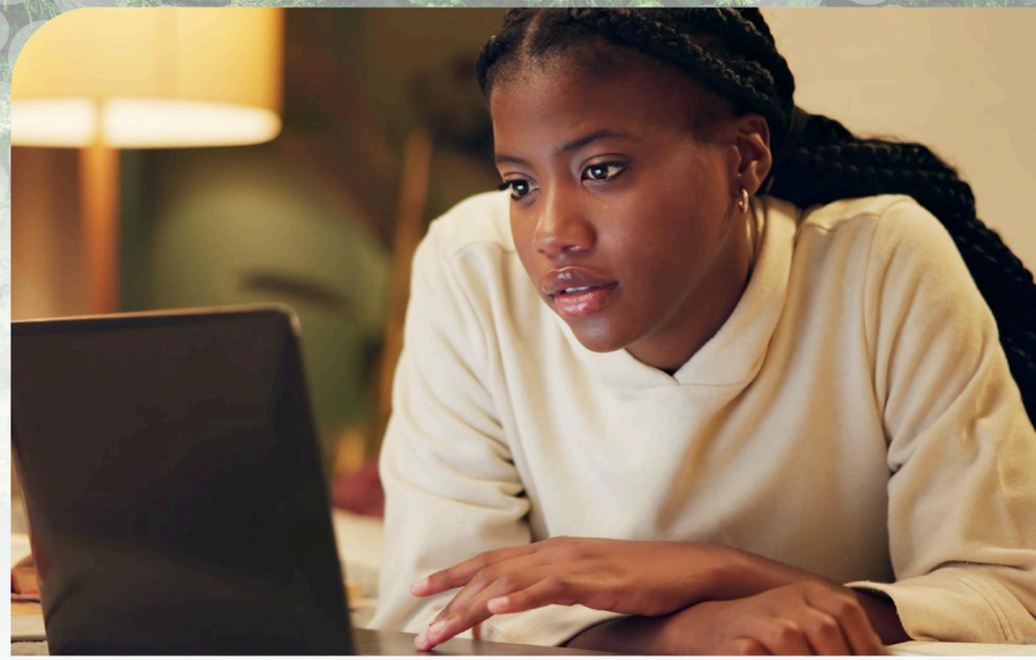
Start-up Budgeting & 12-Month Cash Flow Projection Workshop

By the end: classify costs • estimate funding • separate revenue, profit and cash • build a 12-month projection • spot shortages



Have an idea that could change Eswatini?

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Three questions every entrepreneur must answer

1

How much money do I need to start?

2

What will my first cycle cost?

3

Will cash cover 12 months?

THE WORKBOOK TURNS ESTIMATES INTO ANSWERS

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Four cost types — two different lenses

START-UP

When?

One-off before opening
Registration, machine

FIRST-CYCLE

When?

