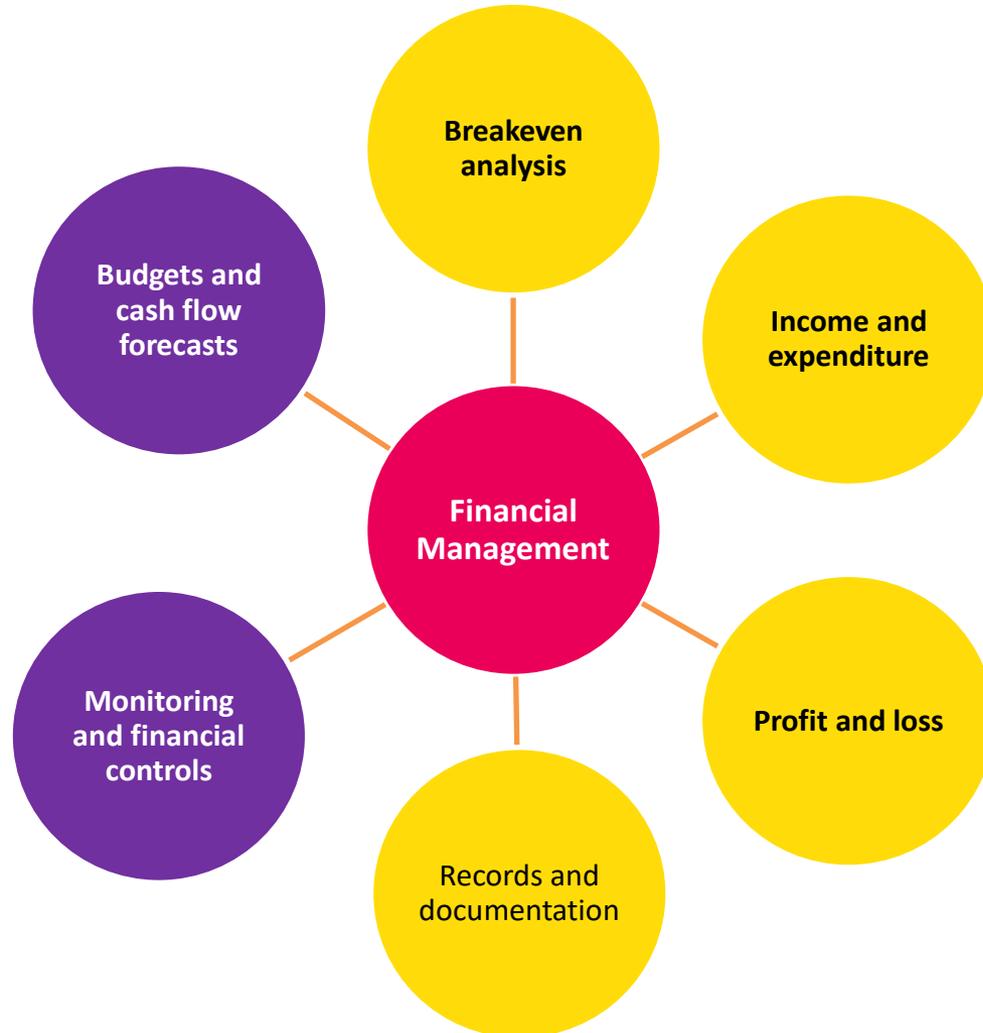




How to guide: Cashflow forecasting

Jo Pringle MBE
Autumn 2022

Financial management



Income

Fees	125,500
Funding	94,400
Fundraising	31,000
Donations	5,000
Total Income	255,900

Expenditure

Wages	133,500
National Insurance	14,680
Premises	28,000
Utilities	5,250
Insurance	5,160
Training	7,200
Print and stationery	3,750
Maintenance	2,800
Materials	2,400
Toys	2,200
Food	5,500
Misc.	3,200
Total Expenditure	213,640

Income minus expenditure:

