



Finance for Creatives

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February 2025

Agenda

01. Business & Enterprise Set up 10-11

Understanding different business structures, legal requirements, and financial responsibilities..

03. Lunch Break 1.45-2.30

02. Getting to Grips with Financial Plan 11-1.45

Understanding cashflow, business financials and budgets

04. Lets Get to work 2.30-3.30

Practical session to start building financial templates for your business.



05. Q&A and Next Steps 3.30-4

Answering questions and setting clear financial goals for the future.

Introduction to Me

- I'm a **bookkeeper with over 25 years of experience** working in finance and helping businesses organize their systems and processes.
- I have a passion for **helping individuals** take control of their finances, making money management simple and stress-free.
- My journey includes **improving my own personal finances** and developing financial workshops tailored to freelancers and small business owners.
- I understand the challenges of handling finances in a creative business, and today, I'll provide **practical, actionable advice** to help you build a strong financial foundation for your business.



Introduction to YOU

What brings you to this workshop today?

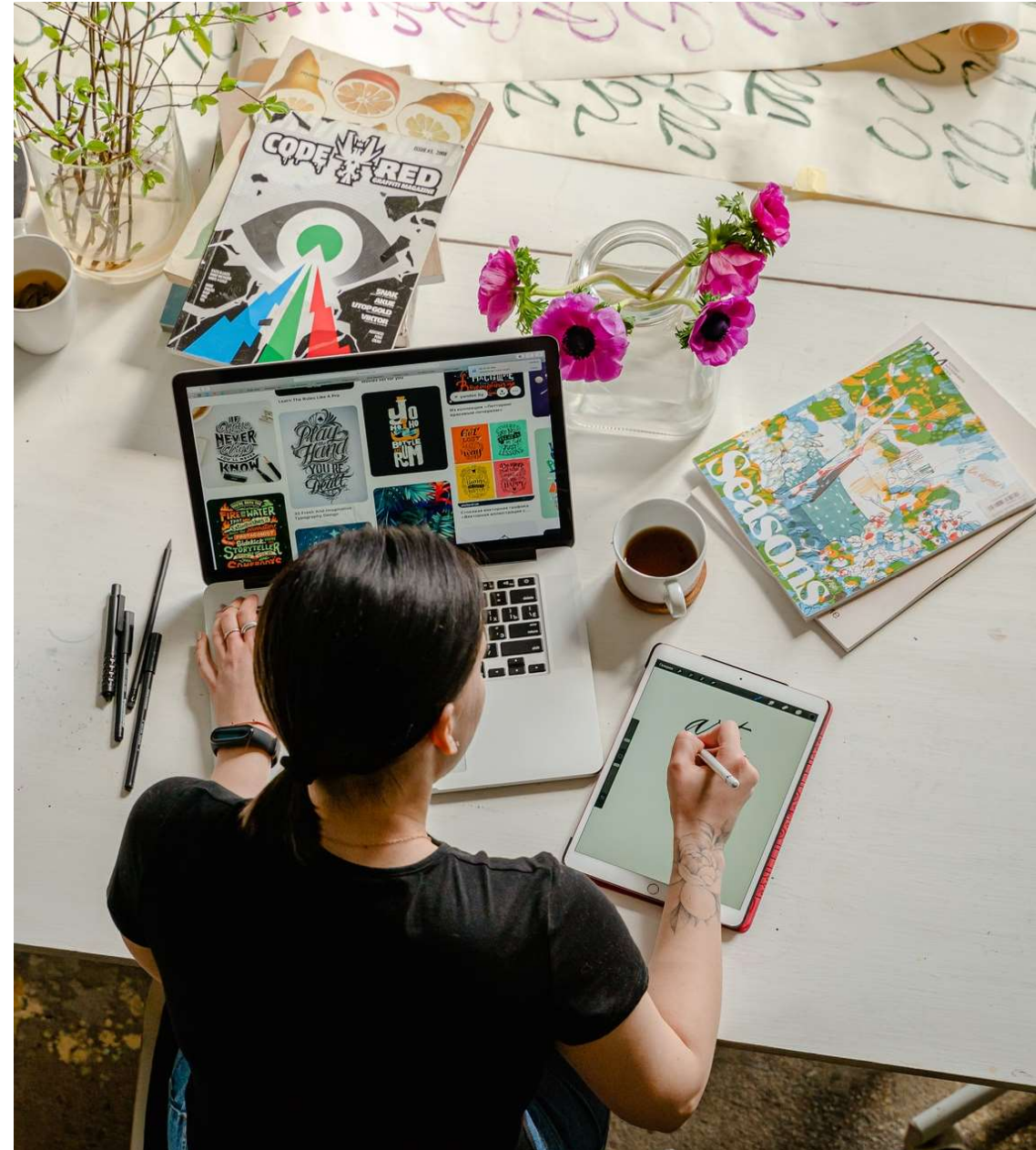
New business

Existing business

Personal finances

What do you need the most help with today?

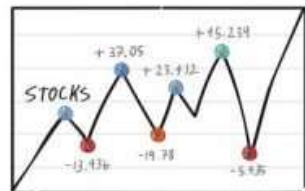
What is your biggest financial challenge right now?
(Personal or Business)



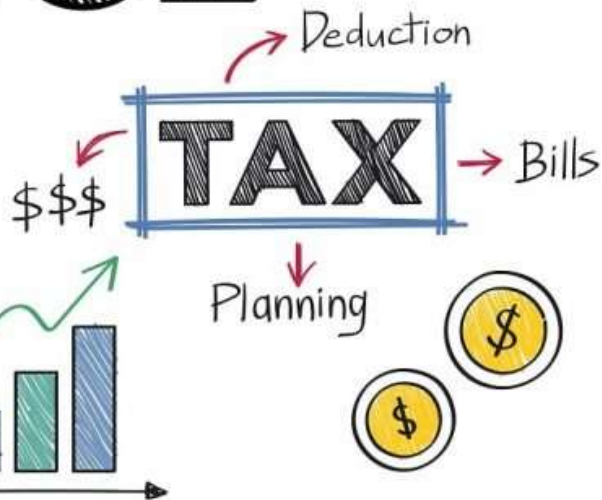
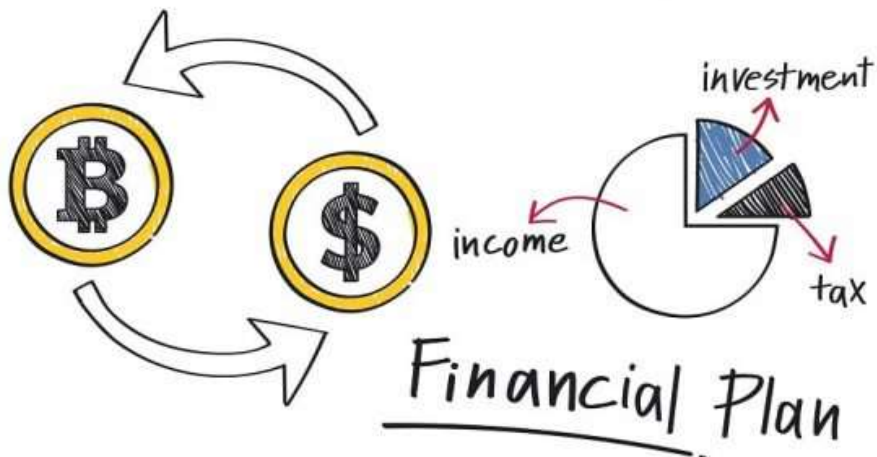
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Choosing the Right Business Structure

Self-Employed

- Simple to set up
- Low start up costs
- Direct control and decision making
- Tax benefits by use of personal allowance (£12,570)
- Good way to test a business idea
- Easier to stop/dissolve if need to
- Personally liable for any debts

Limited Company

- Legally separate from the people that run it
- Limited liability – protection of personal assets
- Raise capital by issuing shares to investors
- Different tax options
- More Admin and record keeping work and set up costs (annual accounts)

Consider your long-term goals before choosing.

