

DTAS Annual Conference
2026

Figuratively Speaking

A deep dive into finances

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Agenda

What we'll discuss this afternoon



→ Financial Resilience

→ Budgeting

→ Project Costing

→ Full Cost Recovery

→ Financial Management



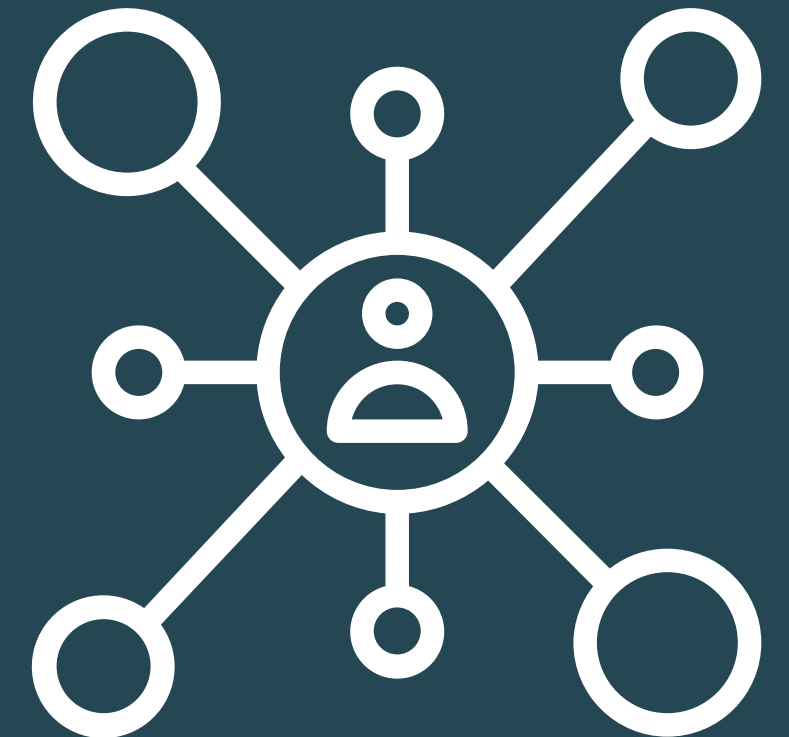
Financial Resilience

What is financial resilience?

The organisation can survive during periods of reduced income or increasing costs caused by external influences/shocks

How can your organisation achieve financial resilience?

- Build reserves or savings that can cover shortfalls
- Plan ahead with realistic budgets/projections and review
- Analyse income and expenditure – know where you may be losing money
- Establish diverse income streams
- Reduce/control costs – operational efficiency, remove waste



Financial Resilience

Financial Management and Control

- Budget/ Projections and review of actuals – monthly or quarterly
- Granular report – separate out areas of work and associated costs
- Analysis of income and expenditure – are you losing money?
- Full cost recovery – how much does it cost to deliver the service and how is that recovered (sales, contracts, funding)
- Separation between restricted and unrestricted funds
- Systems – Xero, Sage, QuickBooks, Spreadsheets

Business Model

Strategy

- Strong business case and clear purpose – what problem are you trying to solve?
- Diverse income streams – traded, grants, contracts, donations, fundraising

Operations – Internal

- Operational efficiency - can things be done better to reduce time, waste and cost?
- Staffing – is there clear role alignment with the team?



