

TYPES OF EXPENSES

Income is the money your social enterprise earns and expenses are what it spends money on. When you set up and run a business you will come across three types of expenses. The money you need to get set up, the ongoing fixed costs that stay the same every month and the ongoing variable costs that includes the cost of production and can vary each month.

SORT THEM OUT

Look at all the different expenses below and decide whether it is a:

S Start up expense

F Fixed ongoing cost

V Variable ongoing cost.



Hall Hire
£100 per month



Advertising
Est. £1000 per year



Wool & Needles
£150



Computer
£1200



Knitting Patterns
£50



Electricity
Est. £360 per year



Wages
£2000 per month



Logo Design
£250



Insurance
£1200 per year



Refreshments
Est. £20 per month



Craft Materials
£100



Mobile Phone
£50 per month

IDENTIFY EXPENSES

Social Enterprise Name: _____

Think about what you might need to buy or source to set up and run your social enterprise. Decide what type of expense this would be and estimate how much it might cost. You can use the internet to research costs to get a more accurate estimate.

**USEFUL TOOL:
SHOPPING LIST**

| START UP What do you need to get started? | ESTIMATED £ |
|--|--------------------|
| | |

| FIXED ONGOING What do you have to pay the same every month? | ESTIMATED £ |
|---|--------------------|
| <i>School based social enterprises don't often have Fixed Costs as things like water, heating and furniture are already covered by the council.</i> | |

| VARIABLE ONGOING What expenses change each month? | ESTIMATED £ |
|--|--------------------|
| | |