

# THE FINANCIAL Fence®

## Business Diagnostic Tool

Blank Questionnaire Form

Example Questionnaire Form Completed

Summary Fence Diagnostic

Detailed Fence Diagnostic

Tips to understanding The Financial Fence®



**Contact: Andee Sellman**  
Founder and CEO

Mobile: 0418 318 508  
Office Ph: 1300 743 772

Email: [andee@thefinancialfence.com](mailto:andee@thefinancialfence.com)  
Web: [www.thefinancialfence.com](http://www.thefinancialfence.com)



**PERIOD DATA**

Enter your Business name

I.C Clearly Pty Ltd

Enter the date of 1st day of 1st month these figures represent

01-July-2007

Enter the date of the last day of the last month these figures represent

30-June-2008

How many months do these figures represent?

12

**ACTIVITY QUESTIONS**

Activity for the period ending

**30-Jun-08**

1 What Sales did you make for the period?

\$2,455,868

2 How much did you pay for purchases of Stock or materials?

\$1,227,934

3 How much did you pay for wages, salaries and contractors?

\$616,911

4 How much did you pay yourself or take out of the business?

\$110,000

5 What was the total cost of your marketing and advertising?

\$55,352

6 How much did you pay for ADMINISTRATION wages and salaries

\$125,000

7 What is the TOTAL of all your other expenses

\$156,392

8 How much Interest did you pay?

\$15,902

**MILESTONE QUESTIONS**

Position at the start of the period

Position at the end of the period

**30-Jun-07**

**30-Jun-08**

9 How much stock do you have?

\$118,450

\$100,183

10 How much work in progress do you have?

\$222,500

\$357,834

11 How much do your customers or clients owe you?

\$103,300

\$110,201

12 How much do you owe your suppliers?

13 How much do you owe your employees eg holiday pay lsl etc

\$54,612

\$55,463

14 How much GST and PAYG do you owe?

\$13,164

\$32,958

15 What's the value of your business assets?

- Plant & Equipment

\$196,000

\$247,345

- Motor Vehicles

\$89,000

\$113,013

- Property

\$80,000

\$80,000

- Other Assets

\$95,165

\$95,000

16 How much Income Tax do you owe?

\$37,612

\$37,612

17 How much cash do you have in the bank?

\$15,413

\$6,173

18 How much do you owe on Hire Purchase or Lease?

\$80,000

\$97,205

19 How much do you owe to banks or other financiers?

\$407,846

\$390,731



Introductory Video How  
the Fence Works

<http://tinyurl.com/bhrbxx>

**I.C Clearly Pty Ltd**

12 Months Ending  
30-Jun-08

**OPENING BALANCE SHEET**  
30-Jun-07

**WORKING CAPITAL**  
169,874

**FIXED CAPITAL**  
422,553

**TOTAL CAPITAL**  
592,427

**FUNDED BY**

**DEBT AND CASH**  
472,433

**EQUITY**  
119,994

**TOTAL FUNDING**  
592,427

**CLOSING BALANCE SHEET**  
30-Jun-08

**WORKING CAPITAL**  
259,395

**FIXED CAPITAL**  
497,746

**TOTAL CAPITAL**  
757,141

**FUNDED BY**

**DEBT AND CASH**  
481,763

**EQUITY**  
275,378

**TOTAL FUNDING**  
757,141

**PROFIT AND LOSS ACCOUNT**

SALES	COST OF INTERACTION	CONTRIBUTION MARGIN	INFRA-STRUCTURE EXPENSES	OPERATING PROFIT	INTEREST	PROFIT BEFORE TAX
2,455,868	-2,028,464	427,404	-281,392	146,012	-15,902	130,110

**CASH FLOW STATEMENT**

PROFIT BEFORE TAX	CHANGE IN WORKING CAPITAL	OPERATING CASH FLOW	CHANGE IN FIXED CAPITAL	UNEXPLAINED DIFFERENCES	NET CASH FLOW
130,110	-89,521	40,589	-75,193	25,274	-9,330

**KEY PERFORMANCE INDICATORS**

	ACTUAL	TARGET	
<b>OVERALL MEASURE</b>			
Return on Capital	19.3%	> 30%	<a href="http://tinyurl.com/dzevg6">http://tinyurl.com/dzevg6</a>
<b>ACTIVITY OF BUSINESS</b>			
Interaction with Customers	17.4%	> 20%	<a href="http://tinyurl.com/c52ugy">http://tinyurl.com/c52ugy</a>
Infrastructure exp to sales	6.4%	< 10%	<a href="http://tinyurl.com/ajmv3d">http://tinyurl.com/ajmv3d</a>
Operating profit to Sales	5.9%	> 10%	<a href="http://tinyurl.com/c928s7">http://tinyurl.com/c928s7</a>
<b>STRUCTURE OF BUSINESS</b>			
Debt to Equity	174.9%	< 100%	<a href="http://tinyurl.com/cvte66">http://tinyurl.com/cvte66</a>
Working Capital to Sales	10.6%	< 20%	<a href="http://tinyurl.com/ckhm6l">http://tinyurl.com/ckhm6l</a>
Sales to Total Capital	324%	> 200%	<a href="http://tinyurl.com/asrq9u">http://tinyurl.com/asrq9u</a>
Overall Cash Flow	-ve	+ve	<a href="http://tinyurl.com/ahj7kp">http://tinyurl.com/ahj7kp</a>

Click links for Fence  
Tips To Improve Your  
Performance





## Tips for Understanding The Financial Fence®

<http://www.thefinancialfence.com/contactus.html>



**THE POSTS** on The Financial Fence® are milestones or points in time. In financial terms these are a "Balance Sheet".

The green boxes are the capital you have acquired and the red and dark blue boxes show how you have paid for that capital. The red boxes are borrowed funds (Debt) and the dark blue boxes are owners funds (Equity).

**Note:** the red boxes show "net debt" if you have cash in the bank or net cash on hand it will show as a negative number (ie as negative debt)

The total amount of funding must equal the total amount of capital and these balance totals are shown in the grey boxes.

**THE RAILS** on The Financial Fence® show your activity for the period under review. (In financial terms they are your "Profit and Loss" and "Cash Flow" statements)

The top rail shows your income and expenses. The bottom rail shows your movements in capital and funding leading to your net cash flow for the period.

The two posts are connected by the activity on the rails:

- 1) Opening working capital plus the movement in working capital must equal the closing working capital.
- 2) Opening fixed capital plus movements in fixed capital must equal closing fixed capital.
- 3) Opening net debt plus net cash flow must equal closing net debt.
- 4) Opening equity plus net profit must equal closing equity.

For a visual explanation of how the The Financial Fence® works click the link below and visit this page on our website:

Click here for a visual explanation of how The Financial Fence® Works [http://www.thefinancialfence.com/bFence\\_works.php](http://www.thefinancialfence.com/bFence_works.php)

**THE KEY PERFORMANCE INDICATORS (KPI's)** give you a measure of the performance of your business against a set of predetermined benchmarks

Each indicator is an important measure of what is actually happening in your business. You can get a more detailed explanation of these KPI's from our website at:

Click here for an explanation of Key Performance Indicators <http://www.thefinancialfence.com/free/kpis.pdf>