

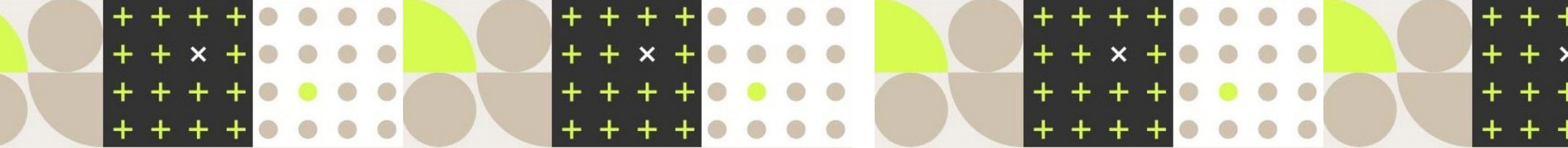
YOUTH INVESTMENT FUND

Cashflow forecasts and management

How to Know You're Running Out of Money (Cashflow) Simple tools to forecast, plan and stop financial surprises

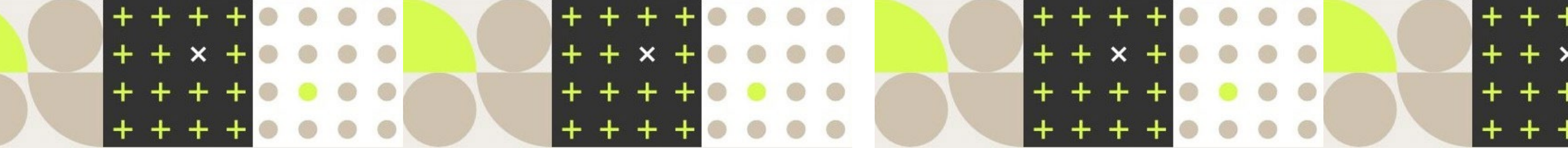
Neal Trup

12th February 2026

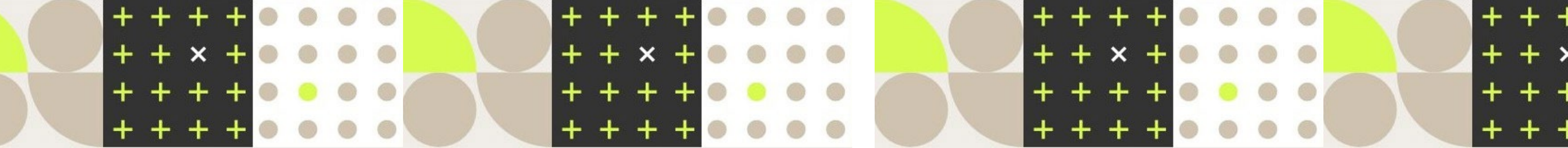


AGENDA

- What is a cashflow forecast and why it is important
- Approach to preparation including dealing with uncertainty
- Spreadsheets and software options/reporting
- Reserves (especially free reserves)
- Cashflow management
- Dealing with cashflow emergencies

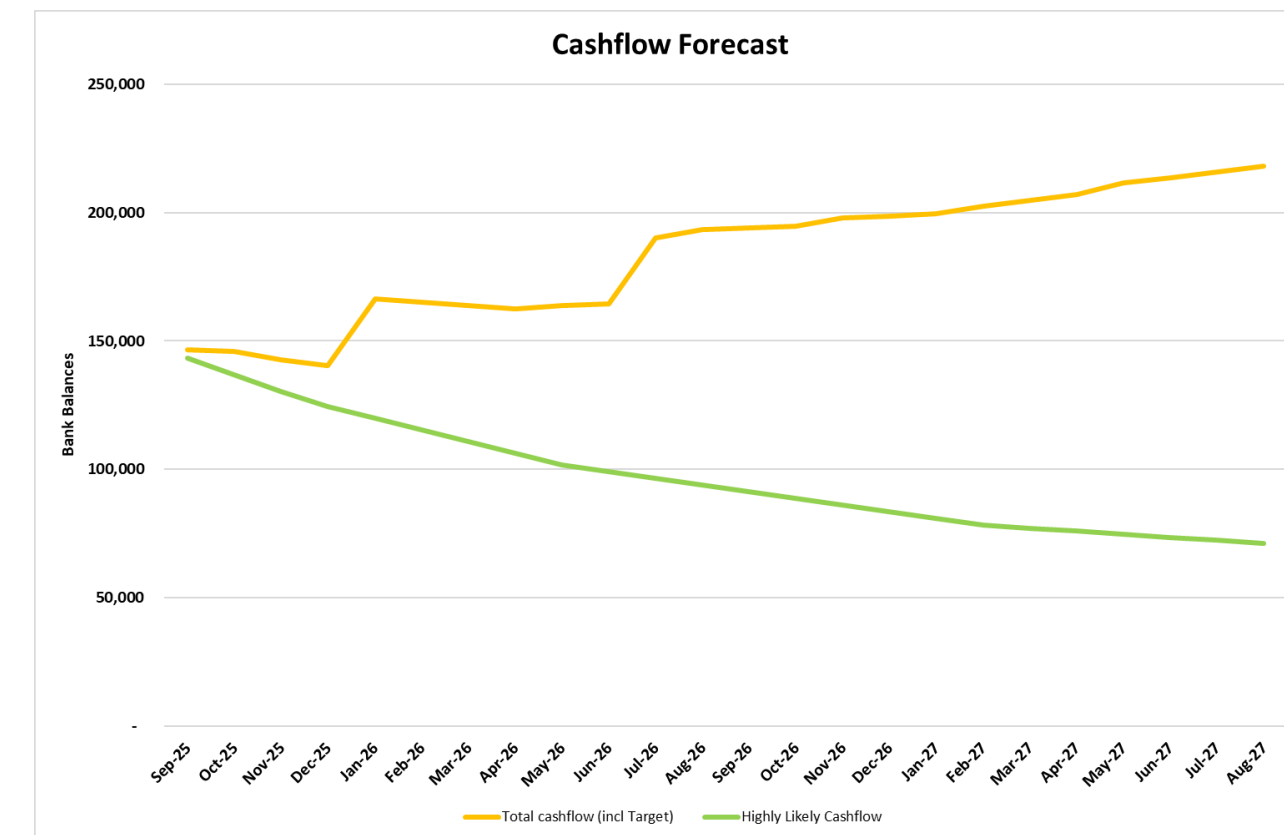


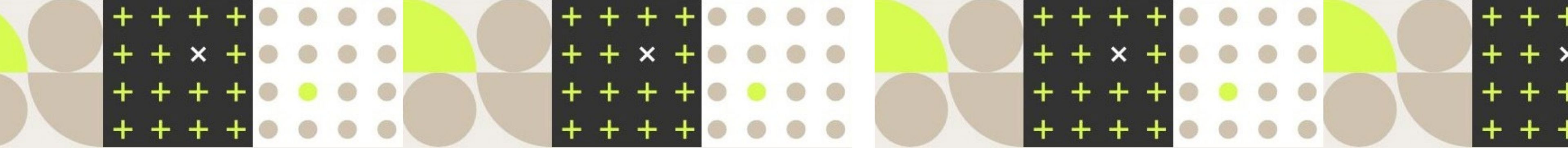
CASHFLOW FORECASTS



Cashflow forecasts - Overview

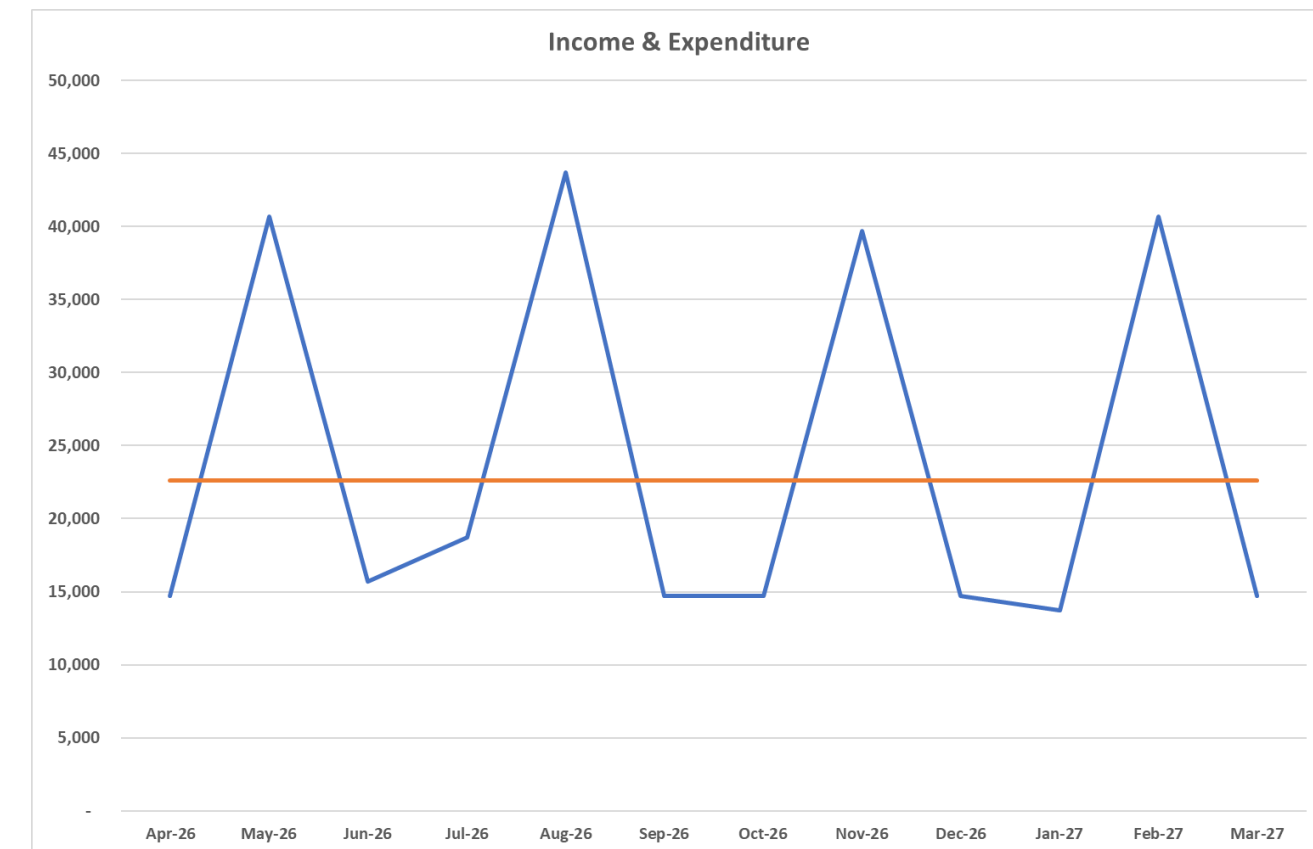
- A projection of the expected receipts and payments through the bank/cash accounts
- Should include a transactions as they would go through the bank, including VAT
- Based on known or highly likely transactions as a starting point. Other, more speculative or target transactions can be added separately
- Timings may require judgement, especially where dates are unclear or unpredictable
- Include all active bank accounts when looking overall, although can do separate ones if relevant (eg for segregated funds)

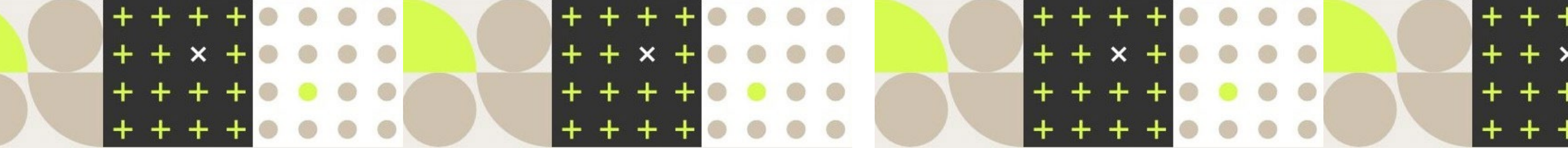




Why are cashflow forecasts so important?

