

# CASH FLOW STATEMENT

It is important when you run a business to keep track of how much you spend and how much you earn. A cash flow statement is useful to see an accurate record of your accounts. This allows you to begin to analyse peaks and troughs in sales in order to make decisions for the future of your social enterprise.

## RECORD OF ACCOUNTS

You have been running a stationery shop for the last 4 months. With an investment of £50 from your Head Teacher, you bought lots of stock, however after some initial high sales, your customers stopped buying. You asked your customers what they wanted to buy, took a risk and spent most of your remaining money on new stock and some advertising.

Complete the missing values in the table below. Did the risk pay off?

	DECEMBER	JANUARY	FEBRUARY	MARCH
<b>Balance at Start of Month</b>	<b>0</b>	<b>- 10.00</b>		
<b>Income (Money Coming In)</b>			<i>+ Add to Start Balance</i>	
Investment	50.00	0	0	0
Monthly Sales	0	50.00	20.00	155.00
<b>Total Income:</b>	<b>50.00</b>	<b>50.00</b>	<b>20.00</b>	
<b>Expenses (Money Going Out)</b>			<i>- Minus from Start Balance + Income</i>	
Inventory: Stationery Stock	40.00	0	15.00	50.00
Advertising	10.00	0	20.00	0
Utilities	0	20.00	0	0
Miscellaneous	10.00	0	0	0
<b>Total Expenses:</b>	<b>60.00</b>			
	DECEMBER	JANUARY	FEBRUARY	MARCH
<b>Balance at End of Month</b>	<b>-10.00</b>	90.00		

### Calculation for Balance at End of Month:

Balance at Start of Month + Total Income - Total Expenses = Balance at End of Month

Carry the Balance at the End of Month over into the Balance at Start of the next Month