**Narrative for cashflow report to NOV 2020**

The initial forecast is based on the budgeted figures plus any other known info which will affect funds going in or out of the bank. Whilst cashflow is different from budget, this is the most appropriate way of forecasting and gives a good indication of cashflow patterns throughout the year.

**Income**

In addition to the budget income figures, there is £330 under “debtors from last year”. This refers to money owed to the school for budget period 2019-20 but which hasn’t been collected yet.

September income also includes £67k which is the falling rolls payment for 2019-20 which was paid in Aug but cleared the bank in Sept. Sept also includes a £47k refund for trips from last year as the funds came through in Sept.

**Expenditure**

Expenditure incudes £17k “Employee accruals” which is the support staff back pay for Apr to Aug and additional hours etc for Aug.

It’s also worth noting that “actual” staffing expenditure on the cashflow analysis is taken from the BACS report which includes extras like additional hours, sports coaching, tutors etc.. Some of these are funded from other cost centres on the budget so the forecast figure (based on budget) will not always match but will give a reasonable indicator. This may result in staffing expenditure looking higher than expected in some months which will be monitored and reviewed but is not a cause for concern.

**Summary**

The initial forecast does highlight several months with expected cashflow deficits but none with a concerning end of month balance forecast at this stage.

The report includes all tabs of the Excel workbook which are:

* **Forecast Current** **(Sept)–** this is where we forecast the cashflow for the year. This page is updated in Jan and April to reflect revised cashflow patterns throughout the year.
* **Actuals** – This shows actual income and expenditure compared to forecast for each month.
* **Notes** – this shows the breakdown of categories and how\why we have forecast the way we have. This is mainly operational but I’ve left it in for reference.
* **Archive Forecast –** this is where we retain the previous forecast for comparison and reference.
* **Archive Notes** – this is where we retain the previous forecast notes for comparison and reference.