- “Cash is King”
- Informs decision making and cashflow management, and helps to take action before the situation becomes a crisis
- Income receipts, especially in the not-for-profit sector, can fluctuate significantly and create points when bank balances are very low (eg at Q/E) and very high (eg new quarter). This can make cashflow difficult to manage
- Helps trustees to monitor reserves levels





Preparing a cashflow forecast

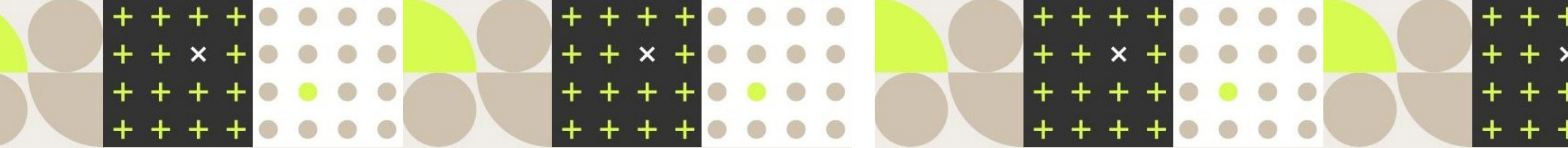
- Review existing budgets and recent bank transactions (eg over the last 12 months)
- Bank accounts should be fully reconciled on a regular basis and kept up to date. Ensure you have the correct starting balance
- Check any major outstanding debtors and creditors
- Review grant agreements, contracts, leases, rent and other payment schedules
- Expenditure is usually simpler and more even/regular whilst income more “lumpy” and less predictable
- Adjusting to the post-YIF landscape may be challenging
- Document any assumptions made and approach to decide what to include. Include all types of transactions including loan repayments
- Split between restricted and unrestricted where possible



Traditional budgets and forecasts

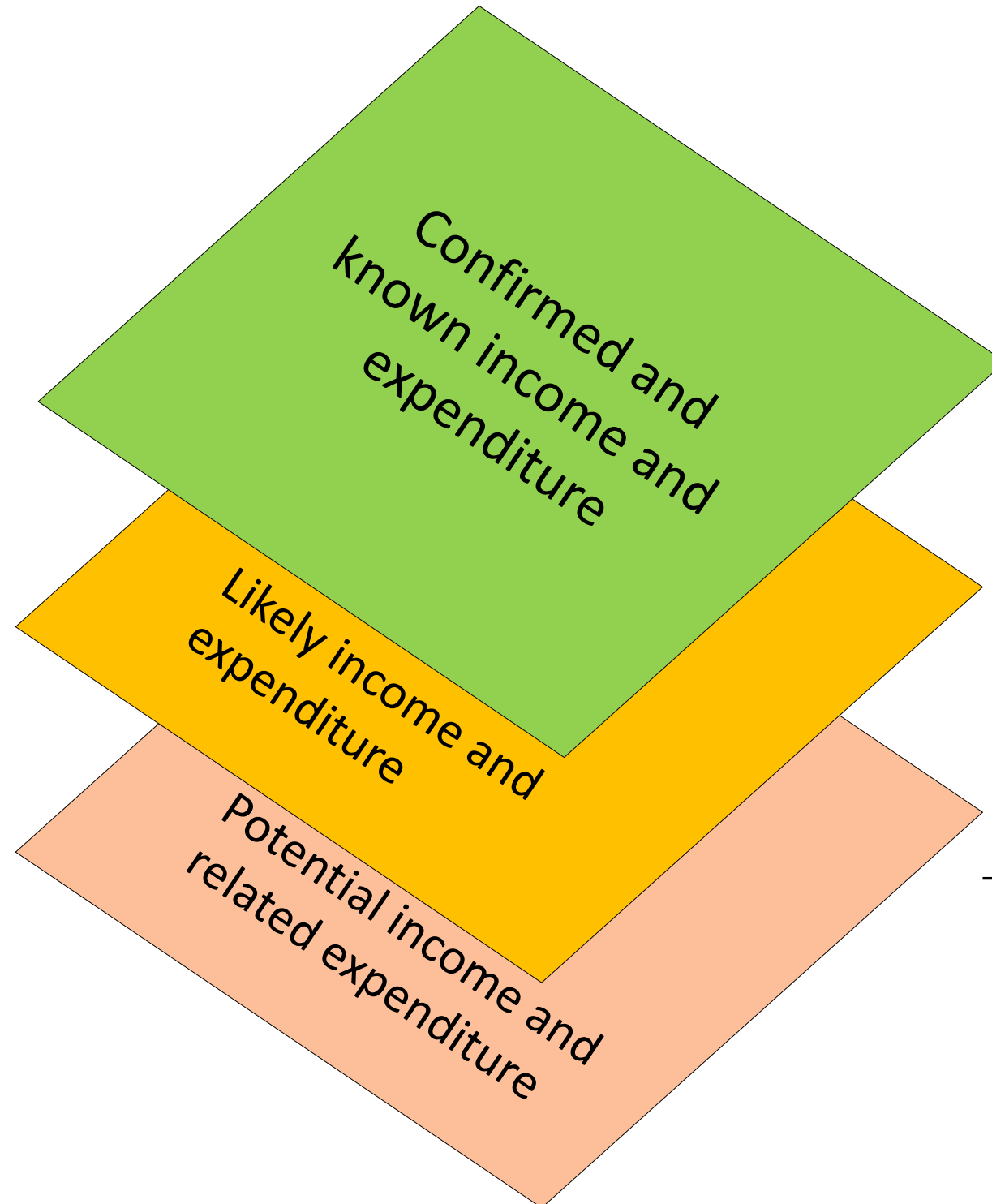
MIDMINSTER YOUTH CIO BUDGET FOR 2026/27

	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Income													
Restricted Grants		25,000	-	-	25,000	-	-	25,000	-	-	25,000		100,000
Membership	917	917	917	917	917	917	917	917	917	917	917	917	11,000
Donations	458	458	458	458	458	458	458	458	458	458	458	458	5,500
Rental and room hire	6,000	7,000	7,000	10,000	10,000	6,000	6,000	6,000	6,000	5,000	7,000	6,000	82,000
Café	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Counselling services	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
	14,708	40,708	15,708	18,708	43,708	14,708	14,708	39,708	14,708	13,708	40,708	14,708	286,500
Expenditure													
Café (direct costs)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Counselling	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	28,000
Staff costs	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	162,750
Builkdng & Overheads	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
	22,596	22,596	22,596	22,596	22,596	22,596	22,596	22,596	22,596	22,596	22,596	22,596	271,150
Overall net surplus / (deficit)	(7,888)	18,113	(6,888)	(3,888)	21,113	(7,888)	(7,888)	17,113	(7,888)	(8,888)	18,113	(7,888)	15,350



Risk-Based Approach to Budgets and Cashflow Forecasts

Breaking the budget/cashflow down by the level of certainty helps to give a clearer understanding of the risks inherent in the figures and aids decision making and monitoring.



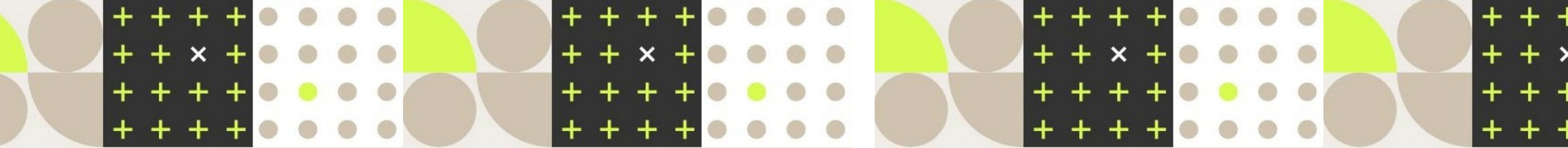
THE NORTHERN COMMUNITY ORGANISATION													
BUDGET FOR 2021/22													
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Confirmed & highly likely													
Restricted Grants		10,000	-	-	10,000	-	-	10,000	-	-	10,000	-	40,000
Unrestricted grants and donations	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Furlough grants	7,500												7,500
Rental and room hire	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Social enterprise and rental	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Other income	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
	25,500	28,000	18,000	18,000	28,000	18,000	18,000	28,000	18,000	18,000	28,000	18,000	263,500
Expenditure													
Direct delivery costs	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Restricted fund projects	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Staff costs	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Overheads and other costs	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	288,000
Net confirmed & Highly likely	1,500	4,000	(6,000)	(6,000)	4,000	(6,000)	(6,000)	4,000	(6,000)	(6,000)	4,000	(6,000)	(24,500)
Likely and target													
Income	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Related expenditure	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(24,000)
Net likely and target	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Overall net surplus / (deficit)	4,500	7,000	(3,000)	(3,000)	7,000	(3,000)	(3,000)	7,000	(3,000)	(3,000)	7,000	(3,000)	11,500

Narrative plan and list of “pipeline” and planned bids and income opportunities to pursue