Resilience – Financial Management

Accounting

- Focuses on what has already happened
- Ensures compliance
- Annual accounts prepared mainly for regulatory bodies (e.g. Companies House, OSCR, FCA)

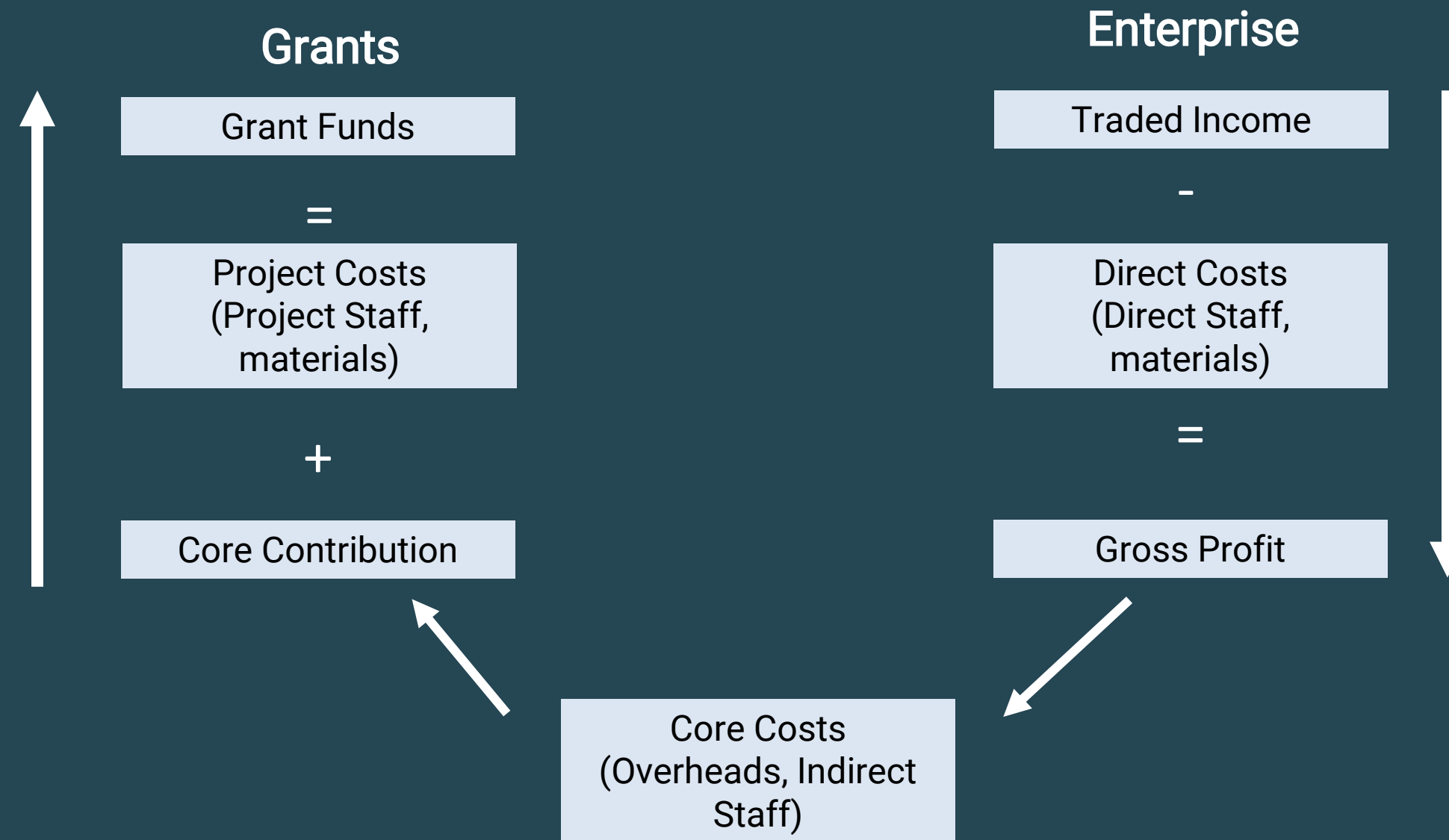
Financial Management

- Focuses on planning ahead - projections and tracking progress
- Supports full cost recovery
- Provides analysis - identifying exactly where money is made or lost within enterprise
- Primarily for internal use to understand and strengthen the organisation

Strong, accurate, regular financial management and reporting ensures that information is available to support good decisions, helping to steer the organisation in a clear direction and away from crisis.



