

1.2. Step 2: Example Profit and Loss Data Layout

This step provides an example of the historic Profit and Loss data you need to enter into the Universal Forecasting and Funding Proposal Model to establish your 'Baseline Forecast'. Profit and Loss data for just about every business is laid out in a common format:

- ◆ Total Sales
- ◆ Minus Cost of Sales
- ◆ Minus Overheads
- ◆ Equals Net Profit

Company Name	Demo Company Limited					
Sales	Mar-20	Feb-20	Jan-20	Dec-19	Nov-19	Oct-19
Sales Nominal 1	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 2	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 3	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 4	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 5	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 6	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 7	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 8	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 9	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 10	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 11	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 12	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 13	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 14	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Sales Nominal 15	£2,684.28	£2,670.92	£2,657.64	£2,644.41	£2,631.26	£2,618.17
Total Sales	£40,264.18	£40,063.86	£39,864.54	£39,666.21	£39,468.87	£39,272.50
Cost of Sales						
Cost of Sales Nominal 1	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 2	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 3	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 4	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 5	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 6	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 7	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 8	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 9	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 10	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 11	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 12	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 13	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 14	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Cost of Sales Nominal 15	£250.00	£250.00	£250.00	£250.00	£250.00	£250.00
Total Cost of Sales	£3,750.00	£3,750.00	£3,750.00	£3,750.00	£3,750.00	£3,750.00
Overheads						

Tab 2: Sample P&L

Process
Sample P&L
Sample Balance Sheet
Monthly P&L
Closing Balance Sheet
Baseline

Figure 2 - Tab 2: Sample Profit and Loss Data Layout

Note: The model accommodates up to five years historic data which, if being used to raise finance it will provide the lender or investor with the historic financial performance information they will ideally want to see. If you have less than 5 years data available, do not worry, the Universal Forecasting and Funding Proposal Model will still work perfectly well.