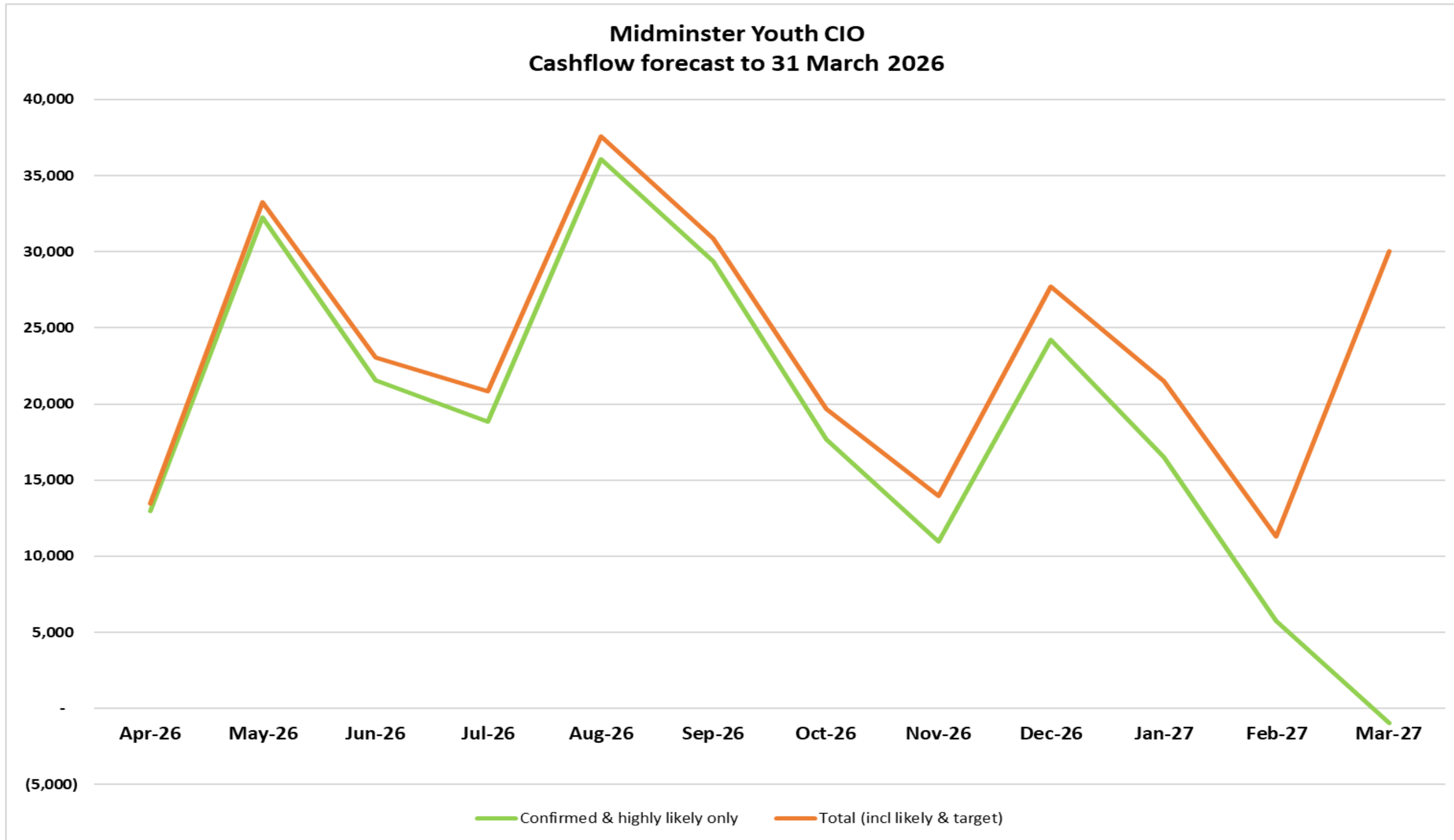
Risk-based budgets and forecasts

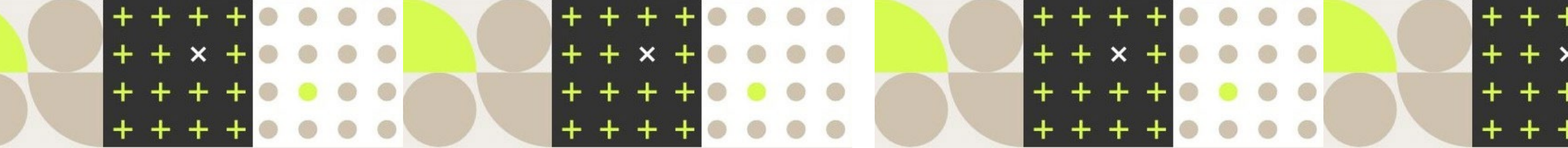
MIDMINSTER YOUTH CIO BUDGET FOR 2026/27 (Year 2)

	Apr-26 £	May-26 £	Jun-26 £	Jul-26 £	Aug-26 £	Sep-26 £	Oct-26 £	Nov-26 £	Dec-26 £	Jan-27 £	Feb-27 £	Mar-27 £	Total £
Confirmed & highly likely													
Restricted Grants		25,000	-	-	25,000	-	-	25,000	-	-	-		75,000
Membership	917	917	917	917	917	917	917	917	917	917	917	917	11,000
Donations	458	458	458	458	458	458	458	458	458	458	458	458	5,500
Rental and room hire	5,000	6,000	6,000	9,000	9,000	5,000	5,000	5,000	5,000	4,000	6,000	5,000	70,000
Café	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Counselling services	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
	13,708	39,708	14,708	17,708	42,708	13,708	13,708	38,708	13,708	12,708	14,708	13,708	249,500
Expenditure													
Café (direct costs)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Counselling	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	28,000
Staff costs	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	162,750
Builking & Overheads	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	265,150
<i>Net confirmed & Highly likely</i>	(8,388)	17,613	(7,388)	(4,388)	20,613	(8,388)	(8,388)	16,613	(8,388)	(9,388)	(7,388)	(8,388)	(15,650)
Likely and target													
Grant income											25,000		25,000
Rental income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Related expenditure	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(6,000)
<i>Net likely and target</i>	500	500	500	500	500	500	500	500	500	500	25,500	500	31,000
Overall net surplus / (deficit)	(7,888)	18,113	(6,888)	(3,888)	21,113	(7,888)	(7,888)	17,113	(7,888)	(8,888)	18,113	(7,888)	15,350



Risk-based cashflow forecasts





Cashflow Forecasting Software

Within accounting software

- Functionality usually included
- Basic, and based on AI looking at debtors, creditors and trends
- Usually up to 3 months or at most a year



App based (although integrated to many systems)

- Three-way forecasting (cashflow, P&L, balance sheet)
- More advanced AI but can still struggle with grants and the charity sector
- Often up to 10 year forecasts can be prepared



Accounting Systems – Example using Xero

Activities Funds

Tracking category name

Activities [Rename](#)

Category options

- Advice Services [Rename](#)
- Capital Project [Rename](#)
- Core & Overheads [Rename](#)
- Counselling [Rename](#)
- Premises [Rename](#)
- Training [Rename](#)

Activity Funding

Tracking category name

Funding [Rename](#)

Category options

- DF - Building Repairs [Rename](#)
- RF - Lottery Grant A [Rename](#)
- RF - Lottery Grant B [Rename](#)
- RF - Midminster Trust [Rename](#)
- RF - Youth Investment Fund [Rename](#)
- UF - General Funds [Rename](#)
- UF - LA Contract [Rename](#)



Income & Expenditure by Activity

Midminster Youth CIO
For the year ended 31 March 2024

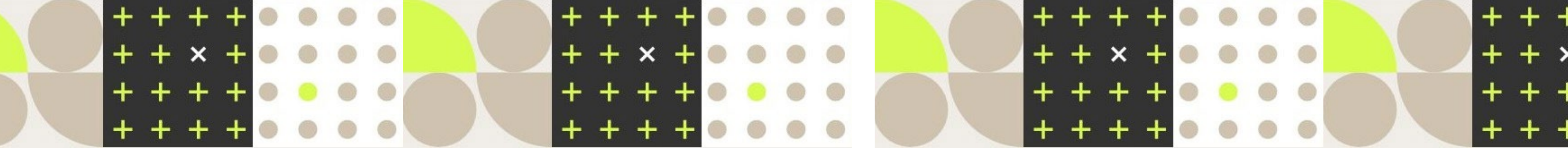
	RF - YIF CAPITAL GRANT	RF - YIF REVENUE GRANT	RF - YOUTH FUTURES FOUNDATION	UF - GENERAL FUNDS	UF - LA CONTRACT	TOTAL
Turnover						
Capital Grants	605,000	-	-	-	-	605,000
Contract income	-	-	-	-	108,000	108,000
Interest income	-	-	-	1,600	-	1,600
Restricted Grants	-	45,000	42,000	-	-	87,000
Sales / fees	-	-	-	9,800	-	9,800
Total Turnover	605,000	45,000	42,000	11,400	108,000	811,400
Cost of Sales						
Direct Expenses	-	-	7,000	-	20,500	27,500
Total Cost of Sales	-	-	7,000	-	20,500	27,500
Gross Profit	605,000	45,000	35,000	11,400	87,500	783,900
Administrative Costs						
Advertising & Marketing	-	-	-	-	4,500	4,500
Audit & Accountancy fees	-	-	-	56	-	56
Business Rates	-	-	-	2,400	-	2,400
Capital - Construction Costs	343,000	-	-	-	-	343,000
Capital - Fit-out	40,000	-	-	-	-	40,000
Capital - Non recoverable VAT	90,000	-	-	-	-	90,000
Capital - Professional fees	97,000	-	-	-	-	97,000
Cleaning	-	-	-	2,545	-	2,545
Depreciation Expense	-	-	-	104	-	104
General Expenses	-	-	-	130	-	130
Governance costs	-	-	-	1,705	-	1,705
Insurance	-	-	-	1,900	-	1,900
Overheads	-	-	-	550	-	550
Rent	-	-	-	12,000	-	12,000
Repairs & Maintenance	-	-	-	5,164	-	5,164
Salaries	-	18,000	27,000	18,000	24,000	87,000
Statutory Testing	-	-	-	542	-	542
Utilities	-	-	-	10,600	-	10,600
Wifi and IT	-	-	-	2,256	-	2,256
Total Administrative Costs	570,000	18,000	27,000	57,952	28,500	701,452
Operating Profit	35,000	27,000	8,000	(46,552)	59,000	82,448

Midminster Youth CIO
For the year ended 31 March 2024

	ADVICE SERVICES	CAPITAL PROJECT	CORE & OVERHEADS	COUNSELLING	PREMISES	TOTAL
Turnover						
Capital Grants	-	605,000	-	-	-	605,000
Contract income	108,000	-	-	-	-	108,000
Interest Income	-	-	1,600	-	-	1,600
Restricted Grants	20,000	-	45,000	22,000	-	87,000
Sales / fees	-	-	-	9,800	-	9,800
Total Turnover	128,000	605,000	46,600	31,800	-	811,400
Cost of Sales						
Direct Expenses	27,500	-	-	-	-	27,500
Total Cost of Sales	27,500	-	-	-	-	27,500
Gross Profit	100,500	605,000	46,600	31,800	-	783,900
Administrative Costs						
Advertising & Marketing	4,500	-	-	-	-	4,500
Audit & Accountancy fees	-	-	56	-	-	56
Business Rates	-	-	-	-	2,400	2,400
Capital - Construction Costs	-	343,000	-	-	-	343,000
Capital - Fit-out	-	40,000	-	-	-	40,000
Capital - Non recoverable VAT	-	90,000	-	-	-	90,000
Capital - Professional fees	-	97,000	-	-	-	97,000
Cleaning	-	-	-	-	2,545	2,545
Depreciation Expense	-	-	104	-	-	104
General Expenses	130	-	-	-	-	130
Governance costs	-	-	1,251	-	454	1,705
Insurance	-	-	-	-	1,900	1,900
Overheads	-	-	550	-	-	550
Rent	-	-	-	-	12,000	12,000
Repairs & Maintenance	-	-	-	-	5,164	5,164
Salaries	24,000	-	36,000	27,000	-	87,000
Statutory Testing	-	-	-	-	542	542
Utilities	-	-	-	-	10,600	10,600
Wifi and IT	-	-	-	-	2,256	2,256
Total Administrative Costs	28,630	570,000	37,962	27,000	37,861	701,452
Operating Profit	71,870	35,000	8,638	4,800	(37,861)	82,448