Profit/Loss **42,260**

Financial period March 2020 to February 2021

INCOME	April	May	June	July	August	September	October	November	December	January	February	March			
Breakfast club	700.00	700.00	700.00	700.00	0.00	400.00	400.00	400.00	500.00	600.00	600.00	600.00	£6,300.00		
After school club	2,000.00	2,000.00	2,000.00	2,000.00	0.00	600.00	600.00	600.00	1,000.00	1,000.00	1,200.00	1,200.00	£14,200.00		
Holiday club	3,500.00	3,500.00	3,500.00	5,500.00	22,000.00	0.00	2,000.00	0.00	2,500.00	0.00	2,500.00	0.00	£45,000.00		
pre-school funding	20,000.00	0.00	9,000.00	0.00	0.00	12,000.00	0.00	4,000.00	14,000.00	0.00	0.00	5,000.00	£64,000.00		
fees	1,000.00	1,200.00	1,200.00	0.00	0.00	750.00	750.00	800.00	800.00	850.00	900.00	900.00	£9,150.00		
													£0.00		
													£0.00		
													£0.00		
													TOTAL	£138,650.00	
EXPENDITURE															
Salaries (including tax, NI and pension contributions)	10,000.00	10,000.00	10,000.00	10,000.00	5,000.00	7,000.00	7,000.00	8,000.00	8,000.00	9,000.00	9,000.00	9,000.00	£102,000.00		
Vehicle costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00		
IT (inc internet)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	£600.00		
Rent / Mortgage	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	£12,000.00		
Utilities	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	£3,000.00		
Training and CPD	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	£3,000.00		
Business rates/ council tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00		
Buildings / contents insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	£3,000.00		
General insurance													£0.00		
Public Liability Insurance													£0.00		
Ofsted fees/Information Commissioners fee						120.00							£120.00		
Food and consumables	700.00	700.00	700.00	250.00	250.00	500.00	500.00	500.00	600.00	600.00	650.00	650.00	£6,600.00		
General resources (paint/glue/ink/paper/equipment)	275.00	275.00	300.00	300.00	300.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	£3,200.00		
Mobile phone / landline	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	£504.00		
TV / Media licence													£0.00		
Consumable resources, cleaning etc.	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	£600.00		
Equipment													£0.00		
Bins / waste disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00		
Debtors													£0.00		
Legal/ professional fees	0.00	0.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00		
Bank loan / charges													£0.00		
Maintenance	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	£1,200.00		
Personal drawings / profit													£0.00		
Capital expenditure													£0.00		
Subscriptions and membership of professional organisations		50.00					75.00				35.00		£160.00		
Advertising													£0.00		
	Total expenditure 2021- 22	£12,967.00	£13,017.00	£12,992.00	£12,542.00	£7,912.00	£9,817.00	£9,742.00	£10,742.00	£10,842.00	£11,877.00	£11,892.00	£11,892.00	£135,984.00	
	Balance 2020 - 2021 carry forward	Total income 2021 - 22	£27,200.00	£7,400.00	£16,400.00	£8,200.00	£22,000.00	£13,750.00	£3,750.00	£5,800.00	£18,800.00	£2,450.00	£5,200.00	£7,700.00	£138,650.00
		Surplus/deficit	£14,233.00	-£5,617.00	£3,408.00	-£4,342.00	£14,088.00	£3,933.00	-£5,992.00	-£4,942.00	£7,958.00	-£9,427.00	-£6,692.00	-£4,192.00	£2,666.00

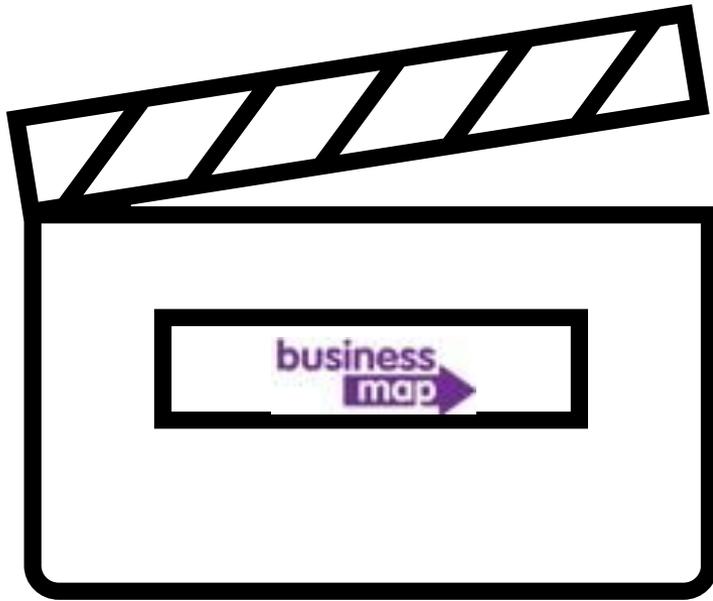
Monthly budget monitoring

Anytown Childcare						
July Budget	July Actual	July Variance		Year to date	Year forecast to date	Year variance to date
£2,000	£1,500	£500		£11,250	£12,500	£1,250

Monitoring performance

Measurement	Question	Target
Conversion rate	How many enquiries have been converted into booked places?	% of enquires converted to bookings.
Occupancy	How many places have been filled as a proportion of those available?	% of places filled (per session/week/term) This can include more detail by age of children and in comparison, to previous years.
Paid for income	How much money is coming in from fees?	Target income (per month/term/year).
Funded income	How much money is coming in from funded places?	Target income (per month/term/year).
Staff costs	How much money is paid out on staff employment?	Staff costs as a % of income (ideally this should not exceed 70-75% of income).
Surplus/Loss	What is the difference between money coming in and money going out?	Surplus target as % of turnover/income.
Bad debts	How much money is owed in late fees?	Unpaid fees as a % of income.

Action



- Complete/update your cashflow forecast
- Monitor actual finances against projected finances regularly
- Set some performance indicators for your business and monitor regularly
- Take action when projections and actuals vary



**business
map**

Using the Business Map in Wirral

Toolkit contents

- Six video presentations
- Four 'how to' guides
- Downloadable tools
- Additional resources from the original DfE funded Business Map programme can be accessed here:
<https://foundationyears.org.uk/2021/01/hempsalls-business-map-for-early-years-providers/>