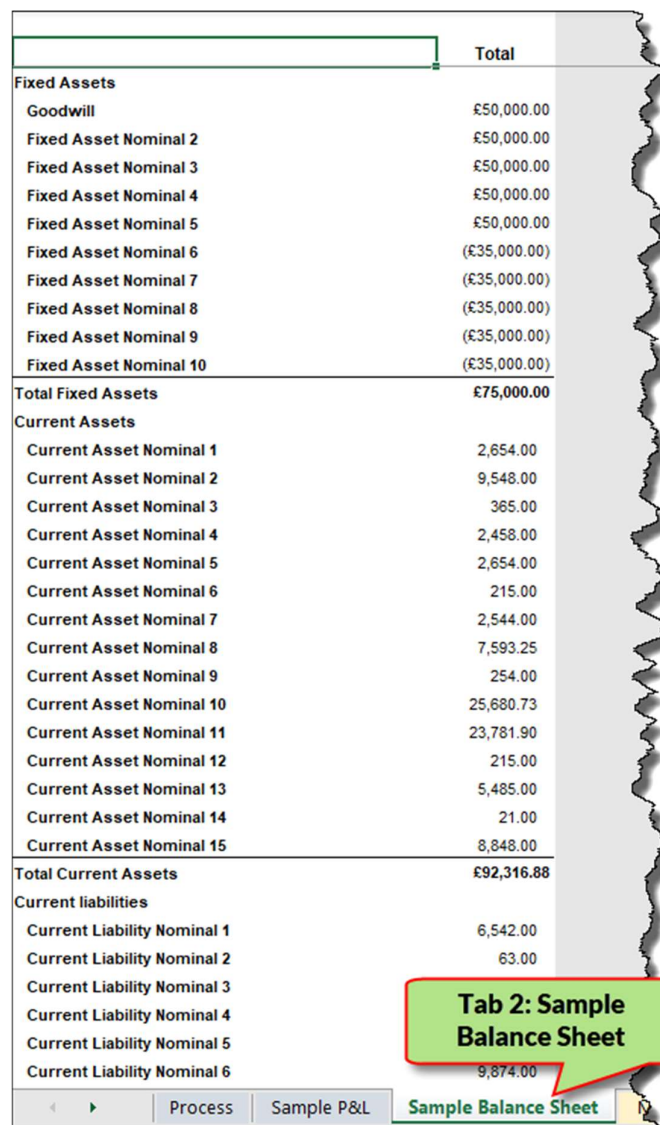
Playbook

Ideally each revenue line or customer (your Sales Nominals), and your Cost of Sales lines or variable costs (Cost of Sales Nominal), and each Overhead category, (Overhead Nominal), will be broken down. However, if your historic data does not provide this level of detail, the Universal Forecasting and Funding Proposal Model will still work perfectly well.

The historic P&L data is entered by the most recent month first. Further instruction on how to correctly prepare the Sample Profit and Loss data are detailed below.

1.3. Step 3: Example Balance Sheet Data Layout

This tab provides an example of the way your historic Balance Sheet data needs to be laid out to enter into the Universal Forecasting and Funding Proposal Model to establish your 'Baseline Balance Sheet'.



	Total
Fixed Assets	
Goodwill	£50,000.00
Fixed Asset Nominal 2	£50,000.00
Fixed Asset Nominal 3	£50,000.00
Fixed Asset Nominal 4	£50,000.00
Fixed Asset Nominal 5	£50,000.00
Fixed Asset Nominal 6	(£35,000.00)
Fixed Asset Nominal 7	(£35,000.00)
Fixed Asset Nominal 8	(£35,000.00)
Fixed Asset Nominal 9	(£35,000.00)
Fixed Asset Nominal 10	(£35,000.00)
Total Fixed Assets	£75,000.00
Current Assets	
Current Asset Nominal 1	2,654.00
Current Asset Nominal 2	9,548.00
Current Asset Nominal 3	365.00
Current Asset Nominal 4	2,458.00
Current Asset Nominal 5	2,654.00
Current Asset Nominal 6	215.00
Current Asset Nominal 7	2,544.00
Current Asset Nominal 8	7,593.25
Current Asset Nominal 9	254.00
Current Asset Nominal 10	25,680.73
Current Asset Nominal 11	23,781.90
Current Asset Nominal 12	215.00
Current Asset Nominal 13	5,485.00
Current Asset Nominal 14	21.00
Current Asset Nominal 15	8,848.00
Total Current Assets	£92,316.88
Current liabilities	
Current Liability Nominal 1	6,542.00
Current Liability Nominal 2	63.00
Current Liability Nominal 3	
Current Liability Nominal 4	
Current Liability Nominal 5	
Current Liability Nominal 6	9,874.00

Figure 3 - Tab 3: Sample Balance Sheet Data Layout

Playbook

Balance Sheet data for most businesses is laid out in a common format:

- ◆ Fixed Assets
- ◆ Current Assets
- ◆ Current Liabilities
- ◆ Long Term Liabilities
- ◆ Capital and reserves:
 - Dividends
 - Equity
 - Share Capital
 - Profit

If needed, further instruction on how to correctly prepare your Sample Balance Sheet data is detailed below.

1.4. Step 4: Your Profit and Loss Account Data Entry

Provided the Entry data has been prepared correctly, the user need simply copy and paste the historic data into the relevant fields on Tab 4 of the Universal Forecasting and Funding Proposal Model.

