

Partial budget template

A partial budget is used to calculate the effect on business margins (and thus profits) of a proposed change in a portion of the farm business. It uses only the costs and returns that alter as a result of the proposed change, providing an indication of the potential improvement in business performance and a measure of how existing farm enterprises, and the business as a whole, may be financially affected.

Possible gains from change

Extra Income	Amount in £'s
Description	
Total income gained (A)	£

Costs saved	Amount in £'s
Description	
Total costs saved (B)	£
Total possible gains (E)	= (A+B) £

Off-set against losses from change

Lost Income	Amount in £'s
Description	
Total income lost (C)	£

Extra trading costs	Amount in £'s
Description	
Total extra trading costs (D)	£
Total off-set (F)	= (C+D) £

Notes: Do not include capital costs of the proposed change but do include any interest charges on additional borrowing that is required for the change. As well as any extra depreciation. Like wise for any savings in interest etc.

Total change in profit	= (E-F)	£
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