First production/service run
Initial fabric, ingredients

FIXED

Behaviour

Stable each month
Rent, base salary

VARIABLE

Behaviour

Changes with volume
Packaging, delivery

COSTS

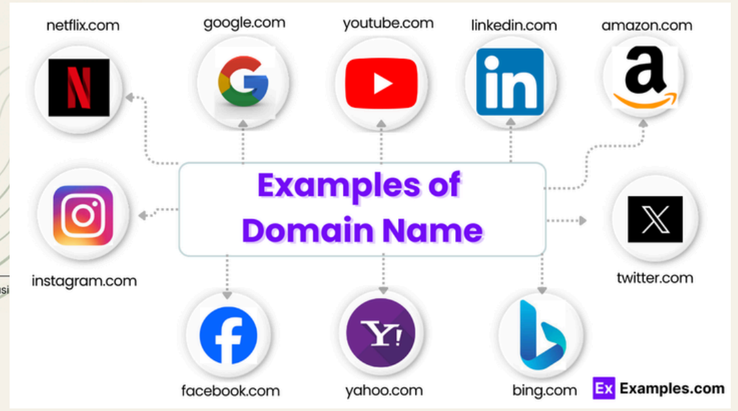
Eswatini

Companies Registry // SZL 0 – SZL 500



START-UP







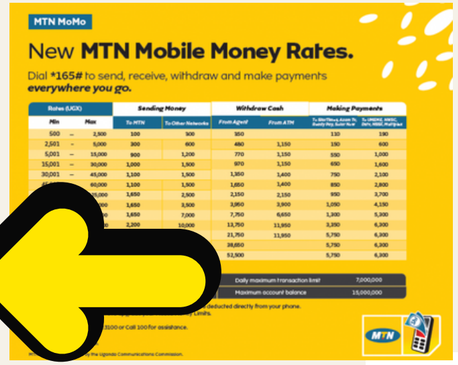
FIRST-CYCLE







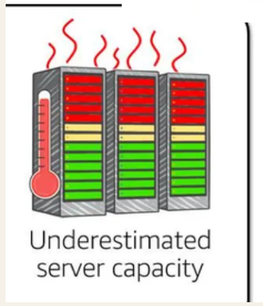
FIXED







VARIABLE





Bug Fix

A change made to a system, software, or product to correct a programming error or glitch, known as a “bug,” that causes the software to malfunction.

Techopedia

Revenue is not profit — and not always cash

SELLING PRICE
E50

SALES VOLUME
100 items

REVENUE
E5,000

E50 × 100 = E5,000 revenue

Profit = revenue − expenses • Cash received = money actually collected

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Build estimates from evidence, not optimism

SALES & ASSUMPTIONS

Main product / service	**School uniforms**
Selling price	**E180**
Month 1 sales volume	**25**

Use quotations • customer conversations • pre-orders • conservative assumptions

Cash flow = money moving in and out



A sale is not necessarily cash received. A loan is not profit.

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A profitable business can still run out of cash



Net cash flow = inflows – outflows

Closing = opening + net flow

Each closing balance becomes next month’s opening balance.

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Worked example: the reserve falls by E1,000

OPENING CASH	CASH IN	CASH OUT	NET FLOW	CLOSING CASH
E2,000	E6,000	E7,000	–E1,000	E1,000

Later month: payments exceed available cash. What do you do?