Company Name		Demo Company Ltd					
Year >>>		Latest Month	Month -1	Month -2	Month -3	Month -4	Month -5
Month >>>		2020	2020	2020	2019	2019	2019
		Mar	Feb	Jan	Dec	Nov	Oct
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	£17,394.50	£13,464.16
Sales	Sales Nominal 2	£10,771.33	£9,209.65	£7,304.22	£21,900.99	£13,915.60	£10,771.33
Sales	Sales Nominal 3	£8,617.06	£7,367.72	£5,843.38	£17,520.79	£11,132.48	£8,617.06
Sales	Sales Nominal 4	£6,893.65	£5,894.17	£4,674.70	£14,016.63	£8,905.99	£6,893.65
Sales	Sales Nominal 5	£5,514.92	£4,715.34	£3,739.76	£11,213.31	£7,124.79	£5,514.92
Sales	Sales Nominal 6	£4,411.94	£3,772.27	£2,991.81	£8,970.65	£5,699.83	£4,411.94
Sales	Sales Nominal 7	£3,529.55	£3,017.82	£2,393.45	£7,176.52	£4,559.86	£3,529.55
Sales	Sales Nominal 8	£2,823.64	£2,414.25	£1,914.76	£5,741.21	£3,647.89	£2,823.64
Sales	Sales Nominal 9	£2,258.91	£1,931.40	£1,531.81	£4,592.97	£2,918.31	£2,258.91
Select Category	Total Sales	£58,285.17	£49,834.69	£39,524.15	£118,509.31	£75,299.26	£58,285.17
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
Cost of Sales	Cost of Sales Nominal 7	£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 8	£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 9	£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 10	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00	£2,250.00

Tab 4: Monthly Profit and Loss

Figure 4 - Tab 4: Profit and Loss Account Data Entry

Playbook

Configuring the Chart of Accounts Category:

All you need to do after your historic data has been entered is to configure the 'Chart of Accounts Category', in other words, tell the Universal Forecasting and Funding Proposal Model which lines to treat as sales/revenue, cost of sales/variable costs, or overheads. (Headings, sub-totals, and totals should be left as 'Select Category').

Latest Month:

The month and year for your 'Latest Month' needs to be entered.

Company Name:

Your Company Name needs to be entered (this is used to populate all references to Company Name).

Further instruction on how to correctly enter and setup your Historic Profit and Loss data is detailed below.

Note: If you are not confident with manipulating financial data please consult your accountant. Your input and expertise is critical to establishing your forecast assumptions, but it is often more efficient to ask your accountant to enter your historic data for you to ensure everything is correctly setup before you start working on your forecast and assumptions.

Playbook

1.5. Step 5: Your Closing Balance Sheet Data Entry

The various Balance Sheet items need to be correctly categorised as Fixed Assets, Current Assets, Current Liabilities, Long Term Liabilities and Shareholders' Funds.

Closing Balance Sheet		
Chart of Accounts Category	Balance Sheet Structure	Total
Please Select	Fixed Assets	
Fixed Assets	Goodwill	£50,000.00
Fixed Assets	Fixed Asset Nominal 2	£50,000.00
Fixed Assets	Fixed Asset Nominal 3	£50,000.00
Fixed Assets	Fixed Asset Nominal 4	£50,000.00
Fixed Assets	Fixed Asset Nominal 5	£50,000.00
Fixed Assets	Fixed Asset Nominal 6	(£35,000.00)
Fixed Assets	Fixed Asset Nominal 7	(£35,000.00)
Fixed Assets	Fixed Asset Nominal 8	(£35,000.00)
Fixed Assets	Fixed Asset Nominal 9	(£35,000.00)
Fixed Assets	Fixed Asset Nominal 10	(£35,000.00)
Please Select	Total Fixed Assets	£75,000.00
Please Select	Current Assets	
Current Assets	Bank Account	26,458.00
Current Assets	Accounts Receivable	76,452.00
Current Assets	Rent Deposit	15,000.00
Current Assets	Paypal Account	7,854.00
Current Assets	Stock	115,698.00
Please Select	Total Current Assets	£241,462.00
Please Select	Current liabilities	
Current Liabilities	Corporation Tax Liability	15,000.00
Current Liabilities	PAYE Liability	8,654.00
Current Liabilities	Pension Liability	2,654.00
Current Liabilities	Accounts Payable	45,894.00
Current Liabilities	Bank Loan	5,000.00
Current Liabilities	VAT Liability	11,654.00
Please Select	Total Current Liabilities	£88,856.00
Please Select	Long Term Liabilities	
Long Term Liabilities	IP	25,000.00
Please Select	Total Long Term liability	£25,000.00

Tab 5: Closing Balance Sheet

Figure 5 - Tab 5: Closing Balance Sheet Data Entry

All you need to do after your historic Balance Sheet information has been entered is to configure the 'Chart of Accounts Category', in other words, tell the Universal Forecasting and Funding Proposal Model which lines to treat as fixed assets, current assets, current liabilities, long term liabilities and shareholders' funds.

