**Narrative for Cashflow report at YEAR END 2019-20**

Despite the unusual year from April onwards, the cashflow has resulted in a healthy year-end balance at bank that is not too far from forecast.

The expected low points were as expected but never dropped as low as forecast, and at no point was the bank balance in trouble throughout the year.

It’s worth noting that forecasting cashflow is done by using budgeted figures as a guide as this is the only sensible measure. It is aimed at showing patterns of cashflow and identifying any months that may result in a low balance at the bank.

This information is valuable if low points are identified to plan payment strategies etc. as needed.

The forecast is never meant to try and accurately predict the exact income and expenditure each month as this is not possible. It gives a good general guide as to how cash at the bank might be impacted each month based on scheduled income and expected expenditure which can be monitored and used to influence decisions on timings of payments if needed.

Thankfully we have not got to the point where we have needed to do so but I think cashflow monitoring remains a valuable assurance tool in our financial oversight.