Registering your business

Self-Employed

- Register as self employed with HMRC within 3 months of trading
- Submit self assessment tax return every year and pay your taxes
- Pay tax on your trading profits – not your total income

Total income – allowable business expenses
= TRADING PROFIT

Limited Company

- Limited companies need to register with Companies House and HMRC
- VAT Registration is required if turnover exceeds £85,000 but can be voluntary if beneficial
- File annual corporation tax return
- Business bank account keeps finances clear and compliant

Keeping Financial Records

Good record-keeping is key to managing your business finances effectively.

HMRC requires records of income, expenses, invoices, and bank statements for at least six years.

Make it a habit to update records regularly to avoid a last-minute rush at tax deadlines.



XERO



Quickbooks



Freeagent



Excel

Understanding Money IN vs Money OUT

Business priorities

CREDIT CONTROL – collection of monies owed

CASHFLOW - the money that moves in and out of a business over a period of time

SALES LEDGER – is a record of a business's sales and customer accounts

PURCHASE LEDGER - is a record of all the purchases a business makes

MONEY IN

- **Create Invoices to request payment on this money (sales)**
- Check that invoices are paid
- This includes all income sources
product sales,
services,
grants,
funding,
sponsorships

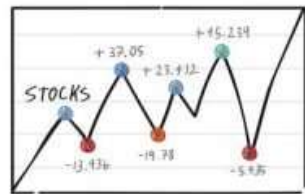
MONEY OUT

- Keep and record receipt of what you spend
- Pay invoices when due
- This includes fixed costs
rent
subscriptions
insurance
variable costs -materials,
marketing, project expenses

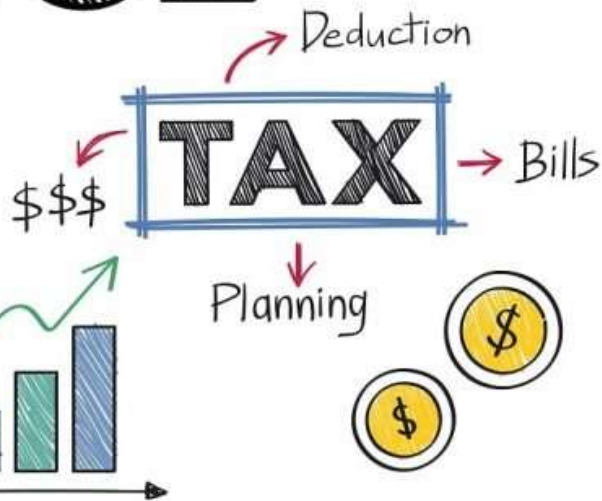
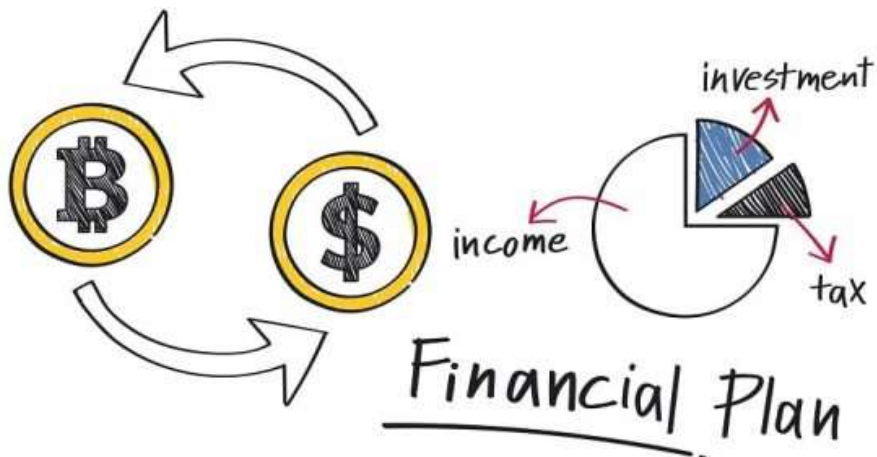
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Start-up vs Running Costs



These are one-time expenses needed to launch your business, such as branding, website, licenses, and equipment.

Identifying essential vs. non-essential expenses early helps maintain cash flow stability.

TIP: Create a financial buffer for unexpected costs to avoid financial strain.