Headings, sub-totals, and totals should be left as 'Please Select'.

If needed, further instruction on how to correctly enter and setup the Closing Balance Sheet is detailed below. If you are unsure of exactly how to use the model at any stage, please consult your accountant.

Playbook

1.6. Step 6: Your Baseline Forecast Assumptions

Having correctly entered and setup your historic Profit & Loss and Balance Sheet data, the Universal Forecasting and Funding Proposal Model will automatically pre-populate the history section of the Baseline Forecast Tab for you. All you now need to do is enter your expected / forecast sales, gross margin and overhead assumptions for the next 5 years.

Years 1 and 2 are detailed by month, for years 3, 4 and 5 the Universal Forecasting and Funding Proposal Model simply needs annual totals.

The Universal Forecasting and Funding Proposal Model provides you with a 'Starter for Ten' based on the history with a Year on Year percentage uplift. You can adjust the Year on Year change by customer / revenue channel, (Sales Nominal), or enter month by month forecast figures.

You can add additional customers / revenue channels, (Sales Nominals) as required.

The formulas used can be changed as required to correctly populate the five-year forecast.

The assumptions for your cost of sales / variable costs and / or Gross Margin can be entered for the year and / or adjusted for each individual month.

Your Overheads are dealt with in the same way as sales, however, note that any assumptions for 'Bad Debt' must be entered into the row provided in order to ensure the correct Profit and Loss, Balance Sheet and Cashflow treatment.

	2020				YoY %				% Applied	Forecast				
	Mar	TY	LY	YoY%	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar		Apr	May	Jun	Jul	Aug
Sales														
Sales Nominal 1	13,464	215,081	204,839	5.0%	5%	5%	5%	5%					6,837	6,021
Sales Nominal 2	10,771	172,065	163,872	5.0%	5%	5%	5%	5%					5,470	4,843
Sales Nominal 3	8,617	137,652	131,097										4,376	3,875
Sales Nominal 4	6,894	110,122	104,878										3,501	3,101
Sales Nominal 5	5,515	88,097	83,902										2,801	2,441
Sales Nominal 6	4,412	70,478	67,122										2,240	1,981
Sales Nominal 7	3,530	56,382	53,697										1,792	1,587
Sales Nominal 8	2,824	45,106	42,958	5.0%	5%	5%	5%	5%					1,434	1,271
Sales Nominal 9	2,259	36,085	34,366	5.0%	5%	5%	5%	5%					1,147	1,016
Other														
New Customer 1														
New Customer 2														
New Customer 3														
New Customer 4														
New Customer 5														
New Customer 6														
New Customer 7														
New Customer 8														
New Customer 9														
New Customer 10														
New Customer 11														
New Customer 12														
New Customer 13														
New Customer 14														
New Customer 15														
Total Sales	58,285	931,058	886,333	5.0%	5%	5%	5%	5%	0	0	0	0	29,598	26,201
Cost of Sales	(22,500)				0.0%	0.0%	0.0%	0.0%	0	0	0	0	(9,489)	(8,405)
Gross Margin	35,785								0	0	0	0	20,109	17,805

Figure 6. - Tab 6: Baseline Forecast Assumptions

If needed, further instruction on how to correctly setup your Baseline Forecast is detailed below. If you are unsure of exactly how to use the model at any stage, please consult your accountant.

Playbook

1.7. Step 7: Baseline Balance Sheet Treatment

The data you entered in the Closing Balance Sheet section automatically pulls through to populate your Baseline Balance Sheet. You now need to 'tell' the Universal Forecasting and Funding Proposal Model how to treat each Balance Sheet item.

