

TOPTIPS FROM

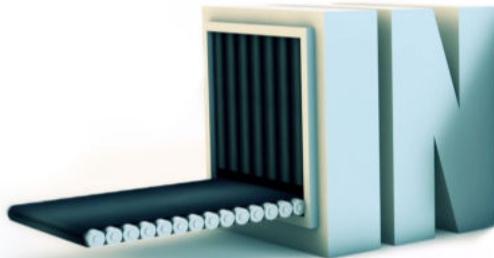
THE BALANCE

SHEET BARRIER

The balance sheet is the window that reveals the business and yet many managers go through their entire career without understanding it. Here are our top tips to get over **The Balance Sheet Barrier...**

WHERE DOES MONEY COME FROM

MONEY COMES



FROM...

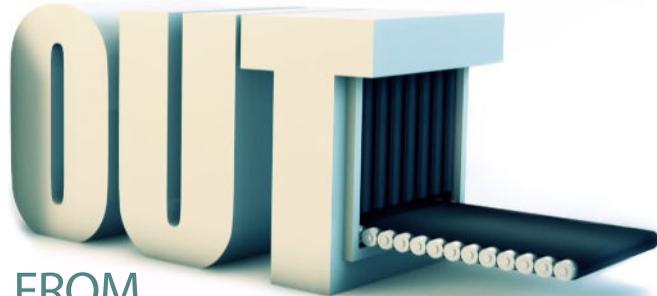
Share Capital

The equity, i.e. the owners' money.

Loan Capital

The money they borrow from someone else.

MONEY COMES



FROM...

Fixed Assets

Things you mean to keep like buildings, machinery, cars, furniture, etc.

Working Capital

The money tied up in things you mean to sell like raw materials, parts, packing (includes overheads like salaries and rent).

AND WHERE DOES IT GO TO

Fixed assets

Things you mean to keep.

Working capital

Invested in the things you mean to sell (includes overheads like salaries, rent and raw materials).

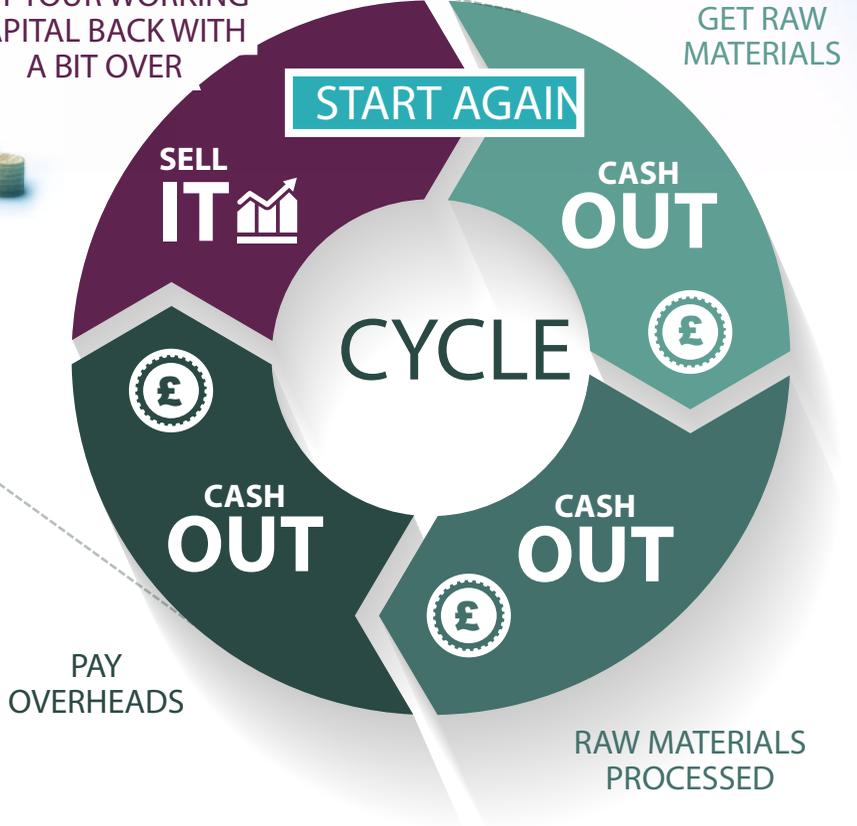


WORKING CAPITAL



GET YOUR WORKING CAPITAL BACK WITH A BIT OVER

GET RAW MATERIALS



Keeping the money-go-round moving quickly improves profits!

PAST, PRESENT & FUTURE

The cash flow forecast tells you where your money will be going in the future; your financial crystal ball.

The profit and loss account tells you what happened to your money in the past; your financial history book.

PAST

FUTURE

PRESENT

The balance sheet tells you where your money is at present. It's a financial snapshot; a picture of the business frozen at a single moment in time.

