Nicky is a young fashion designer. Nicky lives in a small flat in south London. She currently does not have enough money to open a shop. She works from home designing and making her own clothes. Each month she buys the materials to make her clothes from a local shop. She sells the clothes she makes on E-Bay. She also has a part time job working at Top Shop.

**Use the following information to design a cash flow forecast for Nicky.**

1. At the start of May she has just £20 in her bank account.
2. Nicky get paid £150 a month from her part time job at Top Shop.
3. Her rent each month is £200.
4. Her Broadband internet connection costs Nicky £10 a month.
5. In May, she spends £50 on materials to make clothes, she sells them on eBay for £150.
6. Again, in June, she spends £50 on materials, this month however, she only sells the clothes for £100.
7. In July Nicky’s sewing machine breaks. She has to buy a new one. This costs, £50.
8. In July, August and September, Nicky spends £75 a month on materials.
9. In July she receives £150 from her sales on eBay, In August £200, and in September £175
10. Finally in October, Nicky does not make many clothes, she spends just £25 on materials, selling the clothes for £50.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **MAY** | **JUNE** | **JULY** | **AUG** | **SEPT** | **OCT** |
| **OPENING BALANCE** | 20 | 60 | 50 | 15 | 80 | 1 20 |
|  |  |  |  |  |  |  |
| **INCOME / RECEIPTS** |  |  |  |  |  |  |
| Top Shop | 150 | 150 | 150 | 150 | 150 | 150 |
| eBay Sales | 150 | 100 | 150 | 200 | 175 | 50 |
|  |  |  |  |  |  |  |
| **TOTAL RECEIPTS** | **300** | **250** | **300** | **350** | **325** | **200** |
|  |  |  |  |  |  |  |
| **EXPENDITURE / PAYMENTS** |  |  |  |  |  |  |
| Rent | 200 | 200 | 200 | 200 | 200 | 200 |
| Broadband | 10 | 10 | 10 | 10 | 10 | 10 |
| Materials | 50 | 50 | 75 | 75 | 75 | 25 |
| Sewing Machine |  |  | 50 |  |  |  |
|  |  |  |  |  |  |  |
| **TOTAL PAYMENTS** | **260** | **260** | **335** | **285** | **285** | **235** |
|  |  |  |  |  |  |  |
| **MONTHLY NET CASH FLOW** | **40** | **-10** | **-35** | **65** | **40** | **-35** |
|  |  |  |  |  |  |  |
| **CLOSING BALANCE** | 60 | 50 | 15 | 80 | 120 | 85 |

S+C: How could Nicky improve her cash flow? (Hint – look at the highlighted sections. There are other things she could do as well)