Each Balance Sheet item needs to be correctly configured to establish the appropriate treatment for Current Assets, Current Liabilities and Long-Term Liabilities and to populate your Baseline 3 Way Forecast:

Each Asset / Liabilities needs to be configured to be one of either:

- ◆ Cash
- ◆ Corporation Tax
- ◆ Debt
- ◆ Other
- ◆ Payable
- ◆ Receivable
- ◆ Stock / W.I.P.
- ◆ VAT

Demo Company Ltd Balance Sheet Assumptions		
	Balance	Treatment
Current Assets	Stock	115,698 Stock / W.I.P
	Accounts Receivable	76,452 Receivable
	Bank Account	26,458 Cash
	Rent Deposit	15,000 Other
	Paypal Account	7,854 Cash
Current Liabilities	Accounts Payable	45,894 Payable
	Corporation Tax Liability	15,000 Corporation Tax
	VAT Liability	11,654 VAT
	PAYE Liability	8,654 Payable
	Bank Loan	5,000 Debt
	Pension Liability	2,654 Payable
Long Term Liabilities		IP Court Case

Tab 6: Baseline Balance Sheet

Figure 7 - Tab 7: Baseline Balance Sheet Treatment

If needed, further instruction on how to correctly setup your Baseline Balance Sheet is detailed below. If you are unsure of exactly how to use the model at any stage, please consult your accountant.

Playbook

1.8. Step 8: Baseline 3 Way Cash Flow Forecast Assumptions

The Baseline Cash Flow Forecast allows you to enter your future assumptions. The only cells that need to be altered are those highlighted:

- ◆ Depreciation (% of Fixed Assets)
- ◆ Percentage Interest Repayable on Debt
- ◆ Inventory (Days)
- ◆ Corporation Tax Liability and Payment
- ◆ Dividends, Owner Payments or Receipts
- ◆ VAT cycle and payment / repayment
- ◆ Receivable Collection Assumptions
- ◆ Payment Assumptions

All other figures that will make up your Baseline 3 Way Forecast are calculated for you, so to avoid the risk of accidentally changing a formula and breaking the model, all cells other than the highlighted input cells are locked.

Demo Company Ltd Summary P&L, Balance Sheet & Cashflow Forecast												
	This Year Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Assumptions												
Depreciation (% of Fixed Assets)	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%
Interest (% of Debt Open Balance)	12.6%	7.9%	7.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts Receivable (Days)	30	27	20	14	11	30	50	63	90	141	134	138
Inventory (Days)	156	168	180	195	210	210	210	210	210	210	200	190
Accounts Payable (Days)	31	30	29	29	32	46	58	45	41	43	39	40
Corporation Tax Liability (addition only)	15,000											
Corporation Tax Payment										15,000		
Dividend/Owner Payment / (Receipt)		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Capital Expenditure						4,000	4,000	4,000	4,000	4,000	4,000	4,000
Debt Issued (Repaid)		(2,500)	(2,500)									
Equity Issued (Repaid)												
Profit & Loss												
Revenue						29,598	26,207	19,906	37,650	59,255	19,762	37,376
Cost of Sales						9,489	8,402	6,382	12,071	18,997	6,336	11,983
Gross Margin	661,068					20,109	17,805	13,524	25,579	40,257	13,426	25,393
Gross Margin %	71.0%					67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%
Salaries & Dividends	80,265	1,000	1,000	1,000	1,000	1,665	1,670	1,675	3,359	3,369	3,379	5,084
Overheads	327,039	10,112	20,119	20,125	19,131	24,667	24,738	26,111	26,189	26,268	26,347	26,426
Depreciation & Amortisation	12,000	676	657	640	622	606	697	787	873	958	1,040	1,120
Interest	628	33	16									
Total Expenses	419,932	11,821	21,793	21,765	20,754	26,937	27,105	28,572	30,422	30,595	30,766	32,631
Profit before tax	241,136	(11,821)	(21,793)	(21,765)	(20,754)	(6,829)	(9,300)	(15,048)	(4,843)	9,662	(17,340)	(7,238)
Corporation Tax (assumed)		0	0	0	0	0	0	0	0	0	0	0
Profit after tax	241,136	(11,821)	(21,793)	(21,765)	(20,754)	(6,829)	(9,300)	(15,048)	(4,843)	9,662	(17,340)	(7,238)
Balance Sheet												
Assets												
Cash	34,312	25,243	5,352	(4,366)			(29,674)	(67,755)	(96,030)	(129,228)	(134,613)	(138,060)
Accounts Receivable	76,452	64,984	45,037	28,081	18,769		65,953	71,872	93,642	123,560	110,456	108,715

