**Cash Flow Problems and Solutions**

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| **PROBLEM** | **POSSIBLE SOLUTION** | **FACTORS FOR CONSIDERATION** |
| A supplier has increased their prices by 10% as a result of increased fuel and transportation costs |  |  |
| A customer has asked if you will do a one off production order for them which will involve the purchase of a large amount of raw materials and extra labour hours in order to fulfill. The profit margin on this order is very attractive but the initial outlay is a concern |  |  |
| The taxman has been in touch this week and has informed you that there is an outstanding amount owed of £20,000 which you have not allowed for in your accounting. The payment is due in only 2 weeks otherwise heavy fines will be incurred |  |  |
| The government has just announced a rise in the minimum wage level of 12% which will increase your outgoings significantly, this coupled with recent rises in interest rates is a major concern especially as sales have seen a down turn over recent months |  |  |