Grant v Enterprise



Budgeting

1

Ties in to the business plan

2

“If we don’t know what we’re trying to do, how do we know if we’re getting it right?”

3

Budgets reflect planned activities

4

Forward – preferably 3 years

5

Ongoing process

6

Revised in the light of changes



Project Costing

1

What are we trying to do?

2

How will we achieve it?

3

People? Resources?

4

Management and admin?

5

Cost?

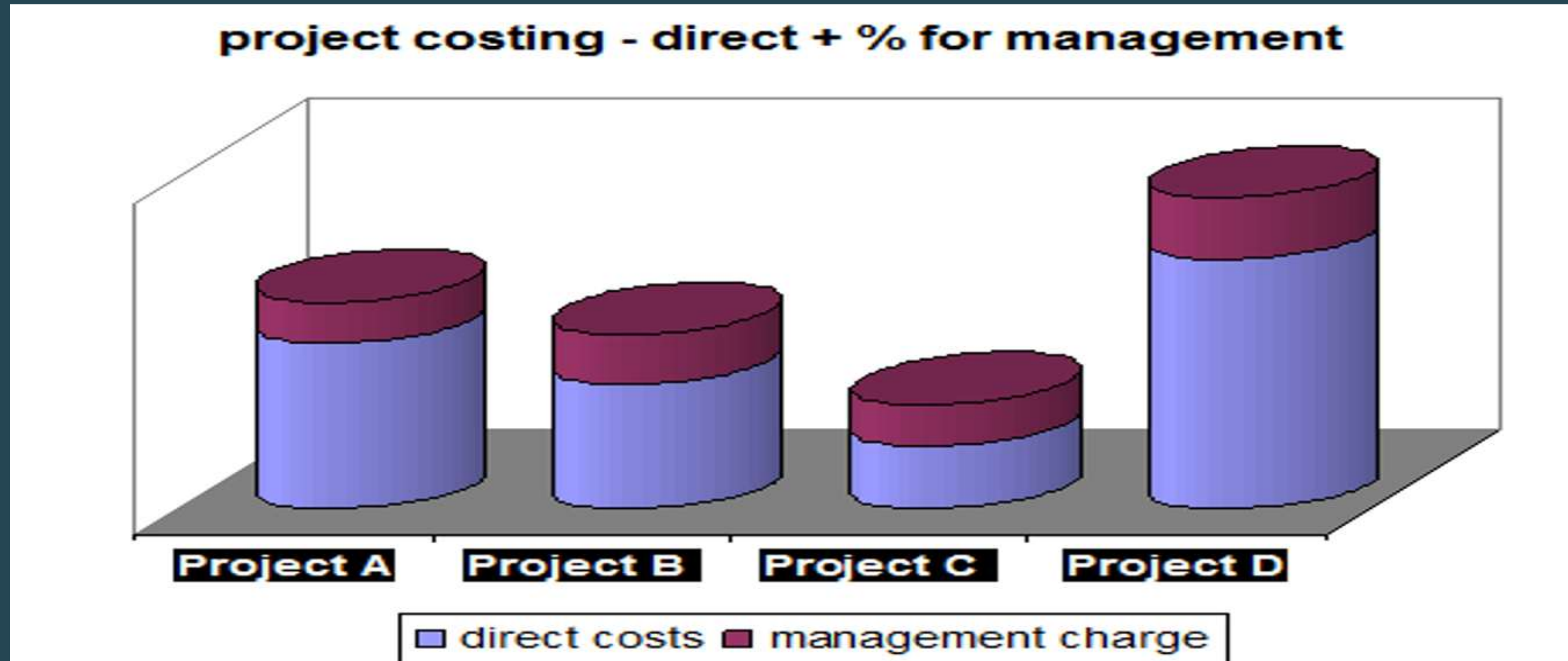
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Capacity and capability?

Applies to all kinds of projects/activities – funded, income generating and fundraising



Why doesn't this work?