Arrange funding • reduce costs • negotiate timing • collect earlier

How to read the Cash Flow sheet

1 Opening balance

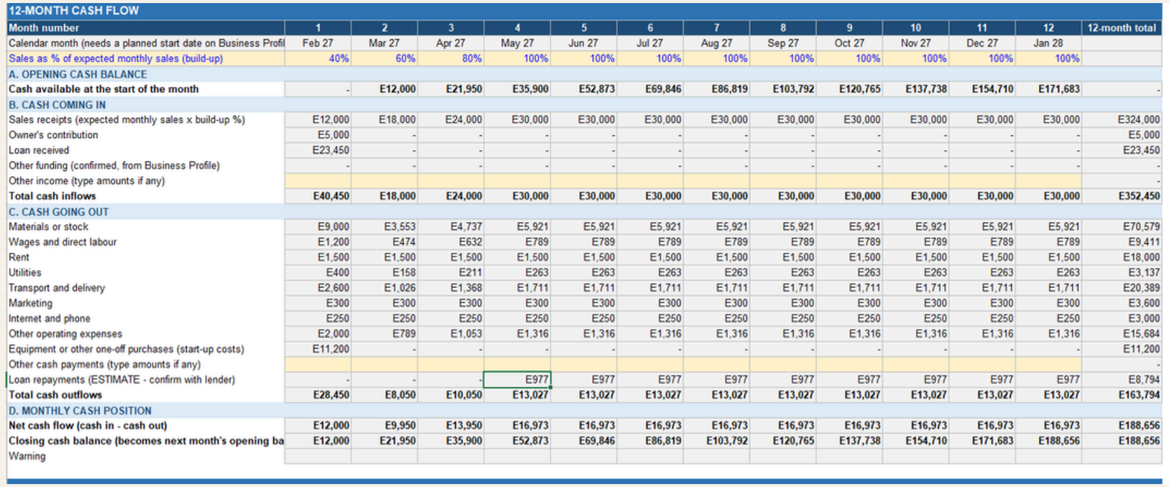
2 Start-up cost timing

3 Funding / loan timing

4 Monthly sales + costs

5 Loan repayments

6 Net flow + closing balance



12-MONTH CASH FLOW													
Month number	1	2	3	4	5	6	7	8	9	10	11	12	12-month total
Calendar month (needs a planned start date on Business Profil	Feb 27	Mar 27	Apr 27	May 27	Jun 27	Jul 27	Aug 27	Sep 27	Oct 27	Nov 27	Dec 27	Jan 28	
Sales as % of expected monthly sales (build-up)	40%	60%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
A. OPENING CASH BALANCE													
Cash available at the start of the month	-	**E12,000**	**E21,950**	**E35,900**	**E52,873**	**E69,846**	**E86,819**	**E103,792**	**E120,765**	**E137,738**	**E154,710**	**E171,683**	-
B. CASH COMING IN													
Sales receipts (expected monthly sales x build-up %)	E12,000	E18,000	E24,000	E30,000	E30,000	E30,000	E30,000	E30,000	E30,000	E30,000	E30,000	E30,000	E324,000
Owner's contribution	E5,000	-	-	-	-	-	-	-	-	-	-	-	E5,000
Loan received	E23,450	-	-	-	-	-	-	-	-	-	-	-	E23,450
Other funding (confirmed, from Business Profile)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income (type amounts if any)													-
Total cash inflows	**E40,450**	**E18,000**	**E24,000**	**E30,000**	**E30,000**	**E30,000**	**E30,000**	**E30,000**	**E30,000**	**E30,000**	**E30,000**	**E30,000**	**E352,450**
C. CASH GOING OUT													
Materials or stock	E9,000	E3,553	E4,737	E5,921	E5,921	E5,921	E5,921	E5,921	E5,921	E5,921	E5,921	E5,921	E70,579
Wages and direct labour	E1,200	E474	E632	E789	E789	E789	E789	E789	E789	E789	E789	E789	E9,411
Rent	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E1,500	E18,000
Utilities	E400	E158	E211	E263	E263	E263	E263	E263	E263	E263	E263	E263	E3,137
Transport and delivery	E2,600	E1,026	E1,368	E1,711	E1,711	E1,711	E1,711	E1,711	E1,711	E1,711	E1,711	E1,711	E20,389
Marketing	E300	E300	E300	E300	E300	E300	E300	E300	E300	E300	E300	E300	E3,600
Internet and phone	E250	E250	E250	E250	E250	E250	E250	E250	E250	E250	E250	E250	E3,000
Other operating expenses	E2,000	E789	E1,053	E1,316	E1,316	E1,316	E1,316	E1,316	E1,316	E1,316	E1,316	E1,316	E15,684
Equipment or other one-off purchases (start-up costs)	E11,200	-	-	-	-	-	-	-	-	-	-	-	E11,200
Other cash payments (type amounts if any)													-
Loan repayments (ESTIMATE - confirm with lender)	-	-	-	E977	E977	E977	E977	E977	E977	E977	E977	E977	E8,794
Total cash outflows	**E28,450**	**E8,050**	**E10,050**	**E13,027**	**E13,027**	**E13,027**	**E13,027**	**E13,027**	**E13,027**	**E13,027**	**E13,027**	**E13,027**	**E163,794**
D. MONTHLY CASH POSITION													
Net cash flow (cash in - cash out)	**E12,000**	**E9,950**	**E13,950**	**E16,973**	**E16,973**	**E16,973**	**E16,973**	**E16,973**	**E16,973**	**E16,973**	**E16,973**	**E16,973**	**E188,656**
Closing cash balance (becomes next month's opening ba	**E12,000**	**E21,950**	**E35,900**	**E52,873**	**E69,846**	**E86,819**	**E103,792**	**E120,765**	**E137,738**	**E154,710**	**E171,683**	**E188,656**	**E188,656**
Warning													

Change one timing assumption and watch the closing balance move.

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A negative balance is an early warning

MAXIMUM CASH SHORTFALL

E12,500

Extra funds or changes needed to keep the balance at zero or above.

FIRST RESPONSES

1 Change timing
2 Cut or defer costs
3 Confirm owner funding
4 Explore funding sources
5 Revise sales realistically

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From budget to a credible loan request

START-UP + FIRST-CYCLE

E85,000

−

OWNER + OTHER FUNDING

E25,000

=

LOAN REQUIRED

E60,000

Lenders will test: quotations • demand evidence • assumptions • repayment plan

The workbook supports an application; it does not guarantee approval.