Start-up Costs

These one-time expenses needed to launch your business, such as branding, website, licenses, and equipment.

Running Costs

These are ongoing expenses like rent, salaries, marketing, and software subscriptions.

Profit & Loss Statement (P&L)

Summarizes income, expenses, and net profit over a set period.

The most important part of a profit and loss statement is the bottom line. It shows how much your business earned or lost during the time period used

PROFIT & LOSS STATEMENT

Your Company Name

Date

REVENUE

Sales revenue (Less sales returns and allowances)		£ 0.00
Service revenue		£ 0.00
Other revenue		£ 0.00
	TOTAL REVENUE	£ 0.00

COST OF SALES

Cost of goods sold		£ 0.00
	TOTAL COST OF SALES	£ 0.00

	GROSS PROFIT (LOSS)	£ 0.00
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OTHER INCOME

Other Income eg Interest		£ 0.00
	TOTAL OTHER INCOME	£ 0.00

EXPENSES

Bank fees		£ 0.00
Entertainment		£ 0.00
Freight & courier		£ 0.00
Insurance		£ 0.00
Utilities		£ 0.00
Vehicle expenses		£ 0.00
Office expenses		£ 0.00
Rent		£ 0.00
Payroll		£ 0.00
Travel		£ 0.00
General expenses		£ 0.00
	TOTAL EXPENSES	£ 0.00

	PROFIT (LOSS) BEFORE TAX	£ 0.00
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Balance Sheet

Provides a snapshot of business finances, including assets and liabilities.

The main purpose of a balance sheet is to see if a business can cover its debts or whether it has gained or lost value over time.

it's a great way to assess a business's financial health, along with the profit and loss statement and cash flow statement.

BALANCE SHEET		Your Company Name
Date		
ASSETS		Currency
CURRENT ASSETS		
Cash		
Accounts receivable		
Inventory		
Prepaid expenses		
Short-term investments		0.00
TOTAL CURRENT ASSETS		0.00
NON CURRENT ASSETS		
Property/land		
Furniture		
Vehicles		
Equipment/tools		
Long-term investments		
TOTAL NON-CURRENT ASSETS		0.00
TOTAL ASSETS		0.00
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		
Payroll		
Sales tax		
Income tax payable		
Short-term loans		
TOTAL CURRENT LIABILITIES		0.00
LONG-TERM LIABILITIES		
Long-term loans		
Other long-term liabilities		
TOTAL LONG-TERM LIABILITIES		0.00
TOTAL LIABILITIES		0.00
OWNER'S EQUITY		
Owner's investment		
Owner's drawings		
Retained earnings		
TOTAL OWNER'S EQUITY		0.00
TOTAL LIABILITIES AND OWNERS EQUITY		0.00

Cash Flow

Predicts when money will enter and leave your business

MEETING EXPENSES - helps a business pay bills, staff and suppliers.

AVOIDING PROBLEMS - Cash flow issues can lead to financial difficulties and even business failure

FORECASTING - helps a business plan for future cash needs

RELATIONSHIPS - paying suppliers on time helps build and maintain good relationships.

Highfield Widgets Ltd

Month:	b/f	Jan	Feb	Mar	Apr
Receipts					
Credit Sales	0	0	13,000	17,000	25,600
Cash Sales	0	1,250	1,500	1,650	1,650
Loans Received	5,000	0	0	0	0
Investment Income	10,000	0	0	0	0
Total Receipts	15,000	1,250	14,500	18,650	27,250
Payments					
Credit Purchases	0	7,150	9,350	14,080	9,350
Cash Purchases	0	875	1,050	1,155	1,155
Wages & Salaries	0	750	750	750	750
Employee Benefits	0	150	150	150	150
Employers NIC	0	86	86	86	86
Telephone, Tax, Internet	0	1	2	3	4
Postage & Carriage	0	180	180	180	180
Printing & Stationery	0	1	2	2	3
Advertising	0	1,200	1,200	1,200	1,200
Professional Fees	0	0	2,500	0	0
Bank Interest	0	170	170	170	170
Bank charges	0	25	25	25	25
Loan repayments	0	1,250	1,250	1,250	1,250
Taxation	0	0	7,896	0	0
Capital Equipment	0	0	0	0	11,000
Sundry Expenses	0	0	0	1	1
Total Payments	0	12,438	26,656	19,202	26,114
<i>Cashflow Surplus/Deficit (-)</i>	15,000	-11,188	-12,156	-552	1,136
<i>Opening Cash Balance</i>	0	15,000	3,812	-8,344	-8,896
<i>Closing Cash Balance</i>	15,000	3,812	-8,344	-8,896	-7,760

