

Universal Funding Proposal Model

Funding Cash Flow and BS Assumptions

(B)



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

Sun Tzu

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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
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Module 9 of 11

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Objective of this Module

- With the adjustments to the P&L Forecast reflecting the Impact of Funding complete...
- The process can move to the next stage:
Enter 'With Funding' Cash Flow Assumptions

With Funding 3 Way Forecast

Funding Balance Sheet Tab	
<i>This tab is for reference only as it reflects the opening balance sheet amended above</i>	
Funding 3 Way Forecast Tab	
<i>This tab is used to set the assumptions for Cashflow and Balance Sheet (including funding) over the next 5 years</i>	
40	Enter any revisions to the Baseline Forecast as a result of the funding

Funding Balance Sheet tab is for reference only.

40. Enter revisions to the baseline forecast as a result of funding

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 10 – 3 Way Forecast With Funding

Generate Funding Proposal		Demo Company Ltd Summary P&L, Balance Sheet & Cashflow Forecast									
	This Year Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		
Assumptions											
Depreciation (% of Fixed Assets)	0.0%	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%	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	133,014	133,014	126,700	126,700	
Cost of Sales	270,000	21,175	21,173	23,008	33,036	40,521	40,521	40,521	40,521	40,521	
Gross Margin	661,068	44,872	44,868	48,757	70,007	86,079	92,493	92,493	86,079	86,079	
Gross Margin %	71.0%	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

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virtual finance director

'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.

Interest Rate Tool Tip

		Demo Company Ltd Su			
		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	217	
Accounts Payable (Days)			30		
Corporation Tax Liability (addition only)	If you have multiple loans, the number entered should reflect the average interest paid.				1.50
Corporation Tax Payment					
Dividend/Owner Payment / (Receipt)					
Capital Expenditure	Note:				
Debt Issued (Repaid)	Ensure Interest Paid is set to zero on the Baseline Forecast Tab	(2,500)	(2,500)		
Equity Issued (Repaid)					
Profit & Loss					
Revenue					

Interest Rate %
Tool Tip

Baseline 3 Way Forecast – Interest Assumptions (% of Debt Open Balance) Introduction and Tool Tip

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

Capital Sum

Generate Funding Proposal		Demo Company Limited Summary P&L, Balance Sheet & Cashflow Forecast														
	This Year Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan					
Assumptions																
Depreciation & Amortisation (% of Fixed Assets)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Interest (% of Debt Open Bal)	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%			
Accounts Receivable (Days)	30	30	30	32	40	49	50	45	41	49	35					
Inventory (Days)	156	156	156	156	156	156	156	156	156	156	156					
Accounts Payable (Days)	23	29	32	34	38	41	41	39	38	40	35					
Corporation Tax Liability (addition only)	23,654	0	0	0	0	0	0	0	0	0	0					
Corporation Tax Payment	0	0	0	0	0	0	0	0	0	0	0					
Dividend/Owner Payment / (Receipt)	0	0	0	0	0	0	0	0	0	0	0					
Capital Expenditure (K000's)	0	0	0	0	0	0	0	0	0	0	0					
Debt Issued (Repaid)	0	0	75,000	0	0	0	0	0	0	0	(1,750)	(1,750)				
Equity Issued (Repaid)	0	0	0	0	0	0	0	0	0	0	0	0				
Profit & Loss																
Revenue												320,000	88,606	8,006	133,435	50,500

