SAMPLE RESULTS · WORKED EXAMPLE

13-week cash flow forecast

How a profitable business with £250,000 in the bank found a near-empty week two months before it arrived.

MEET BRIGHTWATER FABRICATIONS

A fictional sheet-metal fabricator that sells to other businesses on 30–60 day terms. It's profitable and busy, and the owner wants to grow. We use it in our Levers for Growth guide and as the example in every Castle FD tool.

Annual sales	**£4,000,000**
Gross margin	**40%**
Overheads	**£1,200,000**
Operating profit	**£400,000**
Debtor / stock / creditor days	**60 / 45 / 40**
Cash in the bank	**£250,000**

What Brightwater put in

Using the free template, starting Monday 9 November: its £250,000 bank balance and £50,000 overdraft, its aged debtors and creditors from Xero, weekly sales and material costs, payroll, PAYE, rent and running costs, loan and hire purchase repayments, the VAT return and its corporation tax bill. Its biggest customer, Harland Rail, pays at about 90 days.

£250k
in the bank today, and a healthy profit in the accounts

£19k
forecast balance in the week ending 8 January, below its £50k buffer

8 weeks
warning, enough time to do something about it

What made that week so tight

Nothing unusual. Three ordinary bills landed in the first week of January, on top of the normal running costs:

- **£90k** corporation tax for the year to 31 March, due 1 January (paid on the first working day, 4 January)
- **£72k** VAT return for the quarter to 30 November, due 7 January
- **£66k** to its steel supplier for a large contract order, due 6 January

December had already taken the payroll a week early and the £36k quarter-day rent. The profit and loss account would never have shown this.

The 13-week view

Wk	Week ending	Opening	Cash in	Cash out	Closing	After actions
1	13 Nov	£250k	£40k	£19k	£271k	£271k
2	20 Nov	£271k	£71k	£48k	£294k	£294k
3	27 Nov	£294k	£71k	£143k	£221k	£221k
4	04 Dec	£221k	£71k	£81k	£211k	£211k
5	11 Dec	£211k	£63k	£57k	£216k	£216k
6	18 Dec	£216k	£87k	£116k	£188k	£188k
7	25 Dec	£188k	£87k	£131k	£144k	£144k
8	01 Jan	£144k	£113k	£65k	£193k	£241k
9	**08 Jan**	**£193k**	**£110k**	**£284k**	**£19k**	**£133k**
10	15 Jan	£19k	£122k	£67k	£74k	£188k
11	22 Jan	£74k	£122k	£85k	£110k	£158k
12	29 Jan	£110k	£122k	£100k	£131k	£179k
13	05 Feb	£131k	£122k	£27k	£226k	£274k

Taken from the Brightwater example workbook, so all figures include VAT. Download it alongside this PDF to see every line.

What Brightwater did

1. Agreed with its steel supplier to pay the £66k contract order two weeks later, on 20 January.
2. Asked Harland Rail for a £40k + VAT stage payment on the contract, received in the week ending 1 January instead of on completion.
3. Kept the forecast rolling: every Monday, actuals replace estimates and a new week 13 is added.

The result

The low point moves from **£19k in the week ending 8 January** to **£133k**, comfortably above its £50k buffer. No overdraft, no awkward phone call to the bank, and no late payment to HMRC.

The forecast took about an hour to build and takes 15–20 minutes a week to keep up to date.

TRY IT ON YOUR OWN NUMBERS

Download the free 13-week template — castlefd.com/cash-flow-template

Brightwater Fabrications is a fictional business. Figures are illustrative. Not financial advice: individual circumstances vary.