YOUR QUICK TOUR

See the two stories clearly

Profit and cash answer different questions. Use both to understand performance, timing and the money available now.

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YOUR FINISH LINE

One plain-English profit-to-cash bridge, one short cash forecast and one weekly routine for acting before cash gets tight.

01 / MEET YOUR GUIDE

Sara is profitable - and short of cash

Fictional example: Sara, her catering studio and all amounts and events are invented.



THE PROFIT STORY

Sara delivers several large events and records the sales. After matching the related ingredients, labour and other costs, the month shows a profit.

THE CASH STORY

Customers have thirty days to pay. Sara already paid suppliers, rent and a deposit on new equipment. The bank balance falls before customer money arrives.

THE LESSON

A good profit can sit beside a cash squeeze. Sara needs the profit report, the bank balance and a forecast of when money moves.

02 / TWO VIEWS

Separate profit from cash

The numbers connect, but they do not move at the same time or for the same reasons.

PROFIT: DID THE PERIOD CREATE VALUE?

Profit is income minus expenses for a period under the accounting rules you use. It includes amounts that may not have been collected or paid yet.

CASH: WHAT MONEY MOVED?

Cash flow records money entering and leaving. The closing bank balance shows what is available now, after all cash movements.

WHY THEY DIFFER

Invoices, unpaid bills, inventory, equipment purchases, loan movements, owner transactions and non-cash expenses can separate the two.

USE BOTH VIEWS

Profit helps you judge the business model. Cash helps you judge timing, liquidity and whether near-term commitments can be met.