Figure 8 - Tab 8: Baseline 3 Way Cash Flow Forecast Assumptions

It is likely that assistance will be required to ensure the correct forecast assumptions are made, especially with regards to line items such as forecast Corporation Tax, VAT, Inventory Days and Collections / Payment Assumptions. As ever, if you need help, please do consult your accountant.

If needed, further instruction on how to correctly setup your Baseline 3 Way Forecast is detailed below. If you are unsure of exactly how to use the model at any stage, please consult your accountant.

Playbook

1.9. Step 9: Your Adjusted Forecast to Reflect the Impact of Funding

If you are using the Universal Forecasting and Funding Proposal Model to produce a 5 Year Forecast to report performance against budget or to create your Business Plan, there is no need for you to populate the 'Funding Forecast' - Step 9.

If you plan to use the Universal Forecasting and Funding Proposal Model to produce the financial information required by lenders to support a funding application, steps 9, and 10 (Funding Forecast and Funding 3 Way Forecast), must be populated.

Working Capital Funding

It is possible that funding is required simply to provide you with additional working capital to help your business survive a short-term cash flow problem, for example a downturn caused by the Covid-19 disruption, in which case your Funding Forecast assumptions will be unchanged.

Capital Investment Funding

If funding will make a difference to sales, cost of sales/variable costs or overheads, your 'With Funding' forecast must be adjusted accordingly.

	Baseline Yr1	YoY%	Var %	Revised Scenario for Year 1 (next 12 months)												Yr1 Total	
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Sales																	
Sales Nominal 1	63,172	(70.6%)	0.0%					6,837	6,054	4,598	8,697	13,688	4,565	8,634	10,098	63,172	
Sales Nominal 2	50,538	(70.6%)	0.0%					5,470	4,843	3,679	6,958	10,950	3,652	6,907	8,078	50,538	
Sales Nominal 3	40,430	(70.6%)	0.0%					4,376	3,875	2,943	5,566	8,760	2,922	5,526	6,463	40,430	
Sales Nominal 4	32,344	(70.6%)	0.0%					3,501	3,100	2,354	4,453	7,008	2,337	4,421	5,170	32,344	
Sales Nominal 5	25,875	(70.6%)	0.0%					2,801	2,480	1,884	3,562	5,607	1,870	3,537	4,136	25,875	
Sales Nominal 6	20,700	(70.6%)	0.0%					2,240	1,984	1,507	2,850	4,485	1,496	2,829	3,309	20,700	
Sales Nominal 7	16,560	(70.6%)	0.0%					1,792	1,587	1,205	2,280	3,588	1,197	2,263	2,647	16,560	
Sales Nominal 8	13,248	(70.6%)	0.0%					1,434	1,270	964	1,824	2,871	957	1,811	2,118	13,248	
Sales Nominal 9	10,599	(70.6%)	0.0%					1,147	1,016	771	1,459	2,296	766	1,449	1,694	10,599	
Other			0.0%														
New Customer 1			0.0%														
New Customer 2			0.0%														
New Customer 3			0.0%														
New Customer 4			0.0%														
New Customer 5			0.0%														
New Customer 6			0.0%														
New Customer 7			0.0%														
New Customer 8			0.0%														
New Customer 9			0.0%														
New Customer 10			0.0%														
New Customer 11			0.0%														
New Customer 12			0.0%														
New Customer 13			0.0%														
New Customer 14			0.0%														
New Customer 15			0.0%														
Total Sales	273,467	(70.6%)		0	0	0	0	29,598	26,207	19,906	37,650	59,255	19,762	37,376	43,714	273,467	
Cost of Sales	(87,675)	(67.5%)		0	0	0	0	(9,489)	(8,402)	(6,382)	(12,071)	(18,997)	(6,336)	(11,983)	(14,015)	(87,675)	
Gross Margin	185,792	(71.9%)		0	0	0	0	20,109	17,805	13,524	25,579	40,257	13,426	25,393	29,699	185,792	
Gross Margin %	67.9%	(3.1%)	0.0%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	
Overheads																	
Salaries	29,301	(63.5%)	0.0%	1,000	1,000	1,000	1,000	1,665					3,369	3,379	5,084	5,100	29,301
Rent	36,000	(25.0%)	0.0%					4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000	

