

Cash Flow Forecast and Business Forecast

The following related tools and resources can be found in the 'Tools and Resources' section in the members only area of the website.

- Cash Flow Forecast spread sheet
- Business Forecast spread sheet
- Weekly Income and Expenditure spread sheet

What is a cash flow forecast?

A cash flow forecast is a statement of when cash is coming into the business (childcare fees and nursery education fund) and when cash is flowing out of the business (staff wages and premises costs).

Why do it?

It will predict the cash balance at any time in the year and so will predict any potential problems that might occur.

Regular reviews of cash flow forecast means that managers can make sure there is enough money at the right time to pay the bills.

How to do it?

You will need the following information about your income

- Your bank balance at the start of the forecast period
- How many children and what hours they will be doing
- the 'Nursery Education Fund' hourly rate and childcare fee hourly rate
- Any other sources of income

This can then be entered on to the cash flow template.

You then need the following information about your expenditure

- Staff wages and other staff costs
- Premises costs
- Insurance costs and other one off payments
- Cost of consumables
- Equipment costs

This information can then be entered into the template.

You will see that there can be big variations in the actual cash available. If you just look at the nursery education fund and staff wages as an example the NEF is paid in 6 instalments during the year where as wages are paid every month. It is important therefore to look at the cash flow forecast and not just the balance in the bank.

Cash flow forecast should be completed and updated regularly during the year. It can also be used to help set your budget for the year.

What is a Business Forecast?

This is the forecast for the income and expenditure for the coming year. Once you have completed a cash flow forecast all you need to do is use the end totals and then you will have your business forecast for the coming year. See template.

Business Forecast Sept - to Aug

Income	Total
Children's Fees	
NEF	
Fundraising	
Other	
Total	

Expenditure	Total
Wages	
National insurance	
Expenses	
Training	
Premises	
Heating and lighting	
Maintenance	
Telephone	
Print and stationery	
Marketing	
Insurance	
Consumables	
other	
Total	

Balance	
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This can then be used as part of your business plan