



Cash Flow Forecasting for the Stars

Help Katie and Alex put their cash flow forecast together
for an exciting new business venture



Making Every Wedding You Have A Special One

Katie has decided to ditch her previous business - offering celebrity makeovers using state-of-the-art cosmetic surgery. Katie and her previous business partner Pete just couldn't cut it.

But time moves on...and time is a great healer

Instead, Katie has decided to make a business out of another of her favourite interests – weddings. She's spotted a promising niche segment in the market – organising post-marriage wedding celebrations for those celebrities who wanted to tie the knot quickly and have a party later.

She's persuaded former cage fighter and now hubby Alex to join her as a 50% shareholder a new public limited company - Happily Ever After Events plc.

In time, Katie and Alex hope to float the company on the Stock Exchange. But for now they each plan to invest £50,000 in the share capital of the firm and have set about putting a brief business plan together. Katie's diary is pretty full – so it will be April 2011 before she can throw herself into the new venture, which leaves plenty of time to put a sensible plan together.

Katie's bank manager has emphasised the importance of cash flow forecasting for the business. In response to his questions, Katie has sent you a text message (see next page) with the key assumptions that need to be included in the forecast for April to August 2011.

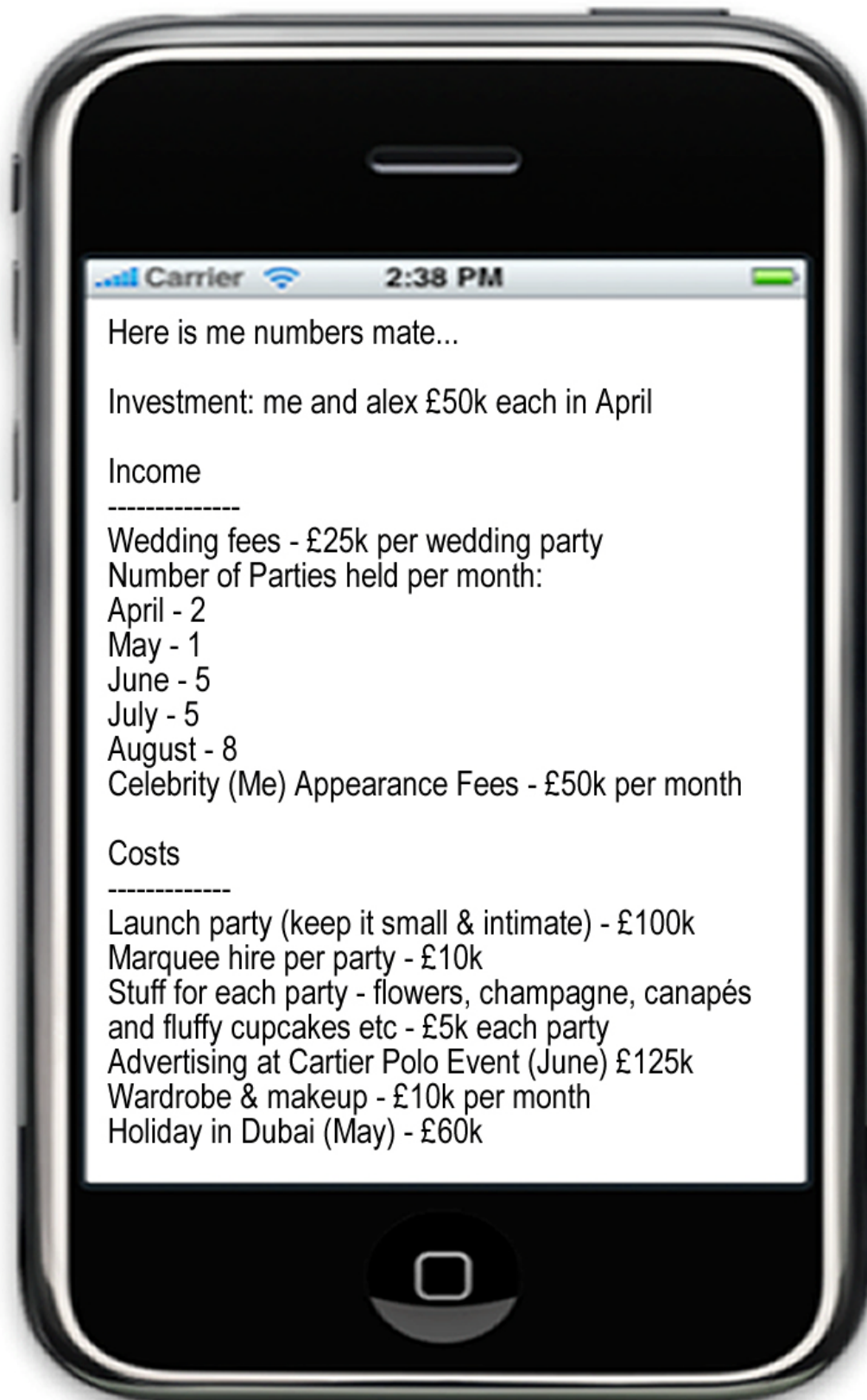


Your task

In your position as Business Adviser to the Stars, Katie and Alex would like your help in putting their cash flow forecast together.

Using the information provided by Katie and the template below, please complete the cash flow forecast for April to August 2011 and answer the additional questions

Exhibit 1: Katie's Text – Cash Flow Assumptions



Cash Flow Forecast

Please complete the cash flow forecast for Katie and Alex using the information provided by her ladyship on the template below.

All figures in £'000 please	April	May	June	July	August	
	2011	2011	2011	2011	2011	Total
Cash Inflows						
Wedding Party Fees						
Celebrity Appearance Fees						
Share Capital						
Total Inflows						
Cash Outflows						
Launch Party						
Marquee hire						
Party supplies						
Advertising at Cartier Polo Event						
Wardrobe and makeup						
Holiday in Dubai						
Total Outflows						
Net Cash Flow						
Opening Balance						
Closing Balance						

Follow-up questions:

Based on your forecast above, please note down:

The highest monthly net cash flow	
The month with the lowest closing balance	
Two ways in which Katie and Alex could improve their forecast total cash flow for the period	