Figure 9 - Tab 9: Adjusted Forecast to Reflect the Impact of Funding

If needed, further instruction on how to correctly populate your Funding Forecast is detailed below. If you are not sure at any stage, please do consult your accountant.

Playbook

1.10. Step 10: Your 3 Way Forecast - Cash Flow Assumptions with Funding

If you are using the Universal Forecasting and Funding Proposal Model to produce a 5 Year Forecast to report performance against budget or to support a Business Plan, there is no need for you to populate the 'Funding 3 Way Forecast' - Step 10.

If the Universal Forecasting and Funding Proposal Model is being used to produce the financial information required by lenders to support funding applications, step 9, (Funding Forecast) and step 10, (Funding 3 Way Forecast), must be completed.

The impact new and existing debt, interest and repayment will have on your plans needs to be correctly entered to allow the Universal Forecasting and Funding Proposal Model to correctly adjust your Profit and Loss and Balance Sheet forecast.

If existing debt is to be repaid, you will need to enter the anticipated timing. If you are raising new capital, your new finance may come with an interest and capital repayments 'holiday' which needs to be currently reflected in the model.

In most cases, your 3 Way Forecast assumptions will be exactly the same as you previously entered on your Baseline 3 Way Forecast – Step 8.

Generate Funding Proposal		Demo Company Ltd Summary P&L, Balance Sheet & Cashflow Forecast											
		This Year Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Assumptions													
Depreciation (% of Fixed Assets)		32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%
Interest (% of Debt Open Balance)		0.0%	7.9%	7.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts Receivable (Days)		30	27	20	14	11	30	50	63	90	141	134	138
Inventory (Days)		156	168	180	195	210	210	210	210	210	210	200	190
Accounts Payable (Days)		31	30	29	29	32	46	58	45	41	43	39	40
Corporation Tax Liability (addition only)		15,000	0	0	0	0	0	0	0	0	0	0	0
Corporation Tax Payment			0	0	0	0	0	0	0	0	15,000	0	0
Dividend/Owner Payment / (Receipt)			1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Capital Expenditure			(2,500)	(2,500)	150,000	0	0	0	0	0	0	0	0
Debt Issued (Repaid)			(2,500)	(2,500)	150,000	0	0	0	0	0	0	0	0
Equity Issued (Repaid)			0	0	0	0	0	0	0	0	0	0	0
Profit & Loss													
Revenue			-	-	-	-	29,598	26,207	19,906	37,650	59,255	19,762	37,376
Cost of Sales			-	-	-	-	9,489	8,402	6,382	12,071	18,997	6,336	11,983
Gross Margin			-	-	-	-	20,109	17,805	13,524	25,579	40,257	13,426	25,393
Gross Margin %			-	-	-	-	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%
Salaries & Dividends		80,265	1,000	1,000	1,000	1,000	1,665	1,670	1,675	3,359	3,369	3,379	5,084
Overheads		327,667	10,112	20,119	20,125	19,131	24,667	24,738	26,111	26,189	26,268	26,347	26,426
Depreciation & Amortisation		12,000	676	657	640	622	606	697	787	873	958	1,040	1,120
Interest		-	33	16	-	-	-	-	-	-	-	-	-
Total Expenses		419,932	11,821	21,793	21,765	20,754	26,937	27,105	28,572	30,422	30,595	30,766	32,631
Profit before tax		241,136	(11,821)	(21,793)	(21,765)	(20,754)	(6,829)	(9,300)	(15,048)	(4,843)	9,662	(17,340)	(7,238)
Corporation Tax (assumed)			0	0	0	0	0	0	0	0	0	0	0
Profit after tax		241,136	(11,821)	(21,793)	(21,765)	(20,754)	(6,829)	(9,300)	(15,048)	(4,843)	9,662	(17,340)	(7,238)
Balance Sheet													
Assets													
Cash		34,312	25,243	5,352	145,634	135,690	133,730	120,326	78,632	20,772	15,387	11,940	10
Accounts Receivable		76,452	64,984	45,037	28,081	18,769	46,143	65,953	78,632	123,560	110,456	108,715	10
Stock / W.I.P		115,698	113,918	110,959	108,185	103,562	96,076	87,965	78,632	70,676	58,453	50,056	10
... Baseline Forecast Baseline Balance Sheet Baseline 3 Way Forecast Funding Forecast Funding Balance Sheet Funding 3 Way Forecast Forecast Report													

