**Inflows and Outflows**

Have a look at the inflows and outflows below of a small coffee shop. Put them into the table below in the relevant shaded sections and calculate their total receipts/inflows and total payments/outflows.

* They pay £1,200 on coffee beans, milk and sugar
* They pay £100 interest on their bank loan
* They pay £100 to advertise in a local paper
* They pay £200 on tills, card machines and display cabinets
* They pay £200 to their staff
* They pay £400 in electricity, gas and water bills
* They receive £1,000 from the owner
* They receive £800 from a bank loan
* They sell £600 worth of coffee and hot drinks

|  |  |
| --- | --- |
| **Receipts/inflows**  | **January (£)** |
| Sales |  |
| Owner’s funds |  |
| Loan |  |
| **Total Receipts:** |  |
| **Payments/outflows** |  |
| Equipment |  |
| Wages |  |
| Bills |  |
| Interest |  |
| Materials |  |
| Advertising |  |
| **Total Payments:** |  |
|  |  |
| **Net Cash Flow:** |  |

Extension: How do you think you calculate net cash flow?

Fill in the blank net cash flow box.

* A bank lends the business £2,500
* A business sells 100 products at £7 each
* Gas costs £150, electricity £70, water £200 and phone £80
* The business buys 2 tills costing £300 each and 4 display cabinets costing £150 each
* The business pays 2 members of staff £10 an hour and they work for 9 hours each
* The owner puts £1,000 into the business
* Their online advertising costs £50 for their website and £50 for their Google advertising space
* They buy stock costing £220
* They pay 3% interest on another loan of £100,000

Use the space to the right of the table for workings out.

|  |  |
| --- | --- |
| **Receipts/inflows**  | **January (£)** |
| Sales |  |
| Owner’s funds |  |
| Loan |  |
| **Total Receipts:** |  |
| **Payments/outflows** |  |
| Equipment |  |
| Wages |  |
| Bills |  |
| Interest |  |
| Materials |  |
| Advertising |  |
| **Total Payments:** |  |
|  |  |
| **Net Cash Flow:** |  |

Calculate their net cash flow

What is special about their net cash flow?

What might this mean for the business?