



Checklist: Preparing your business for the new financial year.

A new financial year marks a great time to reassess your financial practices and see how you're tracking.

Not sure where to start? Use this checklist to run through some of the tasks critical to good financial practice and help set up your business for the months ahead.



1. Assess your cash position.

Cash flow is the lifeblood of a business and making sure you have a healthy cash position is crucial to long-term success. There are a couple of ways to review your cash flow:

- Create a cash flow statement: This provides an overview of all the money flowing in and out of your business over a certain period, usually a quarter or a month.
 - Create a cash flow forecast: This is an estimation of how much cash will be flowing in and out of your business in future, usually covering the next year.
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2. Update your financial statements.

Financial statements are handy tools that can provide valuable insights into the health of your business. There are two main types of financial statements you should stay on top of:

- Balance sheet: This is a statement of your financial position at a given time. It outlines your assets (stock, machinery, cash, money owed to you) and liabilities (loans, money you owe), and also captures your net assets or equity.
 - Profit and loss (P&L) statement: This statement tells you how much money your business has made over a certain period. It subtracts your total income from total expenses to calculate your profit.
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3. Review your expenses.

Consolidating or reducing ongoing expenses could help free up cash and improve your profit margin in the year ahead. Consider:

- Negotiating with suppliers for more competitive prices or better payment terms.
 - Switching suppliers, utilities or insurance providers where you can't negotiate better terms to get a better deal.
 - Arranging regular payment plans for expenses to smooth out cash flow.
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4. Review your business structure.

- There are several types of business structure to choose from. As your business grows, you might find it's more tax-efficient to change structures. It's a good idea to talk to your accountant or financial advisor about what's most suitable for your situation.

5. Review your business and marketing plans.

Set yourself up for the new financial year by reviewing your [business plan](#) and marketing plan. This could include:

- Reassessing your short and long-term goals.
 - Reviewing your sales and marketing budgets.
 - Reviewing which strategies have been working and which need to be revisited.
 - Reassessing the market and the competition.
 - Identifying [new business opportunities](#).
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6. Consider your financing options.

If you plan on expanding or need a cash flow boost for the new financial year, it could be worthwhile considering [business financing](#). Some options include:

- Talking to your bank about a [business loan](#), [overdraft](#) or [business credit card](#), depending on your circumstances.
- Exploring financing to purchase a [vehicle](#), [machinery](#) or [business equipment](#).
- Applying for a [government grant](#).
- Researching crowdfunding or private investor options.

Getting your business finances sorted can be time consuming, but will likely pay off in the long-run and may result in stronger cash flow, a healthy profit margin and plenty of room for growth in the future.