Enter Detail of Loans and Repayment Plans

Tab 10: Funding 3 Way Forecast

Figure 10 - Tab 10: 3 Way Forecast - Cash Flow Assumptions with Funding

Playbook

Having entered all your historic financial information and setup your forecast assumptions your Funding Proposal Universal Forecasting and Funding Proposal Model can be Generated by simply clicking on the button in the top left of the Funding 3 Way Forecast – Tab 10.

Clicking the ‘Generate Funding Proposal’ button causes a new model to be created. You now need to enter the additional information regarding your business, the reason you require funding, to accompany the automatically generated supporting information about your company and your loan application. This is detailed below.

If needed, further instruction on how to correctly populate your Funding 3 Way Forecast is detailed below. If you are unsure of exactly how to use the model at any stage, please consult your accountant.

1.11. Step 11: Your Forecast Commentary and Report Generation

If you need a Business Plan / Five-Year Financial Forecast for planning / budgeting purposes, the Forecast Report – Step 11 is used.

Before printing the report, the commentary needs to be added to explain the core assumptions that make up your Business Plan / Five-Year Forecast as follows:

- ◆ Comments to support your Five-Year Forecast Summary: The Executive Summary
- ◆ Comments to support your Sales Forecast.
- ◆ Comments to support your Margin Forecast.
- ◆ Comments to support your Overheads Forecast.
- ◆ Comments to support your Profit Forecast.



Figure 11 - Tab 11: Forecast Commentary and Report Generation

Playbook

Note: The figures that back up your Five-Year Forecast are automatically pulled through from the previous workings and are provided as part of the report to support the key figures provided in your forecast.

When all comments have been added* clicking on the 'Create Forecast Report PDF' button at the top of the Forecast Report Tab will generate a PDF summary report.

* If additional detail needs to be provided to support the commentary for the Forecast this should be provided separately and presented as an Annex to the main report.

Playbook

2. List of Figures

Figure 1 - Tab 1: Step by Step Instructions.....	6
Figure 2 - Tab 2: Sample Profit and Loss Data Layout.....	8
Figure 3 - Tab 3: Sample Balance Sheet Data Layout.....	9
Figure 4 - Tab 4: Profit and Loss Account Data Entry	10
Figure 5 - Tab 5: Closing Balance Sheet Data Entry	12
Figure 6. - Tab 6: Baseline Forecast Assumptions.....	13
Figure 7 - Tab 7: Baseline Balance Sheet Treatment	14
Figure 8 - Tab 8: Baseline 3 Way Cash Flow Forecast Assumptions.....	15
Figure 9 - Tab 9: Adjusted Forecast to Reflect the Impact of Funding	16
Figure 10 - Tab 10: 3 Way Forecast - Cash Flow Assumptions with Funding.....	17
Figure 11 - Tab 11: Forecast Commentary and Report Generation	18