	Project A	Project B	Project C	Project D	
Direct Project Costs	£20,000	£15,000	£5,000	£35,000	£75,000
% mgmt & overheads	10%	15%	18%	15%	
Contribution to mgmt & overheads	£2,000	£2,250	£900	£5,250	£10,400



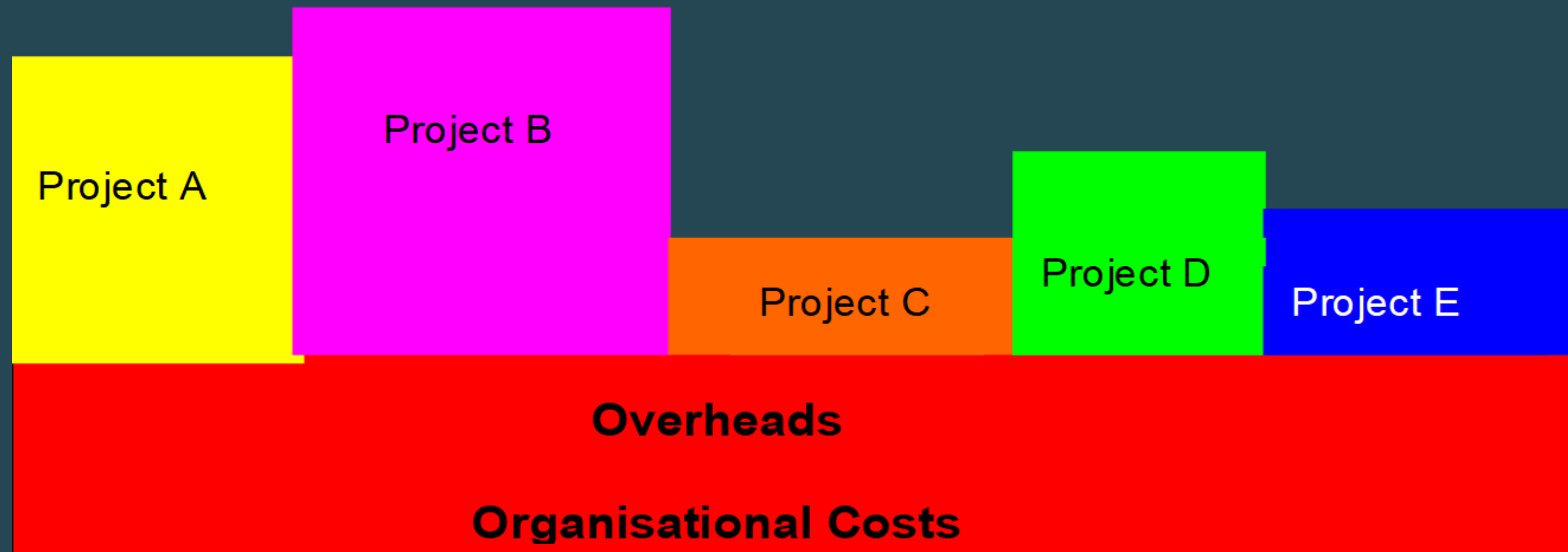
Are all costs covered here?

Direct costs				Capital costs	Mgment & admin			Overheads			
Funder 1				Funder 2			Funder 3	Funder 4			



Full Cost Recovery

Projects can't exist without organisations.
Overheads = organisational support costs



