



# Entrepreneurship 101

## Session 16. Financial Projections





# Building Blocks of Finance

**Revenue** – the money from selling a product/service.

**Expenses** – the costs incurred by producing a product/service.

**Assets** – long-term items owned by the company (e.g. land).

**Liabilities** – bills owed by the company (e.g. to creditors).

**Equity** – the money returned to shareholders.



# Key Financial Statement – P&L Statement

- Provides an overview of a company's:
  - revenue or sales, costs and expenses
  - over a given period of time.
- Purpose:
  - Highlights the company's bottom line.
  - Indicates a weak or strong financial performance.



# Key Financial Statement – Balance Sheet

- Reports a company's:
  - assets, liabilities and shareholder equity
  - at a specific point in time.
- Purpose:
  - Shows what a company owes and is owed.
  - A company can see if it's overleveraged.
  - Can check if enough cash/assets to operate.



# Key Financial Statement – Cashflow Statement

- Reports a company's:
  - cash position
  - over a given period of time.
- Purpose:
  - Determine the liquidity of the business.
  - Can use it to anticipate a negative cashflow.
  - Take actions to stop a shortfall e.g., overdraft.





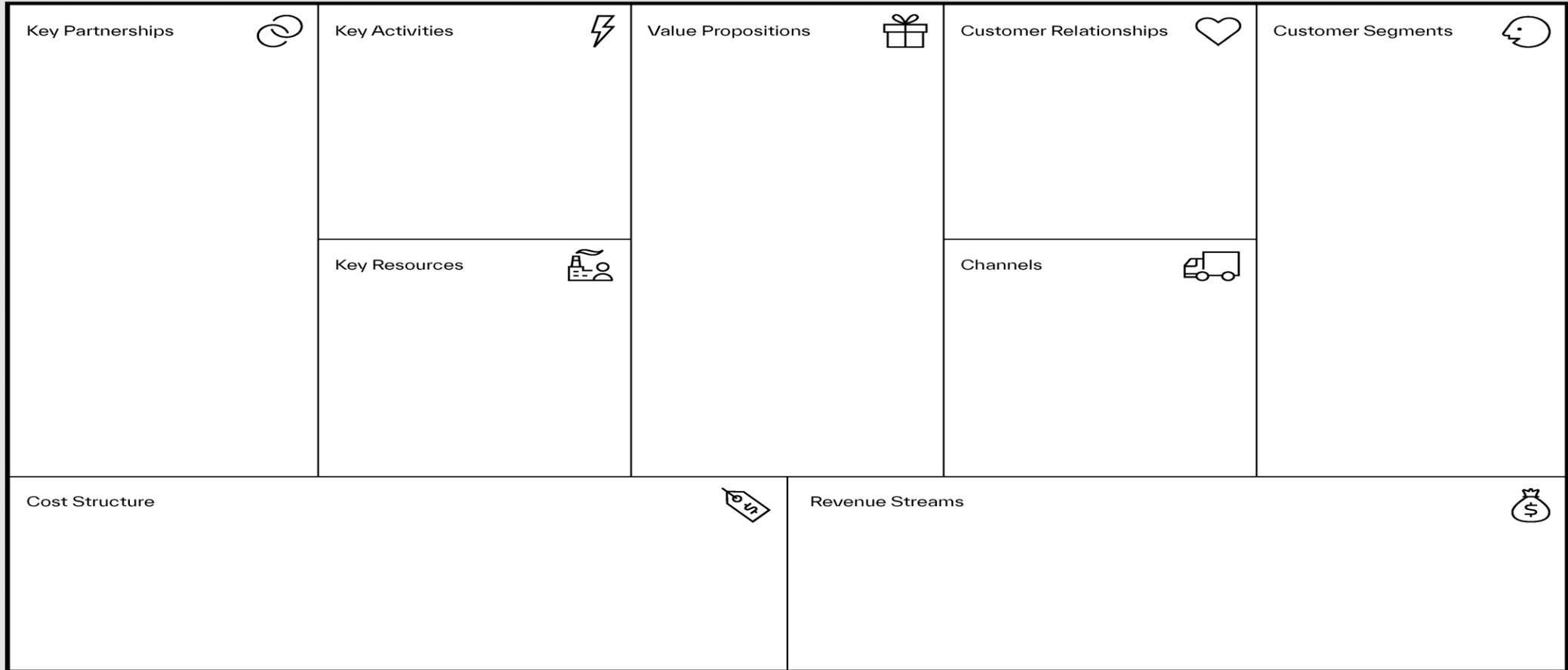
# The Business Model Canvas

Designed for:

Designed by:

Date:

Version:



# Congratulations!

**You have completed your business model canvas!**

Next steps:

- Keep the filled in version and empty copies.
- Revisit and revise when new information appears.
- Speak to others about your business aspirations.
- Connect with your local enterprise supports network.
- Work hard, persevere and never lose sight of your goals.
- You deserve success.

