Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CUNNING PLANS · No. 04 · STARTING UP

Pricing, Cashflow and Funding Checklist for New Businesses

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Price to cover costs, tax and your wage. Forecast cash monthly for 12 months, because profit is not cash. Set clear payment terms, chase late payers and use statutory late payment rights. Fund the gap with the cheapest source you can live with, and keep a buffer.

THE KEY FIGURES

The key facts	What to know
Cashflow forecast	monthly, 12 months
Late payment interest	8% over Bank of England base rate
Fixed late payment sums	£40, £70 or £100 by debt size
Buffer	at least one to three months of costs

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Do you know your costs and margin?**	List fixed costs, variable costs and the margin per sale. Your price needs to cover both.	Cost sheet
☐	**Is there a 12 month cashflow forecast?**	Include tax, VAT, wages and loan repayments. Update it monthly.	Forecast
☐	**Are payment terms written down?**	Put terms on quotes and invoices. Ask for deposits or stage payments where you can.	Terms of business, invoices
☐	**Do you chase late payers quickly?**	Late payment law allows statutory interest and fixed compensation on business debts. Use it, politely.	Chase log
☐	**Is there a buffer?**	At least one to three months of costs. A forecast with no buffer is a hope.	Bank balance, forecast
☐	**Is funding matched to need?**	Equity, loans, asset finance and grants all differ. Match the funding to the asset and the time.	Funding comparison

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MY PRO TIP

send the invoice the day the work is done.

A worked example

In month one a business invoices £6,000 but customers pay in month two. Costs of £2,500 are paid in month one. Profit for the month is £3,500, but the bank balance falls by £2,500. The business was profitable and still ran out of cash.

The trap to avoid

Spending the VAT or PAYE money. It is HMRC's money held on account. Using it for cashflow creates a debt you did not budget for.

The Rufus test

One question that tells you if you have the right adviser:

If my biggest customer paid 60 days late, which bill would I be unable to pay?

What has changed recently

- Plan tax payments in the forecast. See the HMRC compliance checklist.
- Scaling raises the stakes. See the scaling cashflow checklist.
- Pricing returns later in the pricing and margins checklist.

Questions I get asked

How do I price my services?

Add up costs, tax and a wage for you, then add a margin. Compare with the market and test with real customers.

What is a cashflow forecast?

A month by month plan of cash coming in and going out, showing the bank balance you expect.

Can I charge interest on late payments?

Yes. Business to business debts can attract statutory interest at 8% over base rate plus a fixed sum.

What funding can a new business use?

Savings, loans, asset finance, investors and grants. Choose the cheapest that fits.

The 9 CAD Keys link: Capability

Capability means you can run the numbers without panic. A forecast is the foundation.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

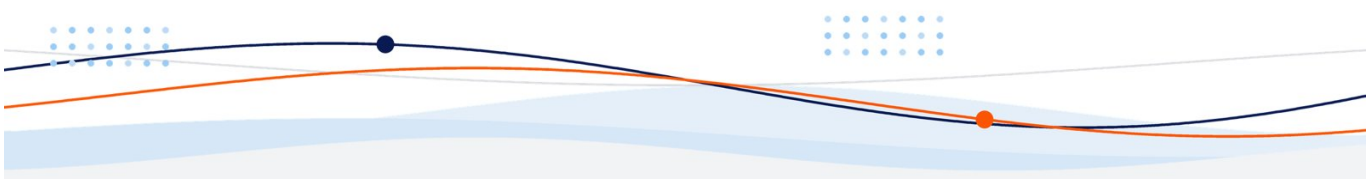
Tick these next

Business checklist 01
Business Idea, Market and Business Model Checklist

Business checklist 09
First-Year Survival: The 12-Month Business Plan Checklist

Business checklist 10
Growing Without Going Broke: Scaling Cashflow Checklist

Tax checklist 22
HMRC Compliance, Enquiries and Penalties Checklist 2026/27



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Go deeper: my books

For this topic, start with **Starting Up Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Count the cash, tick the box.

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Scan to read online, tick it on screen and take the Scorecard



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