Creating a simple business plan

•A financial plan helps businesses stay on track with revenue, costs, and growth goals.

•Components of a simple business plan include:

- Executive Summary
- Market Analysis
- Revenue Streams
- Financial Projections

•TIP: Revisit and update your plan regularly to ensure alignment with your financial goals.

Business Name Here

Say what you do, in one line.

The market problem

What do customers want that they're not getting elsewhere?

Your solution

How will you meet this need?

Target market

Describe your typical customer – be it a person or a business. How many are there?

Competitors

Who else wants those customers? List some of your competitors' strengths and weaknesses.

Sales and marketing

Where and how will sales happen? How will you get the word out about your business?

Milestones

What five big things need to happen before launch? Set deadlines.

Budgets

Estimate rough costs and income. Use thousands of pounds (1,000s). You can do it by years or halves, instead of quarters.

	Q1	Q2	Q3	Q4
Setup costs (1,000s)				
Running costs (1,000s)				
Total costs (1,000s)	0	0	0	0
Income (1,000s)				
Profit/loss (1,000s)	0	0	0	0

Setup costs = things like equipment, furniture, premises, beginning inventory, website, insurance & legal.
Running costs = things like rent, utilities, ongoing inventory, staff, marketing, and loan repayments.

Team

Who's helping on this? Include consultants and mentors.

Budgeting & Forecasting



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- Budgeting helps control spending and plan for growth.
 - Create a budget based on past expenses and future projections.
 - Forecasting enables businesses to prepare for seasonal changes and potential financial challenges.
 - TIP: Overestimate expenses and underestimate income to maintain a conservative and realistic approach.

Budgeting

The process of estimating income and expenses over a specific period of time.

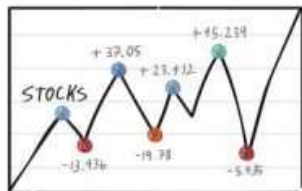
Forecasting

The process of predicting future outcomes using past and present data.

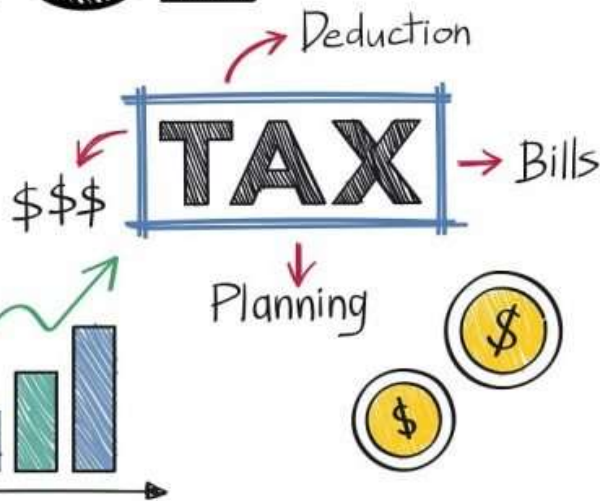
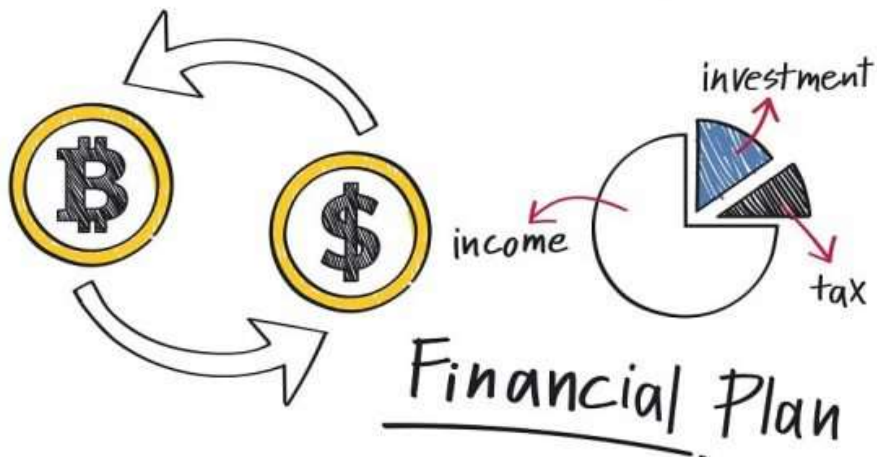
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Creating a simple budget

