**Your Own Business Idea - Cash Flow (Payments and Receipts)**

Please complete the cash flow diagram for your first month of trading for our own business. In the far right column, explain how you have decided on each amount.

|  |  |  |
| --- | --- | --- |
| Receipts/Inflows | January (£) |  |
| Sales |  |  |
| Owner’s funds |  |  |
| Loan |  |  |
| **Total receipts** |  |  |
|  |  |  |
| Payments/Outflows |  |  |
| Equipment |  |  |
| Wages |  |  |
| Phone |  |  |
| Electricity |  |  |
| Gas |  |  |
| Water |  |  |
| Interest |  |  |
| Materials |  |  |
| Advertising |  |  |
| **Total payments** |  |  |
|  |  |  |
| **Net cash flow** |  |  |

Sales = average price x quantity sold

Owner’s funds = a reasonable amount you could afford to put into your business

Loan = a maximum of £10,000 from your bank

Equipment = depending on your business idea, what equipment will you need in order to function

Wages = how many employees will you have x national minimum wage (£6.70) x number of hours worked

Phone = a typical phone bill for a home is £16 a month. How many lines will you need and how much will you use the phone?

Gas = an average home gas bill is £752 a year

Electricity = an average home electricity bill is £592 a year

Water = an average home water bill is £198 a year

Interest = 3% of your loan from the bank

Materials = what stock you will need to make your product

Advertising = where will you advertise and how frequently? 1 month of Facebook is £500, 1 month of TV = £20,000, 1 month of Radio is £2,000, 1 week of Newspaper is £5,000