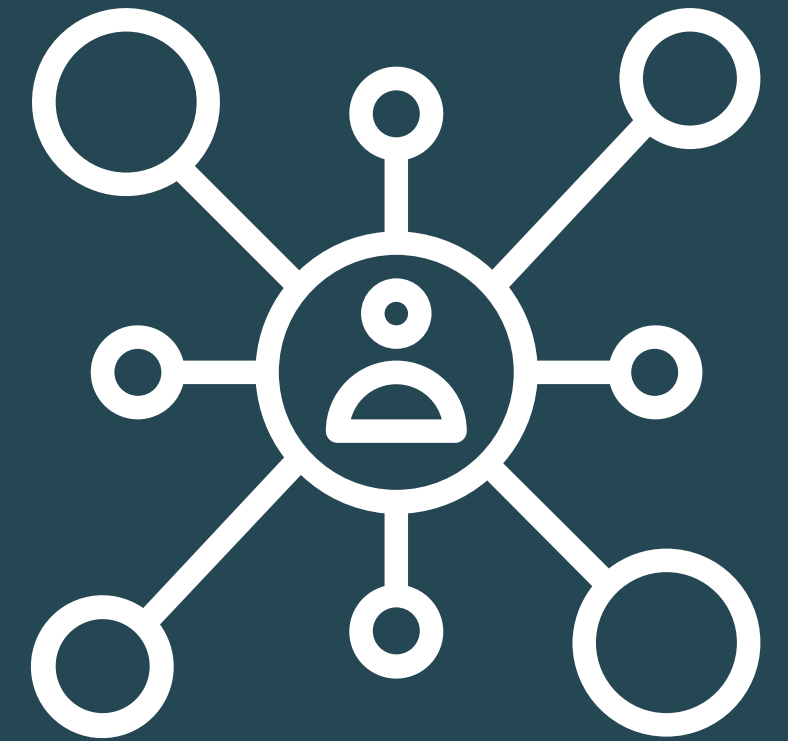
Full Cost Recovery

Full Costs =

Direct costs of activity/project

+

Reasonable contribution to overheads of organisation



For guidance and an excel FCR template TNL

<https://www.tnlcommunityfund.org.uk/funding/funding-guidance/full-cost-recovery>



Budget monitoring

1

Monitor actual v projected

2

Interrogate for variances

3

“What’s different & why?”

4

“What do we need to do about it?”

5

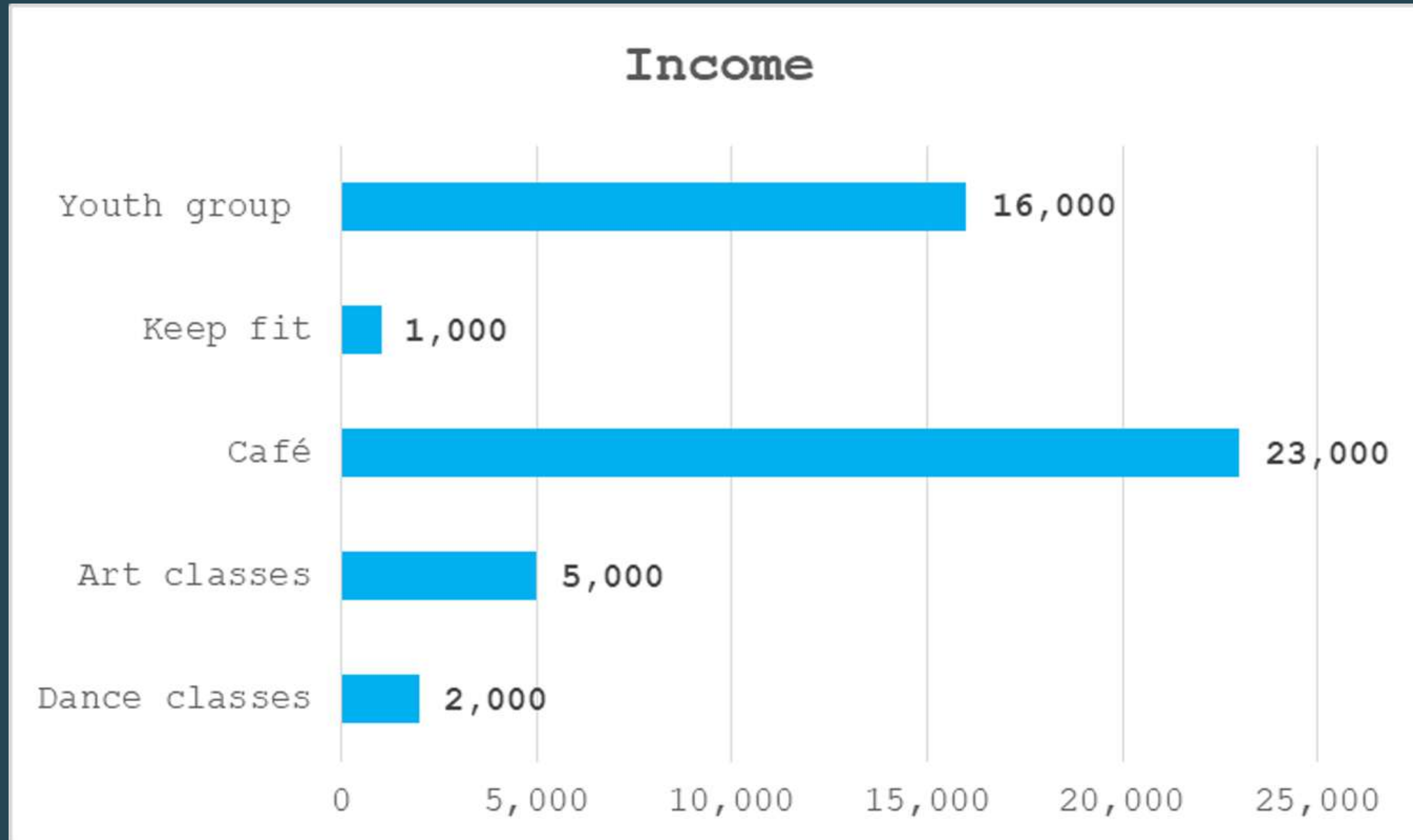
“How does this affect our forward plan”?