A budget is a financial plan for a set period of time, while cash flow is a statement of how money is moving in and out of a business or household.

Identify income sources, fixed and variable expenses, and calculate projected profits.

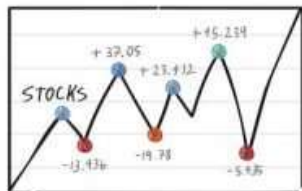
- Work through an example template to demonstrate correct completion.
- TIP: Set aside time each month to review and update these financial documents.

BUSINESS BUDGET TEMPLATE								
[Business name]								
	January		February		March		April	
Summary	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
Total Income	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Total Expenses	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	January		February		March		April	
INCOME	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
OPERATING INCOME								
Category 1								
Category 2								
Category 3								
Category 4								
Category 5								
Category 6								
Category 7								
TOTAL	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	January		February		March		April	
EXPENSES	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
OPERATING EXPENSE								
Accounting & Legal								
Advertising								
Depreciation								
Dues & Subscriptions								
Insurance								
Interest Expense								
Maintenance/								

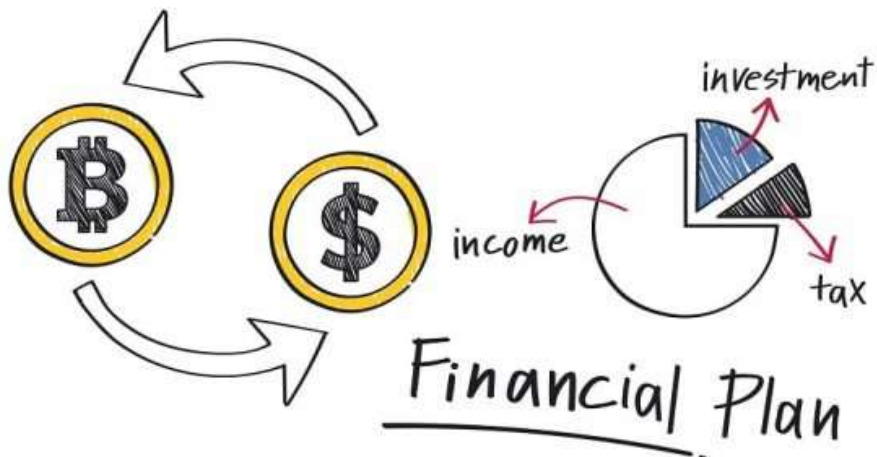
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Money Psychology



A person's attitude, behaviour and decision making around money and all things finance

If you can learn to understand your own:

- can change your spending and saving habits
- relieve anxiety and fear around money
- lead to a happier and healthier financial wellbeing

Current Financial Situation

Everyone starts in a different income, costs, debt and responsibilities.

Be careful who you compare yourself to

Reflections

- Do you feel confident making financial decisions?
- Are there habits you need to change?