Income & Expenditure by Fund

YOUTH INVESTMENT FUND



Accounting Systems - *Example using QBO*



Classes

[< All Lists](#)

Batch actions

NAME ▲

Advice Services

Core

Counselling

Training

Youth Services

Locations

[< All Lists](#)

NAME ▲

DF - Building Fund

RF - Lottery Grant A

RF - Lottery Grant B

RF - Midminster Trust

UF - General Funds

Income & Expenditure by Activity (class)

Midminster Trust CIO
Financial Activities by Activity /Class
April, 2023 - 14 March, 2024

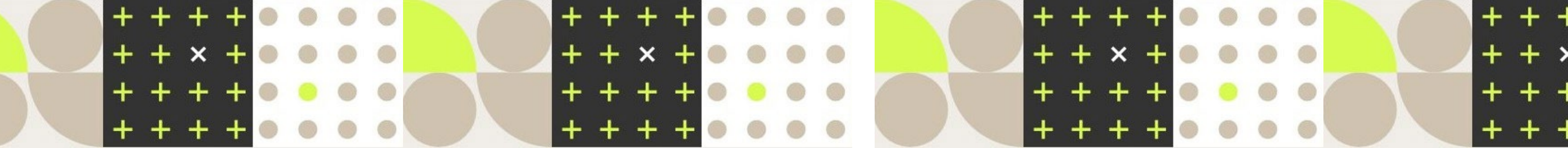
	ADVICE SERVICES	CAPITAL PROJECT	CORE	YOUTH ACTIVITIES	DAY CENTRE	TOTAL
Income						
Billable Expenses Income			18,800	9,748	11,021	£39,569
Grant Income		50,000				£50,000
Markup					10,550	£10,550
Sales			2,995	2,000	10,250	£15,245
Sales of Product Income			8,747		1,000	£9,747
Services			1,200			£1,200
Total Income	£0	£50,000	£31,742	£11,748	£32,821	£126,311
Cost of Sales	£4,750	£0	£22,763	£5,119	£7,262	£39,894
TOTAL	£ (4,750)	£50,000	£8,980	£6,629	£25,559	£86,417
Expenditures	£3,427	£0	£7,621	£2,800	£9,830	£23,677
NET OPERATING INCOME	£ (8,177)	£50,000	£1,359	£3,829	£15,729	£62,740
Other Expenditures	£0	£0	£0	£0	£ (20)	£ (20)
NET OTHER INCOME	£0	£0	£0	£0	£20	£20
NET INCOME/(EXPENDITURE)	£ (8,177)	£50,000	£1,359	£3,829	£15,749	£62,760

Midminster Trust CIO Financial Activities by Fund (Location) 1 April, 2023 - 14 March, 2024

	RF - LOTTERY	RF - MIDMINSTER TRUST	RF - YIF	UF - GENERAL FUNDS	UF - LA Contract	TOTAL
Income						
Billable Expenses Income				39,569		£39,569
Grant Income		50,000				£50,000
Markup				10,550		£10,550
Sales				15,245		£15,245
Sales of Product Income				9,747		£9,747
Services				1,200		£1,200
Total Income	£0	£0	£50,000	£76,311	£0	£126,311
Cost of Sales	£4,750	£0	£0	£35,144	£0	£39,894
TOTAL	£ (4,750)	£0	£50,000	£41,167	£0	£86,417
Expenditures	£832	£2,500	£0	£19,205	£1,140	£23,677
NET OPERATING INCOME	£ (5,582)	£ (2,500)	£50,000	£21,962	£ (1,140)	£62,740
Other Expenditures	£0	£0	£0	£0	£ (20)	£ (20)
NET OTHER INCOME	£0	£0	£0	£ (0)	£20	£20
NET INCOME/(EXPENDITURE)	£ (5,582)	£ (2,500)	£50,000	£21,962	£ (1,120)	£62,760

Income & Expenditure by Fund (location)





Example – Xero Cash Report

Cash Summary

Midminster Youth CIO

For the month ended 31 December 2023

	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Income									
Capital Grants	200,000	-	50,000	-	50,000	-	-	50,000	-
Grant income	40,000	-	-	-	-	-	-	15,000	-
Sales	1,000	500	500	1,500	500	1,200	4,165	2,830	17,777
Total Income	241,000	500	50,500	1,500	50,500	1,200	4,165	67,830	17,777
Less Expenses									
Capital Project	156,000	25,000	25,000	20,000	20,000	25,000	30,000	20,000	15,000
Salaries	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Expenses and Overheads	1,089	1,091	1,096	1,101	1,106	1,107	2,519	3,945	11,492
Total Expenses	160,089	29,091	29,096	24,101	24,106	29,107	35,519	26,945	29,492
Surplus (Deficit)	80,911	(28,591)	21,404	(22,601)	26,394	(27,907)	(31,354)	40,884	(11,715)
Plus Other Cash Movements									
Fixed Assets	-	-	-	-	-	-	(1,900)	-	-
Total Other Cash Movements	-	-	-	-	-	-	(1,900)	-	-
Net Cash Movement	80,911	(28,591)	21,404	(22,601)	26,394	(27,907)	(33,254)	40,884	(11,715)
Summary									
Opening Balance	63,548	144,459	115,868	137,272	114,671	141,066	113,159	79,905	120,789
Plus Net Cash Movement	80,911	(28,591)	21,404	(22,601)	26,394	(27,907)	(33,254)	40,884	(11,715)
Cash Balance	144,459	115,868	137,272	114,671	141,066	113,159	79,905	120,789	109,074

Statement of Cash Flows

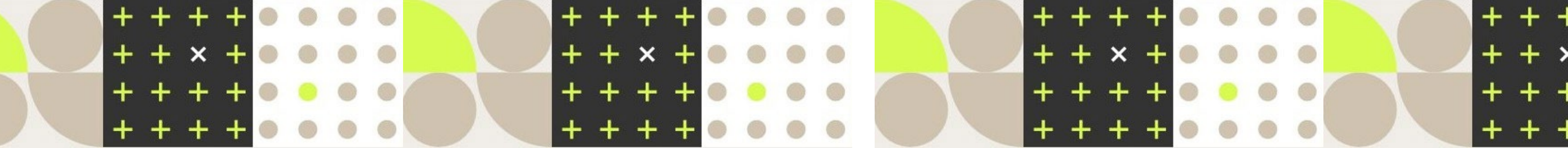
Long for Successful Events -- Sample Company

1 August, 2025-31 January, 2026

FULL NAME	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025	DECEMBER 2025	JANUARY 2026	TOTAL
OPERATING ACTIVITIES							
Net Income	£4,984.93	-£3,532.99	£7,763.03	-£1,622.41	-£1,864.99	- £2,595.00	£3,132.57
Adjustments to reconcile Net Income to Net Cash provided by operations:							
Accumulated Depreciation					£99.99		£99.99
Creditors	£540.00	£240.00			£1,890.00	£3,000.00	£5,670.00
Debtors	-	£7,719.00		£7,800.00			-£3,240.00
Debtors - USD	£18,759.00						
Stock Asset	£3,250.00	£750.00	£30,620.82	£375.00			£30,620.82
VAT Control	£1,665.99	-£537.60	-£1,271.36	-£305.49	-£315.00	-£500.00	-£1,263.46
VAT Suspense	-£734.47		£2,917.97				£2,183.50
Visa Credit Card	-£1,754.20						-£1,754.20
Total for Adjustments to reconcile Net Income to Net Cash provided by operations:	-	£8,171.40	-	£7,494.51	£1,674.99	£2,500.00	-
Net cash provided by operating activities	£15,791.68	£4,638.41	£28,599.21	£5,872.10	-£190.00	-£95.00	£24,549.99
	£10,806.75		£20,836.18				£21,417.42
INVESTING ACTIVITIES							
FINANCING ACTIVITIES							
Note Payable	-£376.78	-£376.78	-£376.78	-£376.78	-£753.56	-£376.78	-£2,637.46
Opening Balance Equity		£33,329.81					£33,329.81
Owner's Equity: Owner's Equity - Draws		-£1,000.00					-£1,000.00
Net cash provided by financing activities	-£376.78	£31,953.03	-£376.78	-£376.78	-£753.56	-£376.78	£29,692.35
NET CASH INCREASE FOR PERIOD	-	£36,591.44	-	£5,495.32	-£943.56	-£471.78	£8,274.93
	£11,183.53		£21,212.96				

