Financial Forecasting Report

1. Trend Analysis

The company's financial data shows a highly variable pattern of revenue and expenses over the past several years. Revenue appears sporadically, with some months showing substantial income while most months report no income. Similarly, expenses are also intermittent, occurring in some months and absent in others, and vary in type significantly.

Revenue Trends:

- Revenue is not consistently generated and varies significantly depending on the project and month with sources such as Salary, Investment, Others and Business. There are many months with no reported income, which are interspersed with months that have positive income and no expenses.
- There are clear peaks in revenue, indicating specific projects generating income at certain times. For example, we see substantial salary income at various times of the year across multiple projects.

Expense Trends:

- Expenses show fluctuation, with months exhibiting both significant spending and periods of no reported expenses.
- Expenses such as food, rent, marketing, supplies, services, and transport are incurred, but with high variability and not evenly distributed.
- Some years show high expense totals compared to others with little or no recorded income or expenses.

Overall, the lack of consistent revenue and the variable nature of expenses point to a sporadic business model where income and expenses do not follow a steady pattern and vary on a project by project basis with no recurring patterns or seasonality.

2. Future Projection (Forecasting)

Given the historical data’s inconsistent pattern, forecasting is based on the average monthly income and expenses across the provided period, while acknowledging the limited reliability due to historical data variability. We have calculated the average monthly income and expenses by adding all the income and all the expenses and then dividing them by the number of months that are included in the historical data. For the next 3, 6, and 12 months, we assume that these averages will be the best estimate as there is not enough data to do any further trend analysis.

Period	Projected Revenue	Projected Expenses
Next 3 Months	$10,391.11 PLN	$3,059.00 PLN
Next 6 Months	$20,782.22 PLN	$6,118.00 PLN
Next 12 Months	$41,564.44 PLN	$12,236.00 PLN

3. Revenue-Expense Relationship Analysis

The relationship between revenue and expenses appears imbalanced in the data, with expenses often preceding income by several months or being reported in months without any revenue. For example, 2020 January shows high expenses with a lower income. There are numerous instances of expenses without matching revenues in the provided data across all projects. Conversely, there are also months with significant income and no listed expenses. This irregular pattern of revenue and expenses can create cash flow challenges, particularly when expenses are incurred ahead of revenue.

Periods where expenses approach or exceed revenue typically occur during months where significant investments are made. Expenses are not constant, but rather occur sporadically.

To manage the balance, prioritize ensuring consistent revenue streams before incurring significant expenses. Focus on project profitability, and try to align expenses with revenue cycles whenever possible.

4. External Factors (Optional)

External factors such as fluctuations in the economy, changes in market demand, or inflation could affect projected outcomes. It's crucial to stay informed about these trends and adapt strategies accordingly.

5. Strategic Recommendations

- **Stabilize Revenue Streams:** Explore opportunities to establish more consistent revenue sources. This may include securing recurring projects, or exploring product offerings that provide more predictable income.
- **Expense Management:** Track all expenses closely and try to reduce costs wherever possible. By understanding the timing of revenues, you will be able to time expenses better to improve cash flow.
- **Budgeting and Forecasting:** Implement a more detailed budgeting process based on project by project revenue and expense tracking. This will improve forecasting accuracy and enable better financial decisions.
- **Diversify Revenue Sources:** Diversify your business activities to reduce reliance on a single type of project or income source. This can provide a more stable base and mitigate risk.

By carefully addressing these areas, the company can improve its financial stability and create a path toward sustainable growth.