6

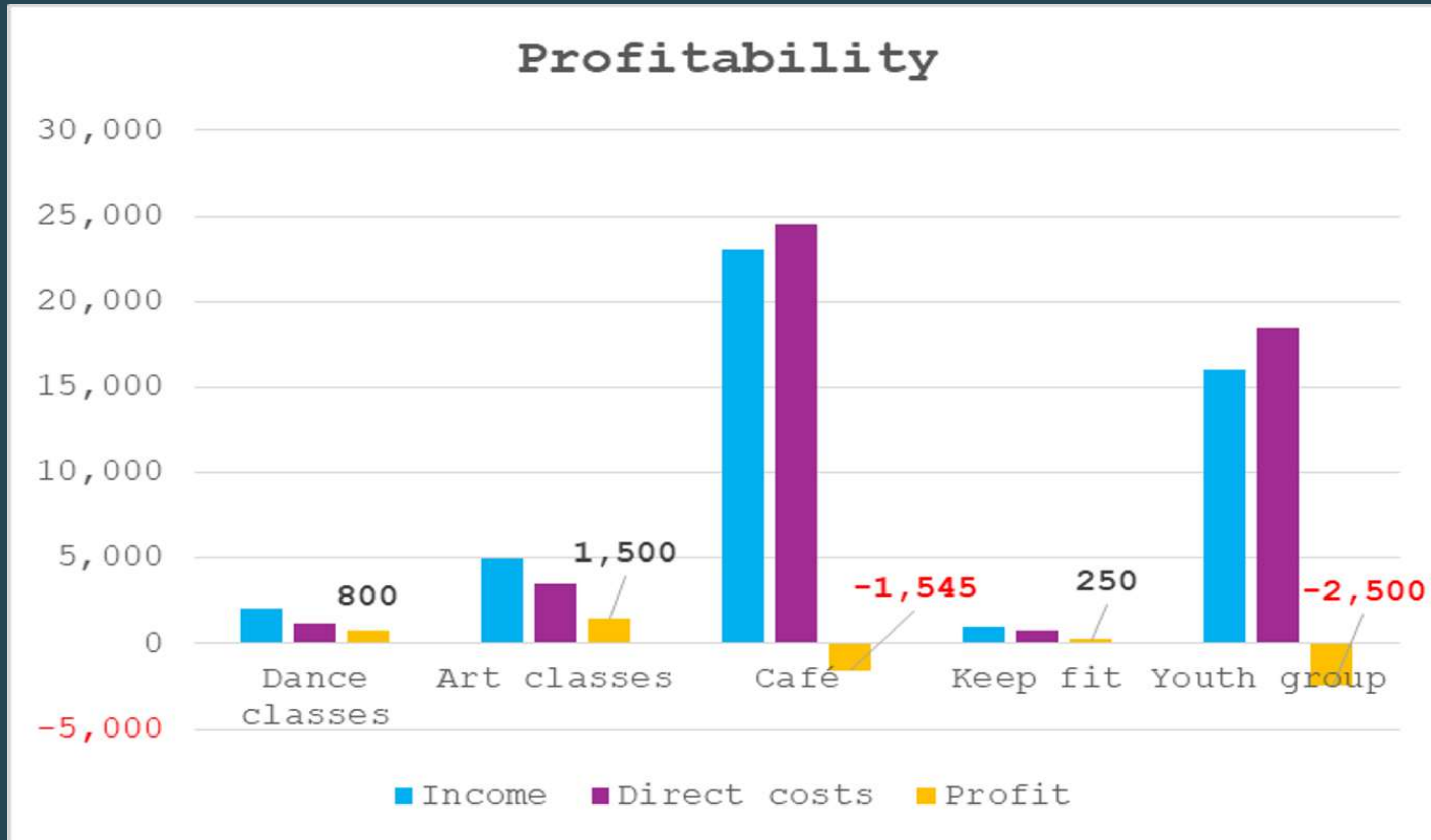
Particularly important for trading activities where profit matters