Next Steps2

Getting started

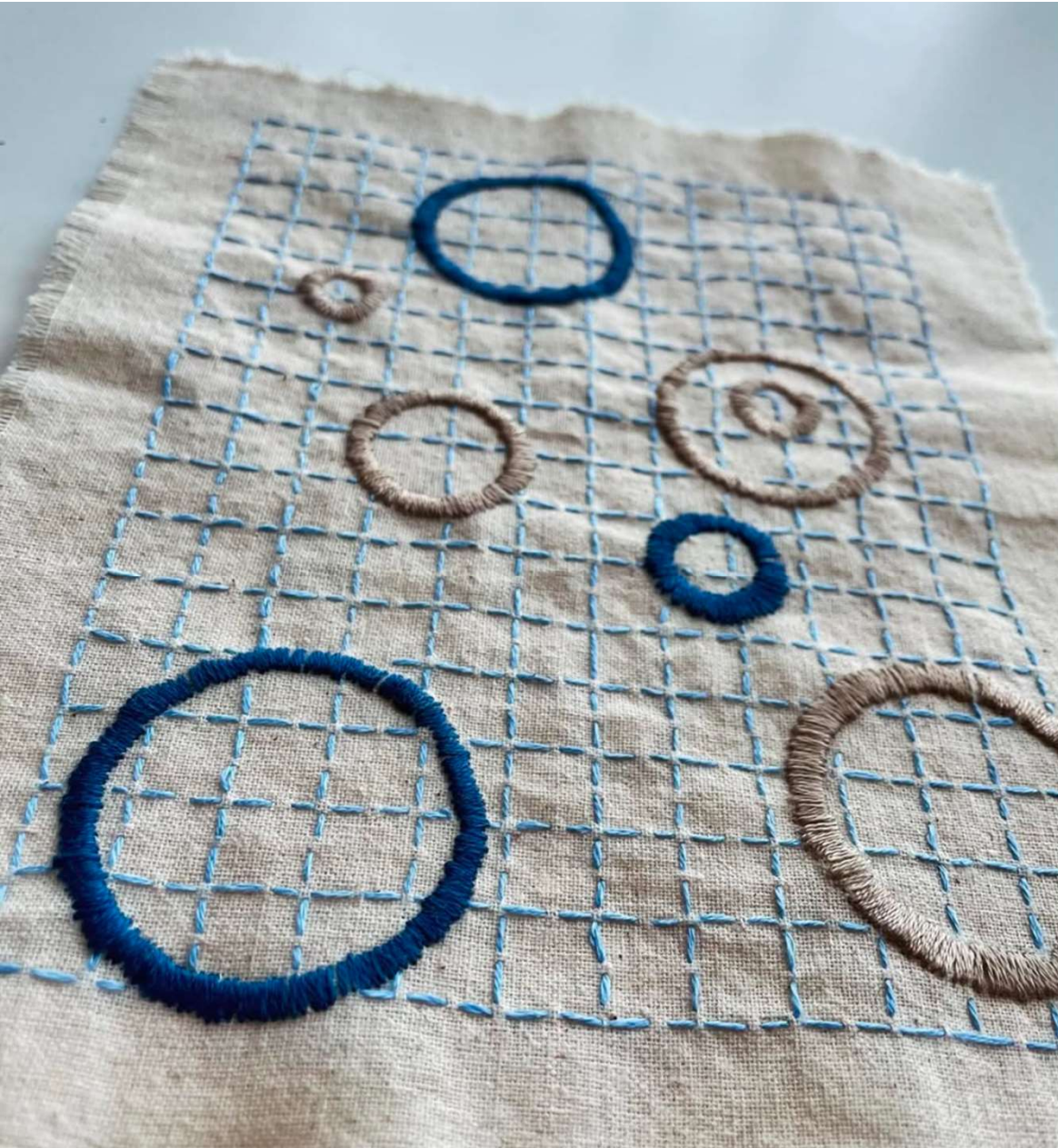
- Set up accounting software or spreadsheets to track finances
- Keep a record of your work & set up invoice template
- Create habit of regular time to update records & invoices
- Separate bank account
- Set up as self-employed with HMRC or with Companies house

Getting Set up

- Pull out all your paperwork – statements/bills
- Create schedule
 - map out income and expenses
 - forecast when these costs and income will occur throughout the year
- Review – what works/doesn't
- Create habit of regular time to update records & invoices

Then

- Create habit of regular budget review – monthly & weekly tasks
- Set financial goals for next 6 months
- Spend your plan & work towards your goals!



Finally

- Questions
- Surveys

Thank you