Example – QuickBooks Statement of Cashflows

**YOUTH
INVESTMENT
FUND**



Add cash in/out

Cash in, cash out ▼

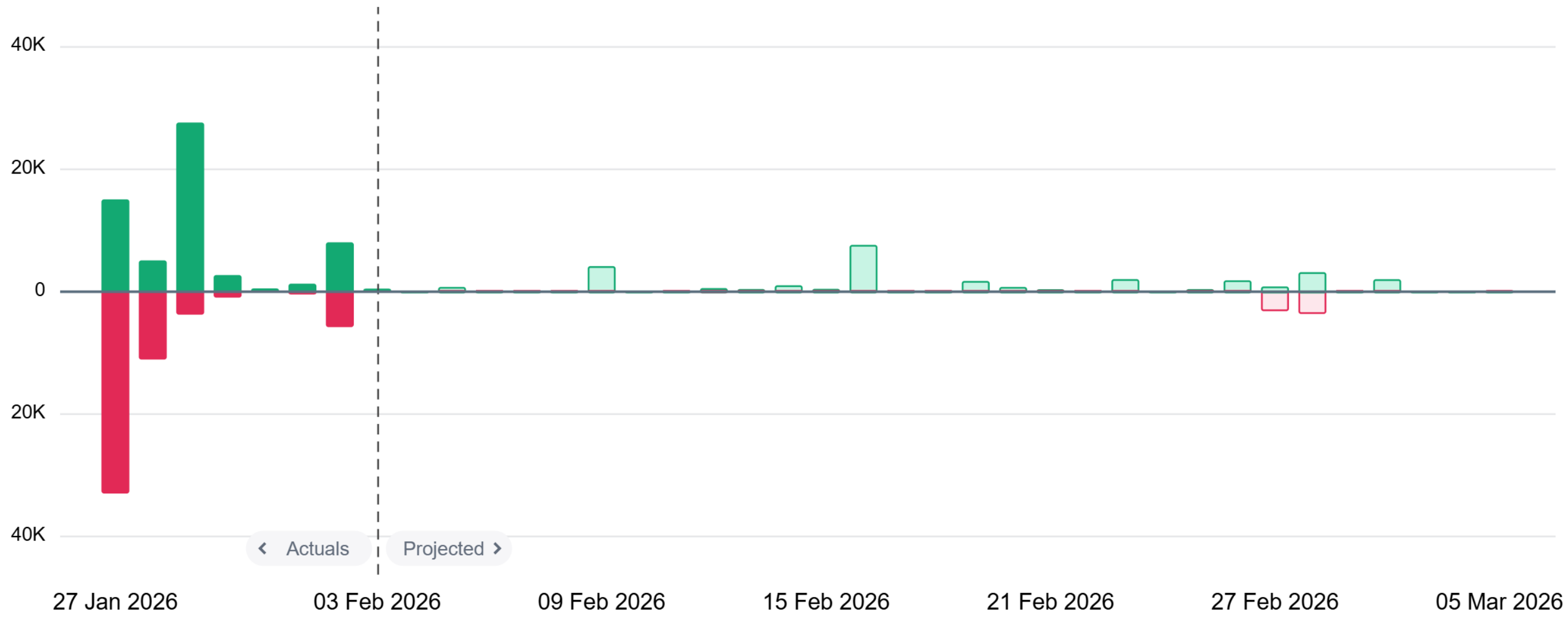
Graph days: 30 ▼

Bank options

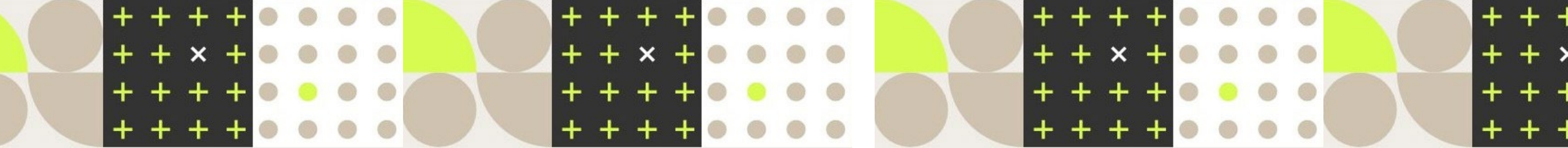
Export

Cash in and cash out • Projected for 30 days ending on 05 March 2026

● Cash in ● Cash out



YOUTH INVESTMENT FUND



Cash flow planner



CASH FLOW (LINKED BANK TRANSACTIONS)

3 months ▼

Just updated

Today's cash balance

Cash balance Money in/out

£0



— Cash balance — Projected balance — Threshold

**YOUTH
INVESTMENT
FUND**

Cashflow Forecast Demo

- Bank reconciliation and AI auto feature
- Basic AI Cashflow forecasts
- Xero Cash Summary report (including filtering by fund)
- Export to Excel and extending to a forecast
- Example showing split by risk and funds

**MIDMINSTER YOUTH CIO
CASHFLOW FORECAST 2026/27 (Year 2)**

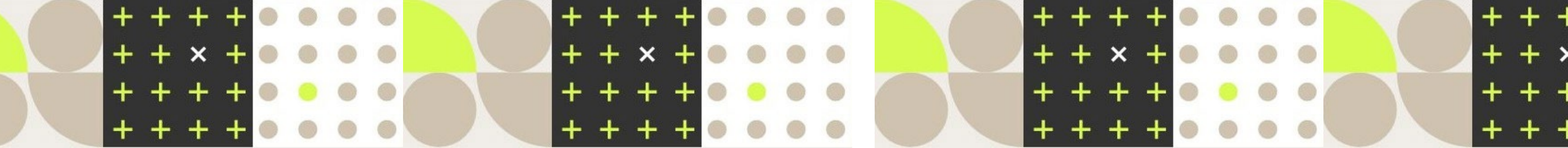
	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
	£	£	£	£	£	£	£	£	£	£	£	£
Confirmed & highly likely												
Restricted Grants	-	25,000	-	-	25,000	-	-	-	25,000	-	-	-
Membership	917	917	917	917	917	917	917	917	917	917	917	917
Donations	458	458	458	458	458	458	458	458	458	458	458	458
Rental and room hire	5,000	6,000	6,000	9,000	9,000	5,000	5,000	5,000	5,000	4,000	6,000	5,000
Café	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Counselling services	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000
	10,375	41,375	11,375	19,375	39,375	15,375	10,375	15,375	35,375	14,375	11,375	15,375
Expenditure												
Café (direct costs)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Counselling	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333
Staff costs	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563	13,563
Building & Overheads	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096	22,096
	(11,721)	19,279	(10,721)	(2,721)	17,279	(6,721)	(11,721)	(6,721)	13,279	(7,721)	(10,721)	(6,721)
Opening bank balance	24,700	12,979	32,258	21,538	18,817	36,096	29,375	17,654	10,933	24,213	16,492	5,771
Closing bank balance	12,979	32,258	21,538	18,817	36,096	29,375	17,654	10,933	24,213	16,492	5,771	(950)
Likely and target												
Grant income	-	-	-	-	-	-	-	-	-	-	-	25,000
Rental income	1,000	1,000	1,000	1,000	-	500	1,000	1,500	1,000	2,000	1,000	1,000
Related expenditure	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net likely and target	500	500	500	500	(500)	-	500	1,000	500	1,500	500	25,500
Overall net surplus / (deficit)	(11,221)	19,779	(10,221)	(2,221)	16,779	(6,721)	(11,221)	(5,721)	13,779	(6,221)	(10,221)	18,779
Opening bank balance	24,700	13,479	33,258	23,038	20,817	37,596	30,875	19,654	13,933	27,713	21,492	11,271
Closing bank balance	13,479	33,258	23,038	20,817	37,596	30,875	19,654	13,933	27,713	21,492	11,271	30,050

Cash Summary

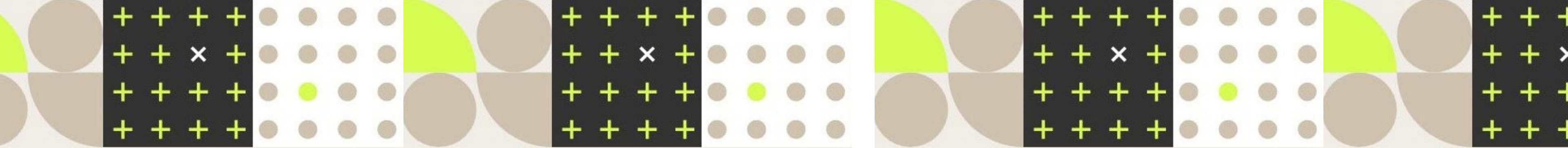
Midminster Youth CIO
For the month ended 31 December 2023

	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Income									
Capital Grants	200,000	-	50,000	-	50,000	-	-	50,000	-
Grant income	40,000	-	-	-	-	-	-	15,000	-
Sales	1,000	500	500	1,500	500	1,200	4,165	2,830	17,777
Total Income	241,000	500	50,500	1,500	50,500	1,200	4,165	67,830	17,777
Less Expenses									
Capital Project	156,000	25,000	25,000	20,000	20,000	25,000	30,000	20,000	15,000
Salaries	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Expenses and Overheads	1,089	1,091	1,096	1,101	1,106	1,107	2,519	3,945	11,492
Total Expenses	160,089	29,091	29,096	24,101	24,106	29,107	35,519	26,945	29,492
Surplus (Deficit)	80,911	(28,591)	21,404	(22,601)	26,394	(27,907)	(31,354)	40,884	(11,715)
Plus Other Cash Movements									
Fixed Assets	-	-	-	-	-	-	(1,900)	-	-
Total Other Cash Movements	-	-	-	-	-	-	(1,900)	-	-
Net Cash Movement	80,911	(28,591)	21,404	(22,601)	26,394	(27,907)	(33,254)	40,884	(11,715)
Summary									
Opening Balance	63,548	144,459	115,868	137,272	114,671	141,066	113,159	79,905	120,789
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Cash Balance	144,459	115,868	137,272	114,671	141,066	113,159	79,905	120,789	109,074

