



financial forecasting

DID YOU KNOW?

More businesses fail from lack of cash flow than from lack of profit for four main reasons:

1. Unrealistic cash flow predictions tending to overestimate income and underestimate expenses.
2. Failure to anticipate the correct timing of inflows and outflows of cash shortages.
3. Omission of certain expense and capital outlays.
4. Inability to ascertain the correct mix of debt and equity funding required.

what could possibly be more important to your business than *cash flow*?

Short answer – nothing!

One of the most important, and often painful, lessons you learn in business is that cash really is king. It doesn't matter how much money is coming in the future, if you don't currently have enough to get you there.

Yet more than 90% of small businesses fail to prepare a budget.

Accurate financial forecasting is an imperative for every business – no exceptions, and the secret to your business health, stability and profitability. Developing reliable financial projections lets you exercise more effective financial control over your business.

WE CAN PUT YOU ON THE MONEY

Charter Partners financial forecasting services assist you to sit down and determine exactly what profit you want to make in your business in the coming year, and how to go about it.

We equip you with comprehensive, up-to-date and useful financial reports that clearly outline targets for income, expenses, capital outlays and owners payments etc. You'd be amazed at how much more you can achieve when you have firm, realistic targets in place.

You then have the choice of monitoring actual monthly results yourself, or Charter Partners expert business advisors can do the monitoring for you on either a monthly or quarterly basis.

WHAT YOU WILL GET

- Profit and Loss, Cash Flow and Balance Sheet forecasts
- Interpretation of key financial data including profitability, cash flow and capital requirements

Sample projections

Example Company											
CASH FLOW FORECAST											
	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS											
Invoiced Sales	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019
Loan Capital	150,000	-	-	-	-	-	-	-	-	-	-
	178,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019
PAYMENTS											
Invoiced Costs	13,564	19,482	18,932	18,932	20,582	18,932	18,932	19,482	18,932	18,932	18,932
Loan Payments	-	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Drawings	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Goodwill	90,000	-	-	-	-	-	-	-	-	-	-
Purchase Costs	10,000	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	50,000	-	-	-	-	-	-	-	-	-	-
GST	-	776	-	-	2,328	-	-	2,428	-	-	-
	165,564	24,158	22,832	22,832	26,811	22,832	22,832	25,810	22,832	22,832	22,832
NET CASH FLOW	12,455	3,861	5,187	5,187	1,208	5,187	5,187	2,209	5,187	5,187	5,187
OPENING BANK	-	12,455	16,316	21,503	26,690	27,898	33,085	38,272	40,481	43,668	43,668
CLOSING BANK	12,455	16,316	21,503	26,690	27,898	33,085	38,272	40,481	43,668	43,668	43,668

Example Company												
PROFIT & LOSS FORECAST												
	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SALES												
Sales	25,472	25,472	25,472	25,472	25,472	25,472	25,472	25,472	25,472	25,472	25,472	25,472
DIRECT COSTS												
Purchase - Food	7,804	7,804	7,804	7,804	7,804	7,804	7,804	7,804	7,804	7,804	7,804	7,804
Purchase - Beverages	2,551	2,551	2,551	2,551	2,551	2,551	2,551	2,551	2,551	2,551	2,551	2,551
	10,355	10,355	10,355	10,355	10,355	10,355	10,355	10,355	10,355	10,355	10,355	10,355
GROSS PROFIT	15,117	15,117	15,117	15,117	15,117	15,117	15,117	15,117	15,117	15,117	15,117	15,117
OVERHEADS												
Accounting Fees	90	90	90	90	90	90	90	90	90	90	90	90
Advertising	42	42	42	42	42	42	42	42	42	42	42	42
Bank Charges	525	525	525	525	525	525	525	525	525	525	525	525
Electricity	238	238	238	238	238	238	238	238	238	238	238	238
Gas and Heating	83	83	83	83	83	83	83	83	83	83	83	83
Insurance	121	121	121	121	121	121	121	121	121	121	121	121
Fuel and Motor Oil	64	64	64	64	64	64	64	64	64	64	64	64
Registration and Insurance	243	243	243	243	243	243	243	243	243	243	243	243
Repairs and Maintenance	16	16	16	16	16	16	16	16	16	16	16	16
Office Supplies	11	11	11	11	11	11	11	11	11	11	11	11
Post Control	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272
Rental Expenses	139	139	139	139	139	139	139	139	139	139	139	139
Supernumeration - Employees	180	180	180	180	180	180	180	180	180	180	180	180
Telephone, Mobile and Fax	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Wages	71	71	71	71	71	71	71	71	71	71	71	71
WorkCover	7,356	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856
OTHER COSTS												
Depreciation	833	834	833	833	834	833	833	834	833	833	834	833
	833	834	833	833	834	833	833	834	833	833	834	833
OPERATING PROFIT	6,928	7,427	7,428	7,428	7,427	7,428	7,428	7,427	7,428	7,428	7,427	7,428
INTEREST EXPENSE												
Loan Interest	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
NET PROFIT	6,928	6,302	6,303	6,303	6,302	6,303	6,303	6,302	6,303	6,303	6,302	6,303



success is in the planning

Is your business in good fiscal shape?

Don't wait until it is too late. Let Charter Partners financial forecasting services give you greater certainty, your business greater direction and your future a better chance of financial success.

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Helplessness is not a good feeling.

Having a plan and being prepared is an infinitely better way to run a business.

And when things change as they inevitably do in the current environment; your financial forecast puts you in a position to take timely steps to do something about them.

Plus you will soon discover the process has the power to challenge and motivate you to stay on track to your goals and even surpass them.

Make no mistake, financial forecasting for the future is essential if you want your business to succeed and grow.

DON'T PAY THE PRICE OF POOR CASH FLOW

With the help of our expert business advisors you will...

- Gain a better understanding of your business cycle.
- Set clear financial targets and goals.
- Make decisions more confidently.
- Better understand the impact of decisions made today on your cash flow tomorrow.
- Access tools to better manage cash flow.
- Receive guidance on the amount and timings of debt and equity funding requirements.
- Have a guide to increase net profit.
- Be able to respond to economic challenges and changing environments.

“A clear vision, backed by definite plans, gives you a tremendous feeling of confidence and personal power. You really can't over-prepare in business.”

Brian Tracy

Financial Forecasting > It's critical + It's powerful + It's a smart move

- Accounting & Taxation
- Business Performance Services
 - Business Optimiser
 - Business Partner Program
 - Business Mentoring
 - Fixed Price Agreements
- Company Secretarial
- Succession Planning
- Superannuation, Retirement & Estate Planning
- Taxation Planning

accounting + business advisors