Farmer Bob

Bob the farmer grows wheat on his farm in Hertfordshire. He has problems with his cash flow. Every month he has expenses to pay such as fertiliser or staff wages, but he receives most of him money at the end of the year when he sells his crops.

**Bob gives you the following information:**

1. Bob employs one full time farm hand, all year round, Bob pays him £800 a month.
2. At harvest time in September Bob employs two extra workers, he pays them £500 each.
3. Bob pays himself a salary of £1,500 a month, (this is a cash outflow for the business).
4. In March Bob has to buy the seeds to plant, this costs him £350.
5. In March, May and July Bob sprays his crop with Fertiliser. It costs him £600 each time he does this.
6. It will cost Bob around £100 a month for petrol and maintenance on his tractors.
7. In June, he receives a grant from the government of £1,000.
8. Bob sells his entire crop in October to Carling, they pay him £25,000 in total

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|   | **MARCH** | **APRIL** | **MAY** | **JUNE** | **JULY** | **AUG** | **SEPT** | **OCT** | **TOTAL** |
| **OPENING BALANCE** | £50 |   |   |   |   |   |   |  |   |
|  |   |   |   |   |   |   |   |  |   |
| **CASH IN** |   |   |   |   |   |   |   |  |   |
|   |   |   |   |   |   |   |   |  |   |
| Grant |   |   |   |   |   |   |   |  |   |
| Revenue from Sales |  |  |  |  |  |  |  |  |  |
|   |   |   |   |   |   |   |   |  |   |
| **TOTAL RECEIPTS** |  |  |  |  |  |  |  |  |  |
|  |   |   |   |   |   |   |   |  |   |
| **CASH OUT** |  |  |  |  |  |  |  |  |  |
|  Farm Hand Wage |   |   |   |   |   |   |   |  |   |
|  Bob’s Salary |   |   |   |   |   |   |   |  |   |
|  Cost of Seeds |   |   |   |   |   |   |   |  |   |
|  Fertiliser |   |   |   |   |   |   |   |  |   |
|  Petrol |   |   |   |   |   |   |   |  |   |
| Two additional workers |   |   |   |   |   |   |   |  |   |
|   |   |   |   |   |   |   |   |  |   |
| **TOTAL PAYMENTS** |  |  |  |  |  |  |  |  |  |
|  |   |   |   |   |   |   |   |  |   |
| **MONTHLY NET CASH FLOW** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **CLOSING BALANCE** |   |   |   |   |   |   |   |  |   |