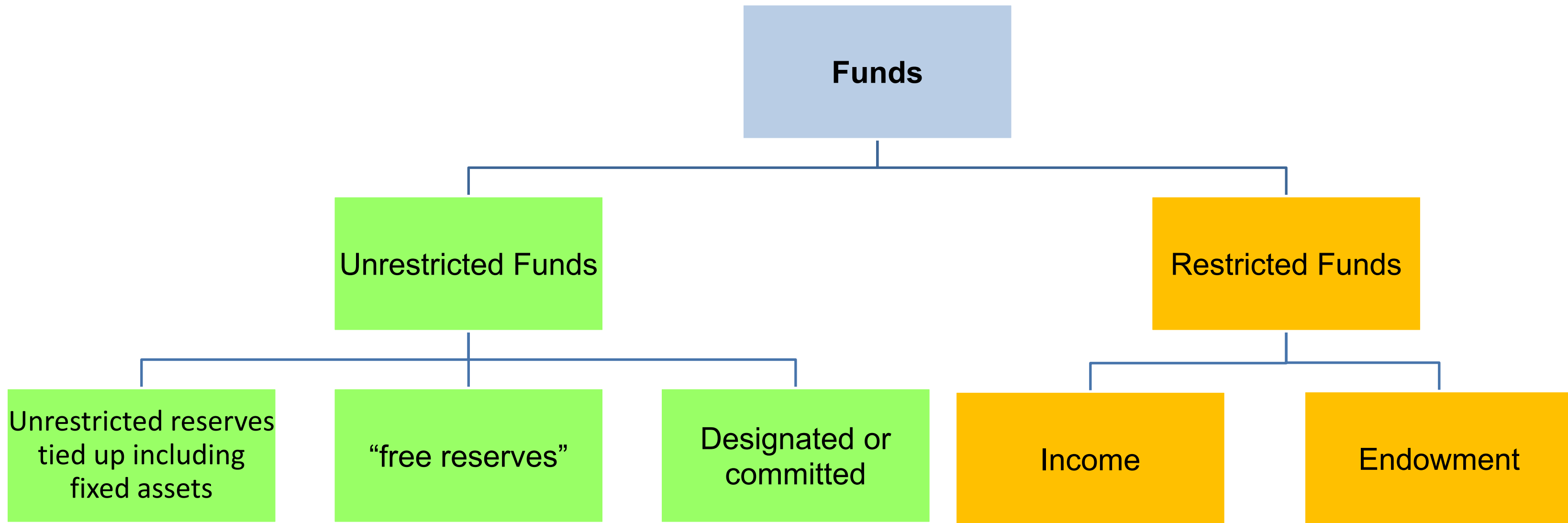
**YOUTH
INVESTMENT
FUND**

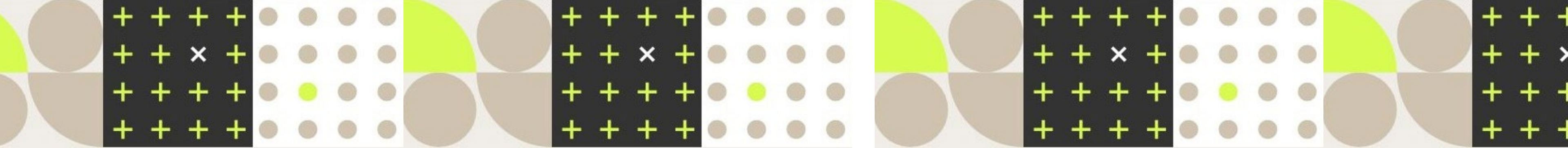


RESERVES

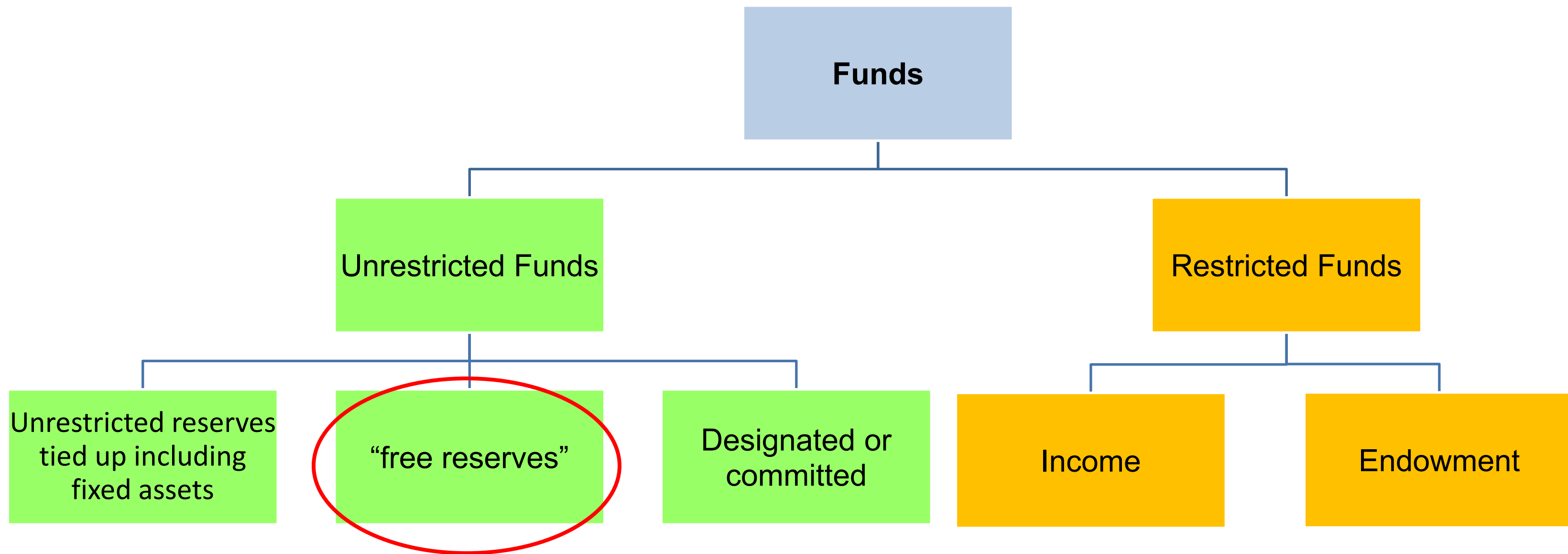


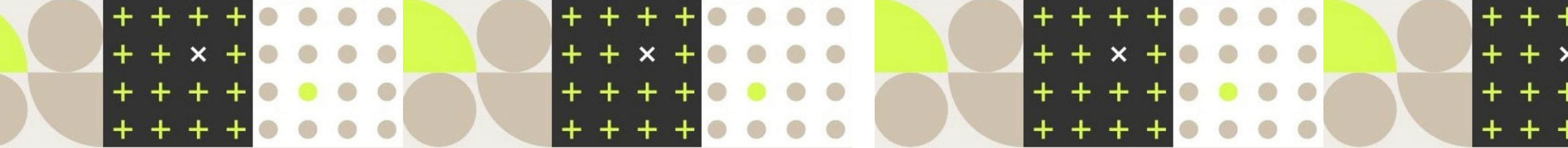
Fund Accounting - Restricted and Unrestricted funds





Fund Accounting - Restricted and Unrestricted funds

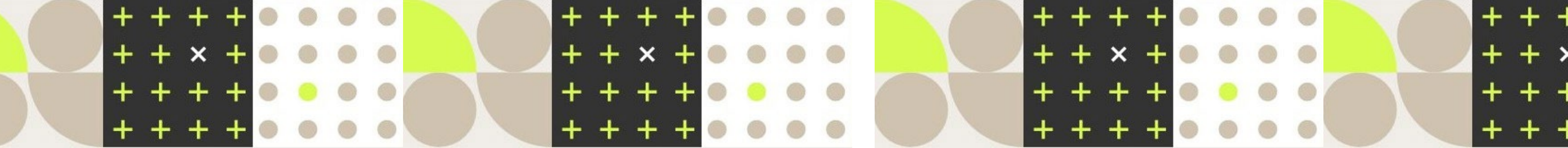




Free Reserves

Free reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. When calculating free reserves, the following should be excluded from total unrestricted funds:

- Tangible fixed assets used to carry out the charity's activities, such as land and buildings
- Programme-related investments those held solely to further the charity's purposes
- Designated funds set aside to meet essential future spending, such as funding a project that could not be met from future income
- Commitments that have not been provided for as a liability in the accounts

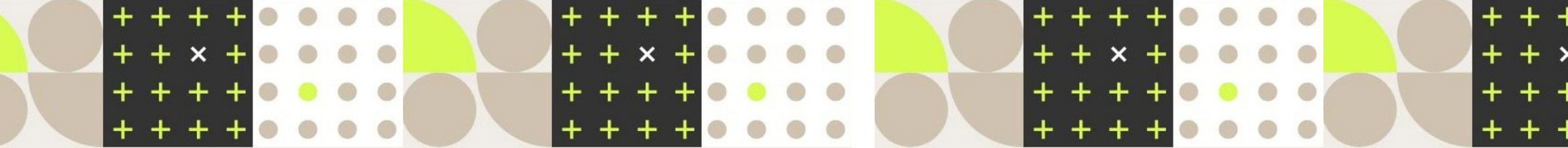


How much reserves should a charity hold?

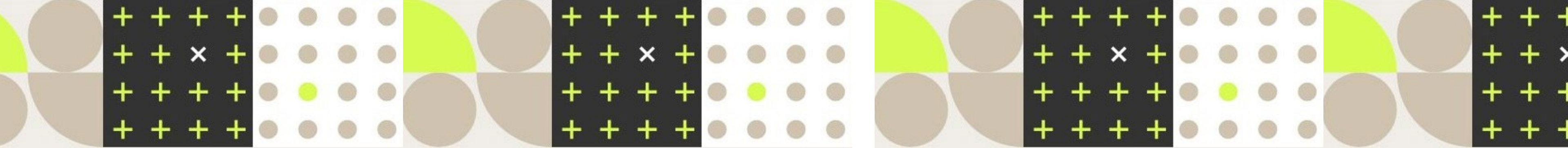
A reserves policy will be very specific to each charity. All charities have different funding streams and activities so the amount of money needed to be held in reserves will vary significantly across different charities.

Particular areas to consider are:

- Funds to allow for **unforeseen emergencies or other unexpected needs**, for example an unexpected repair bill or requiring funding for an urgent project
- **Unforeseen day to day operational costs**, such as cover for long-term sick absence.
- **Loss of grant income**, and how much notice you would get if this is the case.
- **Planned commitments** which may need higher levels of reserves.
- **Funds to allow for increased beneficiary need** - external changes may mean your charity receives additional beneficiaries.
- **Working capital and cashflow requirements**. Payment in arrears or by results can mean a significant need
- **The need to fund short-term deficits** in a cash budget, for example money may need to be spent before funding is received.

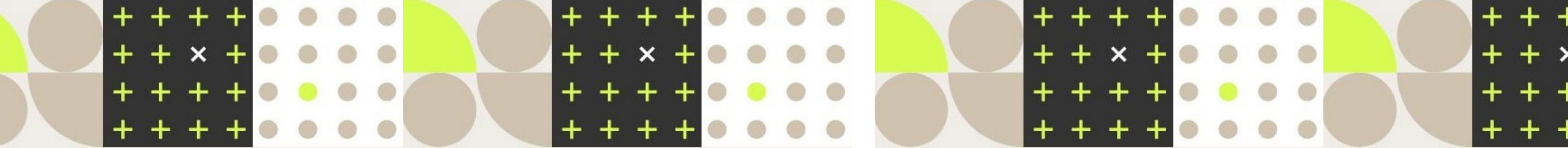


CASHFLOW MANAGEMENT AND CRISIS SITUATIONS



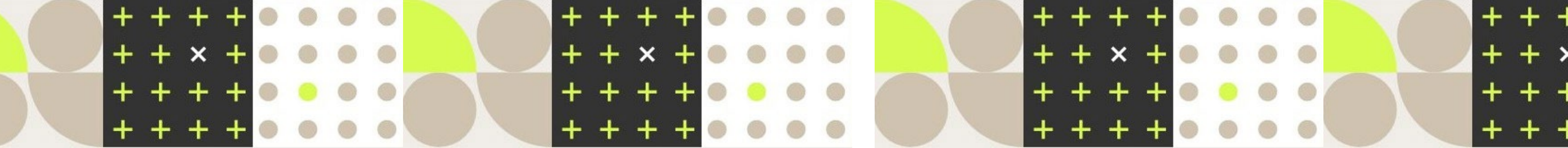
Cashflow Management

- **Bank reconciliations** kept up to date (ideally a live feed) and **cashflow forecasts** maintained and reviewed on a rolling basis.
- **Cost control** and authorisation – Clear authorisation processes can improve cost control. Authorisation should be with reference to cost, the budget and cashflow implications
- **Debtors** – Having clear payment terms and chasing processes. For regular sales use payment systems such as card readers or online payment facilities. For major grants and contracts maintain a close working relationship to help towards invoice payment (eg if there are any queries)
- **Creditors** – It is good practice to pay promptly but where there may be cashflow squeezes consider part paying or making payment arrangements with any major creditors