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Finish the workbook in this order

✓ Business Profile

✓ Realistic quotations

✓ First-cycle costs

✓ Prices + sales volume

✓ Fixed + variable costs

✓ 12-month cash flow

✓ Address shortages

✓ Loan Summary + evidence

Before submitting: replace or delete EXAMPLE rows and resolve every DRAFT warning.

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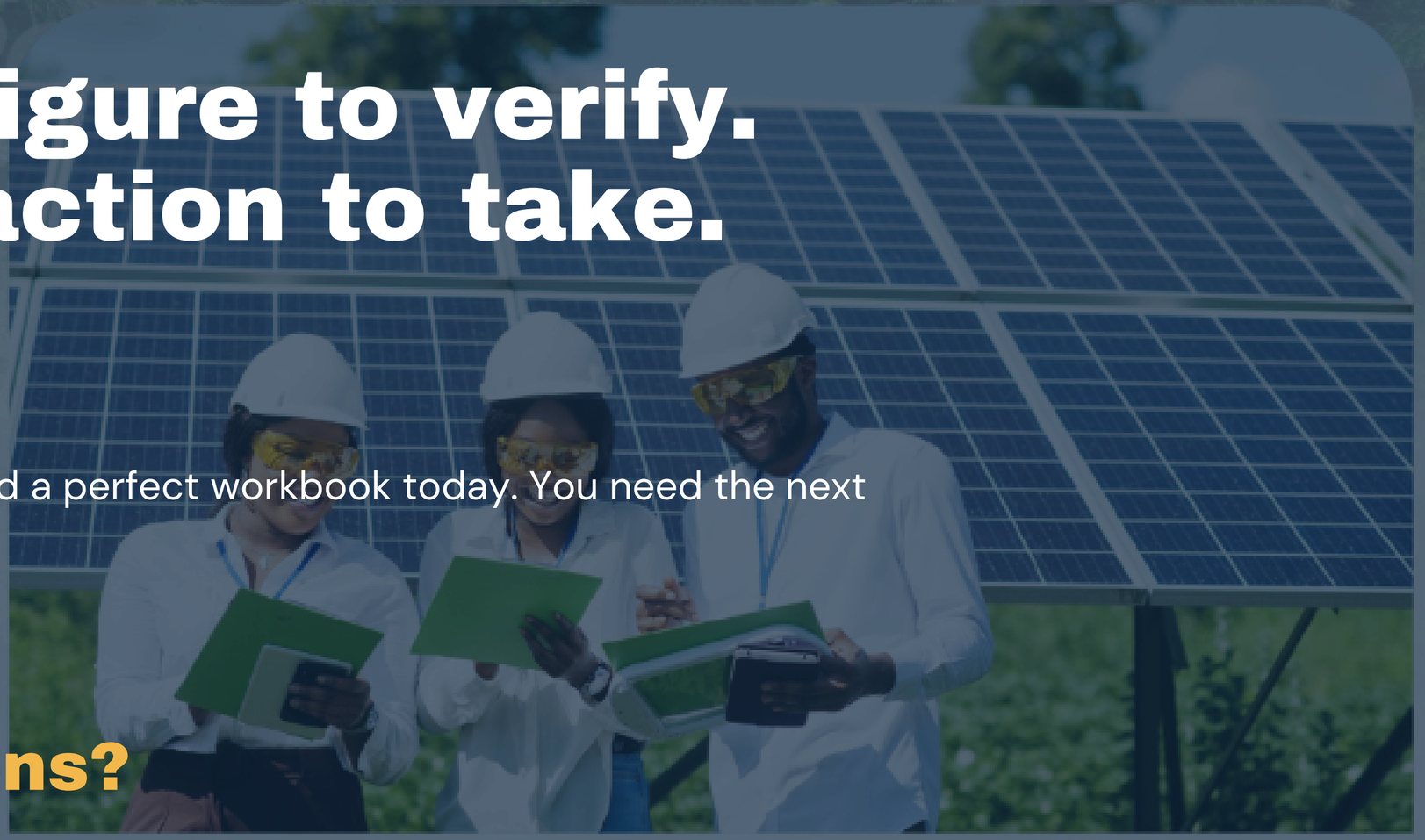
One figure to verify.
One action to take.



You do not need a perfect workbook today. You need the next realistic step.

Questions?

Your idea.

Eswatini's future.

Thank you

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