

Managing Cash Flow

Why and how in today's
climate

Some numbers

64% of businesses reported a decrease in turnover outside of normal range

47% of businesses have under 6 months cash reserves (+ 20% not sure)

Government-backed loan schemes

Product	Approved facilities (£bn)	Applications (000s)	Approved Facilities (000s)	Approval %	Not Approved (000s)
BBLS	32	1,283	1,048	82%	235
CBILS	12	109	55	50%	54
CLBILS	3	809	412	51%	397
Total	47	2,201	1,515	69%	686

Over £41bn approved over 1.3m approved facilities as at 21 June 2020, however

646,000 applications not yet approved...

Withdrawal of Government support in Q3 / Q4 2020, loan repayments/TTP Q1/Q2 2021

Source: Office for National Statistics, Business Impact of COVID-19 Survey, Wave 6

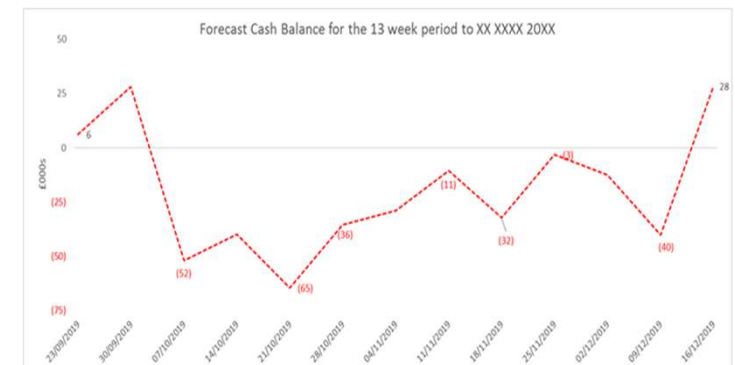
Effective Cash Flow Management

- A business is an engine that runs on cash – engines break down when they run out of fuel
 - How much fuel do you have / need to navigate the coming months?
 - How do you know if / when you are likely to run out?
 - How will you manage any “bumps in the road”?
 - Are you using the right fuel? Is your engine working properly?

Cash Flow Forecasting

✓ FORECAST

- Rolling 13 week cash flow forecast
- Acid Test – unwinds short term assets v liabilities
- Format – Easy to understand & update for actuals
- Robust – Easy to change assumptions & model scenarios



Effective Cash Flow Management

- ✓ FINANCIAL INFORMATION
- ✓ FORECAST
- ✓ SUPPORT