



“a fresh approach”

Zing Consulting Limited is a professional services organisation established to help businesses improve performance by supporting strategy, risk management, finance and change management.

The consulting arm of Zing specialises in the provision of financial and strategic leadership, together with project and change management.

Our “Zing” focus is to be the leading provider of independent consultancy services to both the financial services industry, and to other associated commercial businesses. In order to achieve this Zing employs consultants with an established track record within their own fields of expertise.

As an independent business, Zing is not aligned to specific consultancy models or to particular technology solutions. It is this independence which allows us to offer objective advice and services individually tailored to meet our client’s requirements. This allows us to support and reinforce an organisation’s business strategy and overall risk framework.

Based in the Channel Islands, but with established networks in other locations, Zing aims to service the needs of small and large organisations around the world.

In order to view our services and gain a better understanding of how we can help you, feel free to visit our website.

www.zingcl.com

Cash Flow & ANLA

As Fred Adler the venture capitalist said:

“Happiness is a positive cash flow.”

What is the point of having a paper profit and an empty wallet?

Cash flow is vitally important to the running of any business - large or small. Over the years statistics have shown it is one of the single most important reasons why many businesses fail. It is therefore extremely important to manage cash flow in order to enable the smooth running, survival and success of your business.

When a corporate business fails due to poor cash flow, it is known as insolvency. Effectively if you are insolvent then you are unable to pay your debts.

What is Cash Flow?

Cash flow refers to the money coming into a business from selling its services or products, and the money it spends on all aspects of providing that service or product.

It is important to distinguish cash flow from profit. They are two very different things. Profit refers to the difference between total revenue booked and total cost booked over a period of time.

Income and Expenditure

Companies receive cash from selling goods or services. Quite often, if services are provided, invoices are raised for time spent after completion of the work carried out. The invoice will then be sent to the customer who will pay in due course. However in this time it is likely costs such as rent, salary, stationary, telephone etc, are being paid out to cover the work carried out. It is easy to see how important it is to ensure debts are collected as quickly as possible in order to have the cash to pay the bills as they become due.

ANLA

In Jersey we have something called the Adjusted Net Liquid Assets (“ANLA”) calculation, which ensures regulated Investment Business and Trust Companies have enough liquid cash flows to meet their short term commitments.





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Regulation

Included in the Investment Business Codes of Practice in Jersey under section 5 the regulations state:

“A registered person must maintain, and be able to demonstrate the existence of, both adequate financial resources and adequate insurance.”

This is included as one of the seven underlying principles of the codes of practice. A registered business conducting Investment Business in Jersey must maintain a surplus of ANLA over the Expenditure Requirement (“ER”) in a ratio of 110% in accordance with the calculation in the codes of practice.

Within the Codes of Practice for Trust Company Business, there is also the same provision for an ANLA/ER calculation.

How Zing can help you with your Cash Flow, and your ANLA calculation

At Zing we boast finance and operational professionals within our team of experienced consultants. With many organisations experiencing difficulties in recruiting a dedicated finance professional for a reasonable cost, cash flow forecasts and ANLA calculations are often considered to be a low priority.

In addition compliance professionals, even though vastly experienced in their own field, often don't have the required skills in order to understand and therefore check the ANLA calculations as they are produced.

Zing can help in many ways. We can:

- Co-source your Finance function by providing you with a Finance Director for an appropriate number of days each month.
- Train the person in your organisation responsible for completing the ANLA calculation.
- Relieve pressures within your organisation by carrying out a review of the ANLA calculation on a regular basis.
- Carry out high level training at an appropriate level in order for your compliance officer to gain an understanding of how the ANLA calculation is put together.
- Analyse your methods of invoicing customers and your methods of collecting debts from your customers, and offer appropriate advice regarding improvements.
- Carry out a financial health-check of your organisation in order to assess whether your internal procedures allow you to manage your cash flows in the most efficient way.
- Work with you to find ways of transferring the burden of cash collection to us, as a dedicated co-sourcing partner.

How your engagement with Zing will benefit your business

There are many benefits to be derived from co-sourcing your finance function, help with your ANLA calculation and better management of your cash flow. Some of these are:

- Additional time available to senior management to grow the business and other value adding activities.
- Meeting your regulatory requirements in respect of the ANLA calculation itself and the availability of adequate cash flows.
- A more efficient and robust business model.

By engaging with Zing you will gain the benefit of the many years of finance, operations, risk and compliance experience within all sectors of the financial services arena.

Who to contact if you want to discuss this further

Ian W. Jones BA ACA

Zing Consulting Limited, 1 Bond Street Chambers, Bond Street, St. Helier, Jersey, UK, JE2 3NP

Email: ianjones@zingcl.com Telephone: +44 (0) 1534 741001 Mobile: +44 (0) 7797 711001

Website: www.zingcl.com

