

Universal Funding Proposal & Business Planning / Forecasting Model 'With Funding' 3 Way Forecast

Version 1.0 - 9 of 11 (B)



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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.

“Plan for what is difficult whilst it is easy, do what is great while it is small”

Sun Tzu

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1. 'With Funding' 3 Way Forecast Assumptions - (Step 10)

The Funding 3 Way forecast detailed on Step 10 pulls through all the assumptions entered in the Baseline 3 Way Forecast Step 8.

Your Funding 3 Way Forecast is used to enter assumptions relating to the treatment of any loans, in particular the timing of any new loans, interest rates and repayment of any new or existing loans.

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	Total
Assumptions												
Depreciation (% of Fixed Assets)	0.0%	0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Interest (% of Debt Open Balance)	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Accounts Receivable (Days)	-	-	15	23	28	38	48	49	44	40		
Inventory (Days)	-	-	0	0	0	0	0	0	0	0		
Accounts Payable (Days)	-	-	17	26	31	36	40	41	38	37		
Corporation Tax Liability (addition only)	-	-	0	0	0	0	0	0	0	0		
Corporation Tax Payment	-	-	0	0	0	0	0	0	0	0		
Dividend/Owner Payment / (Receipt)	-	-	0	0	0	0	0	0	0	0		
Capital Expenditure	-	-	0	0	0	0	0	0	0	0		
Debt Issued (Repaid)	-	-	0	0	0	0	0	0	0	0		
Equity Issued (Repaid)	-	-	0	0	0	0	0	0	0	0		
Profit & Loss												
Revenue	931,068	66,047	66,041	71,766	103,043	126,700	142,485	142,485	142,485	142,485	142,485	1,267,000
Cost of Sales	270,000	21,175	21,173	23,008	33,036	40,621	40,621	40,621	40,621	40,621	40,621	367,000
Gross Margin	661,068	44,872	44,868	48,757	70,007	86,079	101,864	101,864	101,864	101,864	101,864	899,999
Gross Margin %	71.0%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%
Salaries & Dividends	-	-	-	-	-	-	-	-	-	-	-	-

The 'With Funding' 3 Way Forecast - Tab 11

Baseline Forecast | Baseline Balance Sheet | Baseline 3 Way Forecast | Funding Forecast | Funding Balance Sheet | Funding 3 Way Forecast | Forecast Report

Figure 1 - Step: With Funding 3 Way Forecast

1.1. Baseline 3 Way Forecast - Interest Assumptions (% of Debt Open Balance)

Introduction and Tool Tip

- Enter the interest % to be applied to your debt balance.

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		Demo Company Ltd St			
		This Year Total	Apr	May	Jun
Assumptions					
Depreciation (% of Fixed Assets)			25.0%	25.0%	25.0%
Interest (% of Debt Open Balance)	Interest (% of Debt Open Balance):	7.9%	7.9%	7.9%	7.9%
Accounts Receivable (Days)	The % entered is applied to the total Debt balance to determine the interest charge in the month.	27	20		
Inventory (Days)		175	192	213	
Accounts Payable (Days)			30		
Corporation Tax Liability (addition only)	If you have multiple loans, the number entered should reflect the average interest paid.				
Corporation Tax Payment					
Dividend/Owner Payment / (Receipt)					1,500
Capital Expenditure	Note: Ensure Interest Paid is set to zero on the Baseline Forecast Tab				
Debt Issued (Repaid)		(2,500)	(2,500)		
Equity Issued (Repaid)					
Profit & Loss					
Revenue		93,188			

Figure 2

Interest (% of Debt Open Balance): Explanation and Entry of Assumptions

- The % entered is applied to your opening Debt balance to determine the interest charge in the month.
- The model will automatically calculate a recommended interest charge based on the transactions over the past 12 months, which can be amended.
- The figure generated will impact the following elements of your 3 Way Forecast:
 - Your Profit & Loss – Interest charge will reduce profit.
 - Your Operating Cashflow – Interest charge is included within Net Earnings in the Cash from Operations calculation.

Additional Information

- Ensure any assumption for Interest Paid in your Baseline Forecast is set to zero, this will ensure the correct treatment (as described above) will be applied.
- If you have multiple loans, the number entered should reflect the average interest paid.

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