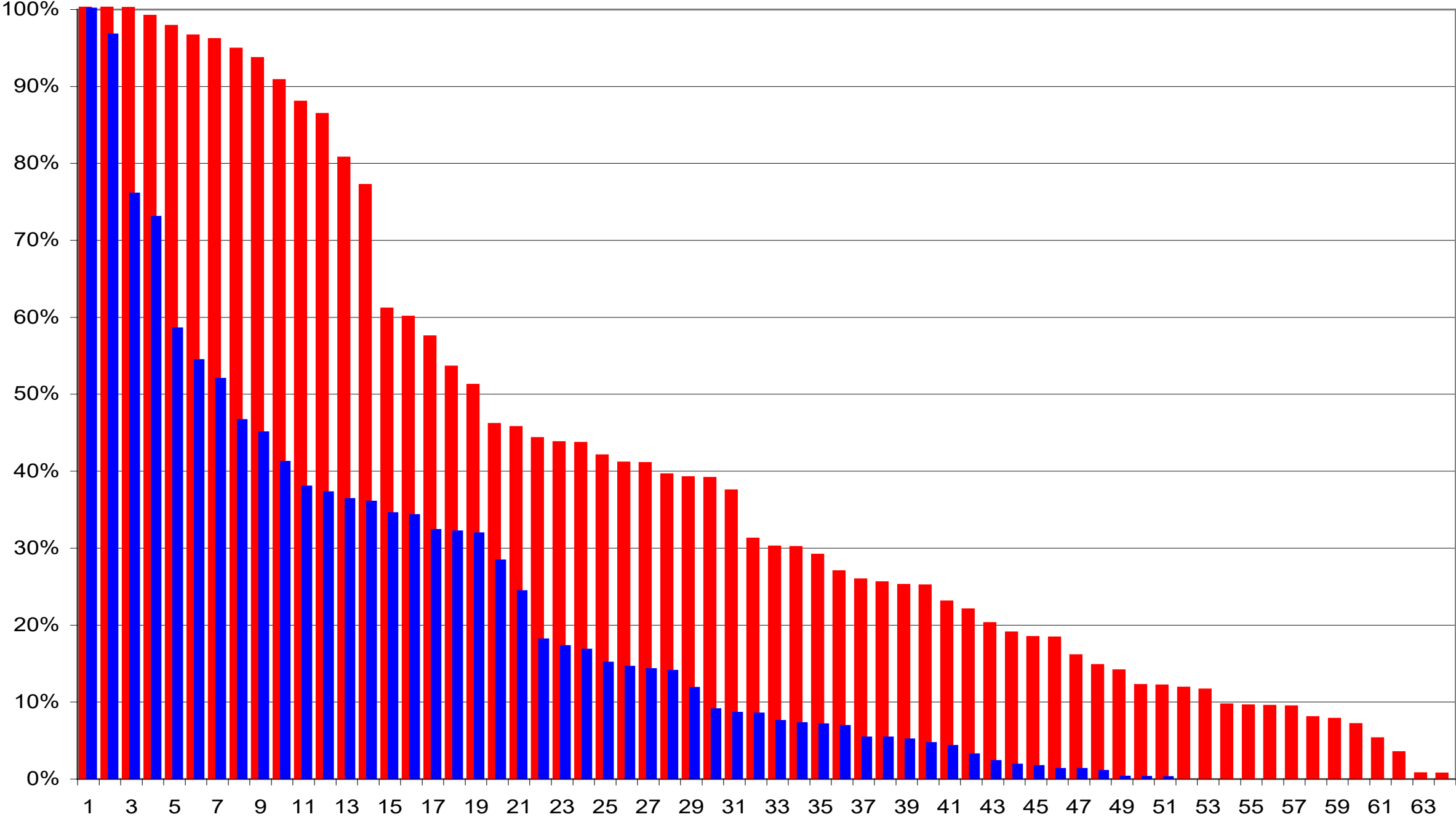
Post-YIF – Potential Cashflow Implications

- Bank balances may be much tighter without the YIF capital and revenue grants, so closer management of cash may be needed
- The YIF grants have often been transformational to the way the grantee operates and its business model. This can lead to new income opportunities but also risks around the management of the building
- YIF grant funding and focus on the build may have made it more difficult to raise income from other funders, donors and services. It may take a bit of time to re-establish these and hence create some interim gaps

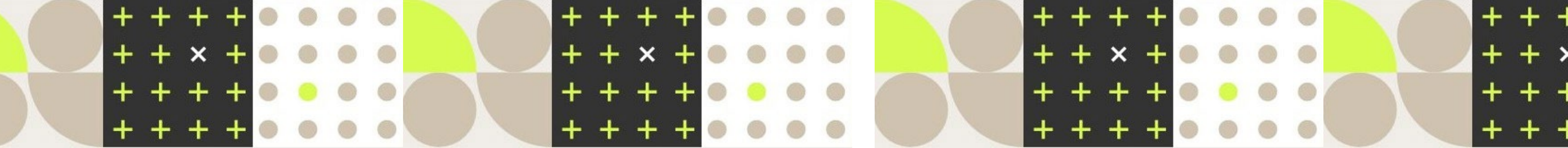


Unrestricted earned income

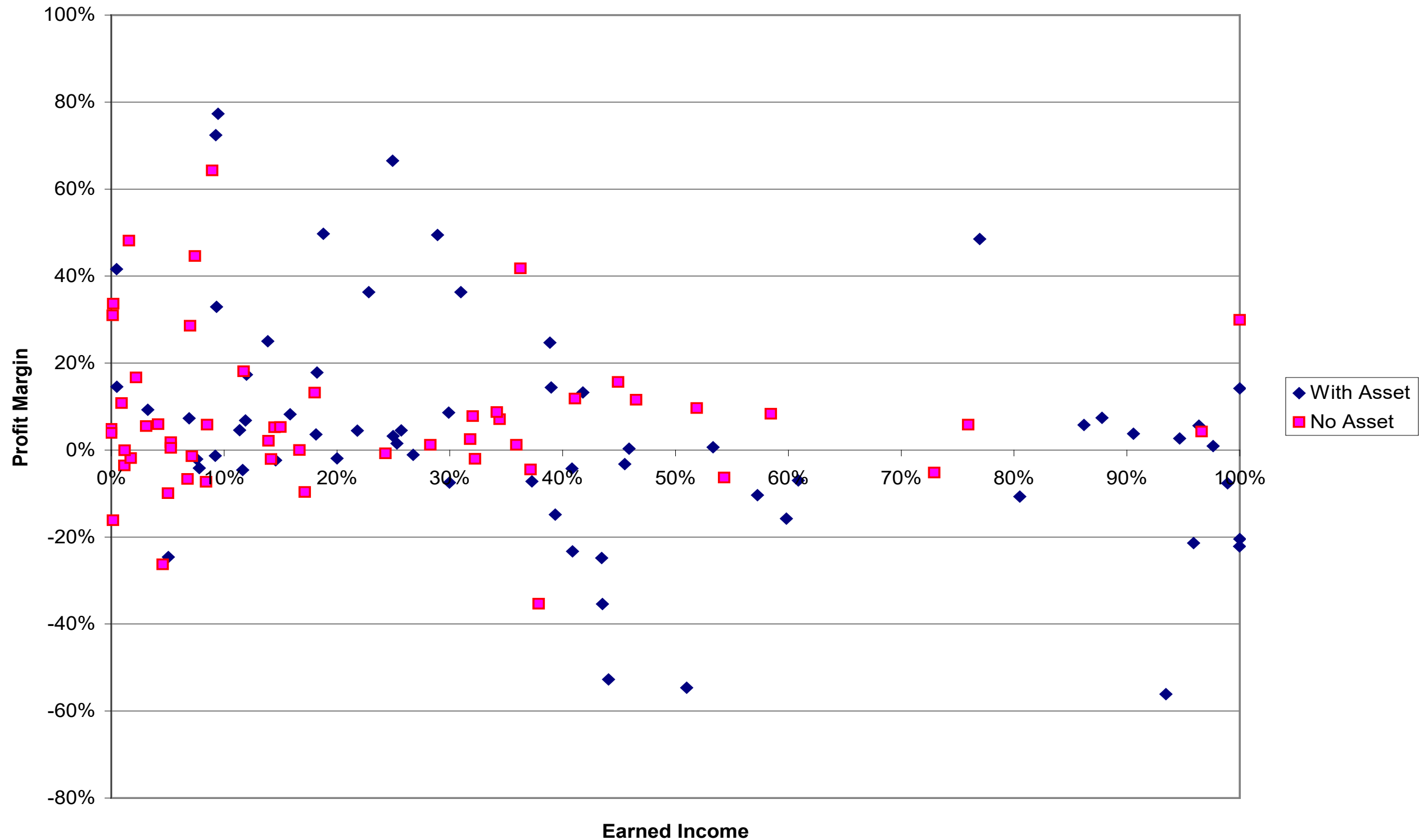
Impact of asset ownership



Earned income is about 3 times higher for organisations with an asset (including freeholds and leases > 5 years), however business risks can be higher

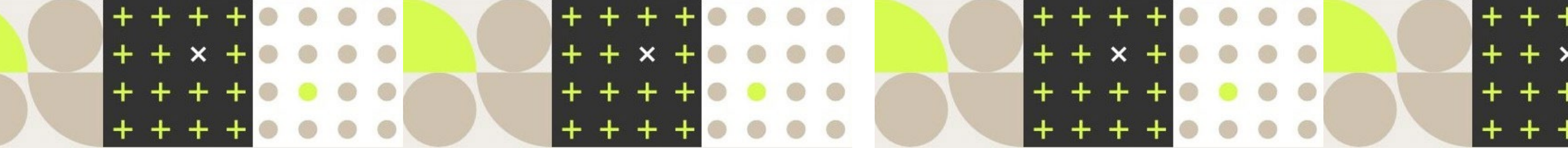


Profitability and earned income categorised by those with and without an asset



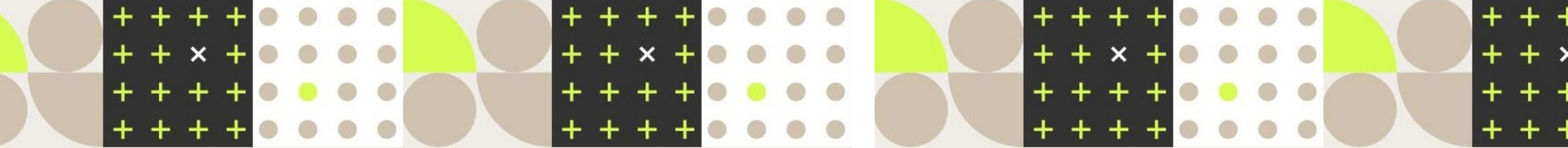
This highlights both the potential rewards and the risks of asset ownership

Organisations with an asset tend to make higher surpluses or deficits so have higher risks to be managed



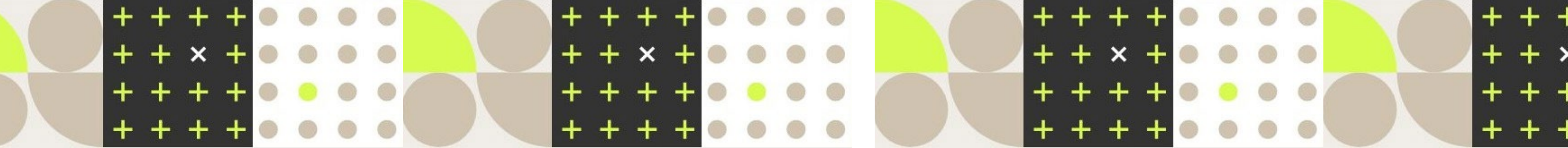
Cashflow difficulties

Short Term	Longer term
<ul style="list-style-type: none"> • Slow payment of invoices • Delays in receipt of grants or contract payments • Large unexpected bill that needs time to pay • Asset sales taking time • Organisational restructuring costs and timings before benefits come through 	<ul style="list-style-type: none"> • Continuing cashflow and budget deficits and downward trends • Parts of the organisation making losses due to high costs and/or loss of funding • Major debts accumulated and little in the way of assets
<ul style="list-style-type: none"> • Chasing invoices and working closely with major funders and contractors • Review your pricing and update as needed • Use of short-term overdraft and loans • Improved cost control 	<ul style="list-style-type: none"> • Identify the gap and take relevant action as needed (maybe a crisis or looming) • Update organisational strategy and business plan • Restructure organisation to make it sustainable