Debt Issued

Interest Rates Payable

Generate Funding Proposal		Demo Company Limited Summary P&L, Balance Sheet & Cashflow Forecast											
	This Year Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan		
Assumptions													
Depreciation & Amortisation (% of Fixed Assets)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest (% of Debt Open Bal)	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Accounts Receivable (Days)	30	30	30	32	40	49	50	41	49	55	55	55	55
Inventory (Days)	156	156	156	156	156	156	156	156	156	156	156	156	156
Accounts Payable (Days)	23	29	32	34	38	41	41	38	40	35	35	35	35
Corporation Tax Liability (addition only)	23,654	0	0	0	0	0	0	0	0	0	0	0	0
Corporation Tax Payment	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividend/Owner Payment / (Receipt)	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure (£000's)	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Issued (Repaid)	0	75,000	0	0	0	0	0	0	0	(1,750)	(1,750)	0	0
Equity Issued (Repaid)	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit & Loss													
Revenue	92,768	64,000	65,000	72,500	104,100	120,000	130,000	88,606	87,054	133,435	50,500	50,500	50,500

Interest Rate and Free Period

Debt Repayment

Generate Funding Proposal		Demo Company Limited Summary P&L, Balance Sheet & Cashflow Forecast											
		This Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Assumptions													
Depreciation & Amortisation (% of Fixed Assets)	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest (% of Debt Open Bal)	0.0%		5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	8.0%	8.0%	
Accounts Receivable (Days)	30		30	30	32	40	49	50	45	41	49	35	
Inventory (Days)	156		156	156	156	156	156	156	156	156	156	156	
Accounts Payable (Days)	23		29	32	34	38	41	41	39	38	40	35	
Corporation Tax Liability (addition only)	23,654		0	0	0	0	0	0	0	0	0	0	
Corporation Tax Payment			0	0	0	0	0	0	0	0	0	0	
Dividend/Owner Payment / (Receipt)			0	0	0	0	0	0	0	0	0	0	
Capital Expenditure (£000's)			0	0	0	0	0	0	0	0	0	0	
Debt Issued (Repaid)			0	75,000	0	0	0	0	0	0	(1,750)	(1,750)	
Equity Issued (Repaid)			0	0	0	0	0	0	0	0	0	0	
Profit & Loss													
Revenue		92,768	64,000	65,000	72,500	104,100	120,000	130,000	88,606	87,054	132,000	50,500	

Capital Repayments

All Done!

Generate Funding Proposal		Demo Company Limited Summary P&L, Balance Sheet & Cashflow Forecast							
	This Year Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Assumptions									
16	Depreciation & Amortisation (% of Fixed Assets)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Interest (% of Debt Open Bal)	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
20	Accounts Receivable (Days)	-	15	23	28	37	47	49	43
21	Inventory (Days)	156	156	156	156	156	156	156	156
22	Accounts Payable (Days)	-	17	26	31	36	40	40	38
24	Corporation Tax Liability (addition only)	-	0	0	0	0	0	0	0
25	Corporation Tax Payment	-	0	0	0	0	0	0	0
26	Dividend/Owner Payment / (Receipt)	-	0	0	0	0	0	0	0
28	Capital Expenditure (£000's)	-	0	0	0	0	0	0	0
29	Debt Issued (Repaid)	-	0	0	0	0	0	0	0
30	Equity Issued (Repaid)	-	0	0	0	0	0	0	0
Profit & Loss									
34	Revenue	931,068	64,802	64,796	70,412				9,068
35	Cost of Sales	270,000	20,776	20,774	22,575				5,348
36	Gross Margin	661,068	44,026	44,022	47,838				3,719
37	Gross Margin %	71.0%	67.9%	67.9%	67.9%				67.9%
39	Salaries & Dividends	-	-	-	-				-
40	Overheads	446,932	35,529	35,625	35,722	33,010	33,210	31,112	36,210
41	Depreciation & Amortisation	-	-	-	-	-	-	-	-
42	Interest	-	-	-	-	-	-	-	-

Adjust 3-Way Forecast To Include Funding

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- 10 of 11: Enter Free Text and Generate Forecast Report
- 11 of 11: Generate Funding Proposal

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Status and Next Step

- With Cash Flow Assumptions with Funding entered
- The process can move to the next stage: Entering Free Text and generating the Forecast Report

NEED FURTHER SUPPORT?

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