Income doing ok?



Are you sure?



How is this café doing?

	July		August		September		October		November	
% of sales	£									
			9.24%		-10.23%		-11.68%		-11.54%	
Sales	£27,870.55		£30,444.58		£27,329.64		£24,138.74		£21,354.22	
Purchases	£9,567.37	34.3%	£9,881.49	32.5%	£9,025.58	33.0%	£8,839.38	36.6%	£7,125.88	33.4%
Gross margin before staff costs	£18,303.18		£20,563.09		£18,304.06		£15,299.36		£14,228.34	
Salaries – café/kitchen staff	£15,072.88	54.1%	£15,934.20	52.3%	£15,072.88	55.2%	£15,207.73	63%	£15,235.66	71.3%
Other direct costs	£1,365.96	4.9%	£2,308.57	7.6%	£1,190.59	4.4%	£1,544.99	6.4%	£2,267.88	10.6%
Gross profit	£1,864.34	6.7%	£2,320.32	7.6%	£2,040.59	7.5%	-£1,453.36	-6.0%	-£3,275.20	-15.3%



Even worse with FCR!



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Electricity	£2,496.30		£2,540.09		£2,303.49		£2,598.19		£2,677.20	
Management/Admin salaries	£2,917.04		£2,917.04		£2,917.04		£2,917.04		£2,917.04	
Share of overheads	£1,750.00		£1,750.00		£1,750.00		£1,750.00		£1,750.00	
Loss under FCR	-£5,299.00		-£4,886.81		-£4,929.94		-£8,718.59		-£10,619.44	

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Reflection

Take aways?

Would you consider making any changes within your organisation?

Links and resources

DTAS website – www.dtascot.org.uk

- Members Area – Management Account Toolkit + Excel Spreadsheet

Lynn@dtascot.org.uk - Crisis Support Lead

- National Lottery guidance on full cost recovery
<https://www.tnlcommunityfund.org.uk/funding/funding-guidance/full-cost-recovery>





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Thank you!