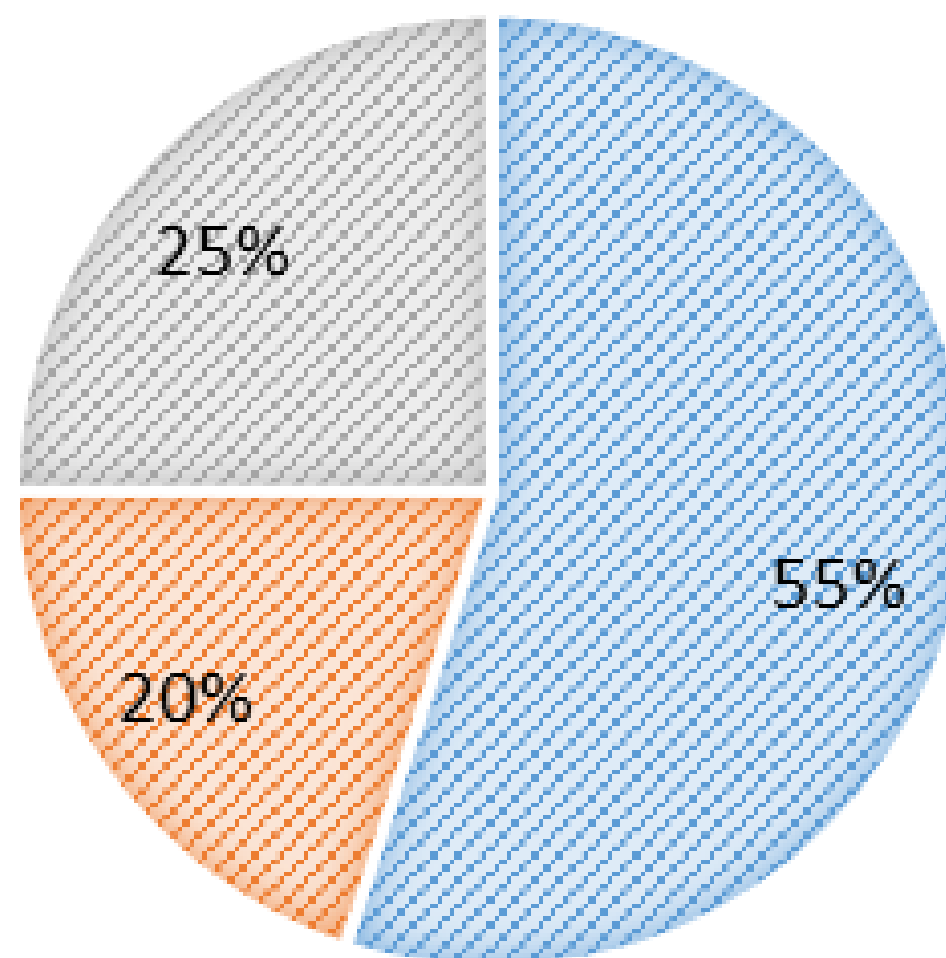
Establishing a gap and considering scenarios

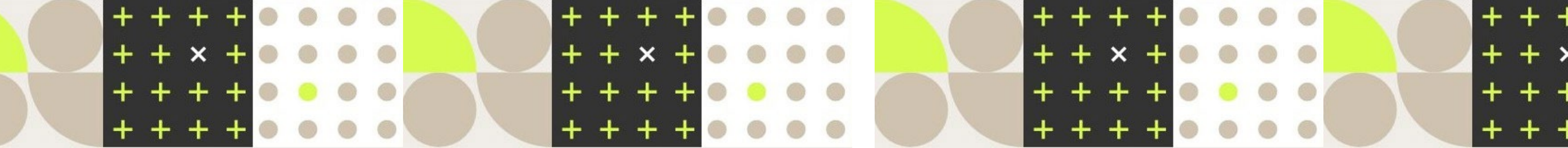
- Understanding the gap between a stable cashflow and the projection is important as this gives a sense of the scale
- Look at potential risk scenarios that might impact even confirmed and highly likely income and expenditure, such as inflation, cost of living, permanent changes in behaviours, needs, ways of working etc
- The gap is likely to be a range rather than a single figure and may vary month to month
- Look at the gap over the next 12 months if possible, or at least until what is needed to bring stability



FINDING THE GAP TYPICAL PROFILE, ALTHOUGH WILL VARY

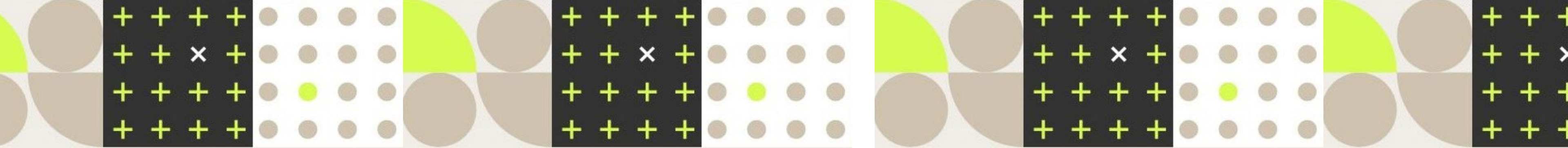
■ Staff costs ■ Other costs ■ Increased income





Routes out of a crisis situation

- Establishing the gap and express it as % of income and / or costs
- Consider ideas or make suggestions in terms of cost reduction and reviewing cashflow forecast and explore options to cover the gap. The focus should be on what is controllable (e.g. 75% costs)
- Emergency cost control – e.g. everything needing CEO's approval
- Speak with your creditors, especially HMRC – you may be able to make a payment plan
- Review the strategic direction and update/do a one-page plan
- Staff costs will be usually be the main controllable cost - not always about redundancy but can be changes to working hours
- Increasing income is usually the most difficult but does need exploring. This could include going back to funders and stakeholders
- Review borrowing levels (where relevant). Issue is short-term then a loan might work
- Understand liquid reserve levels and impact on turnaround timescales

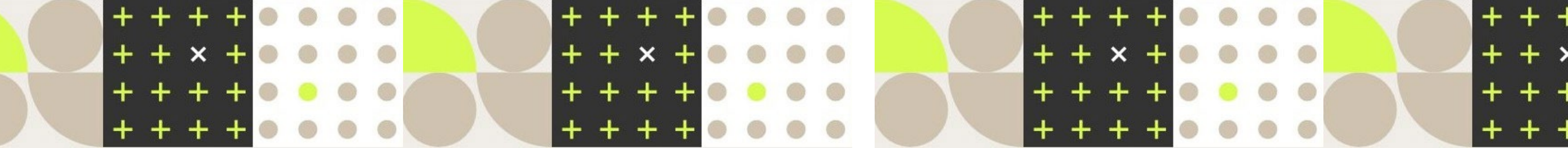


Routes out of a crisis situation

- Consider strategic options such as collaboration and mergers, but beware these can be complex and take a long time
- If the “gap” approach does not work, then start with an “**envelope**” based on income and essential costs and then consider options to allocate the remaining expenditure – sometimes this can be easier (and feel more positive) than finding a gap

Confirmed / Highly likely income	267,043
Essential expenditure	<u>(194,231)</u>
Envelope to allocate	<u>72,812</u>

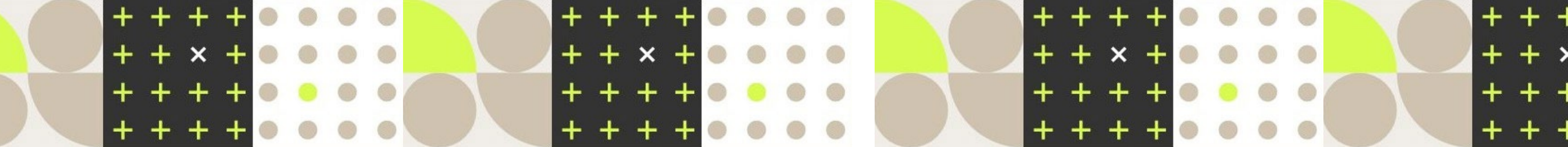
- Work with the board and prepare a paper for decision making. Be clear about the implications of not taking action and consider whether there is a need to report to the Charity Commission
- Take professional advice, as may be needed, particularly if a potential insolvency is looming.



Next Steps - *After the webinar*

Review your organisation's approach to cashflow, including

- Do you prepare cashflow forecasts on a regular and rolling basis?
- Do you separating risk within the forecasts and help trustees understand these?
- Are you using the cash reports in your accounting software and is the bank reconciliation maintained up to date?
- Are your accounting policies and authorisation procedures up to date and meeting the needs of your organisation and governance needs?
- Are there opportunities to make savings?
- If you are having or heading for cashflow difficulties are you taking action. The sooner you do, the better the outcome.



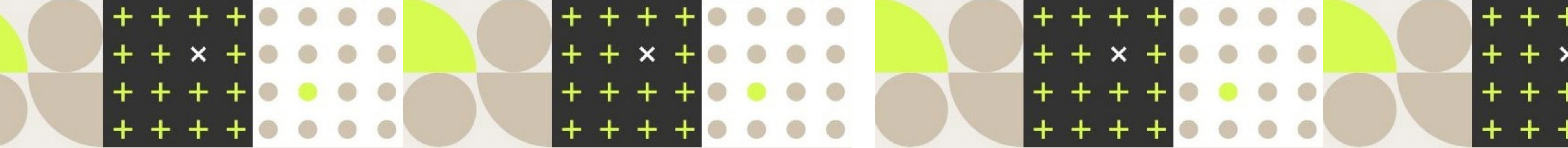
Coming up events & webinars

Webinars

- **How to know you're running out of money before it happens** - Cashflow (12th Feb 2026)
- **SORP Changes Made Simple** - A clear walkthrough of the 2026 SORP updates and how to prepare without stress. (18th Feb)
- **VAT Made Simple + Q&A** - A practical VAT explainer + open Q&A for buildings, trading and capital project questions. (26th Feb)
- **Your Building's Not Making Money? Here's How Others Are Cashing In** Real examples of youth organisations turning space into steady income (3rd Mar)
- **Don't panic at year-end:** What to know before your audit or charity accounts (17th Mar)

In-person grantee events

- **London** – 10th Feb
- **Birmingham** - 26th Feb
- **Manchester** – 11th March



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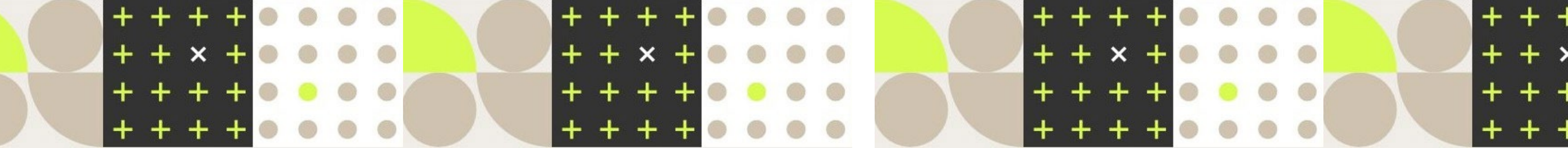
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Neal Trup:
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