



[Forward to friends](#)

■ **MONEY TIPS**



Is managing expenses only about

cutting expenses? To **successfully** manage your expenses, you need to take a **positive** approach! First, write down your **priorities**: house, education, eating out, saving ... whatever you want to do with your money. Then, **list all** your expenses, even the small ones; they add up. You can use either a spreadsheet or personal finance software to **track** them, whether you pay cash, by cheque, transfer or credit card. Once you get the **whole picture**, place your two documents side by side (your priorities and what you really spend) and **compare**: can you spot **discrepancies**, items you spend money on but are not in your priorities? What is your **flexibility**, what is the amount you can actually manage? Then determine **budgets** or maximum amounts to spend on some items you can easily get carried away on (clothes, books, restaurant...). So managing your expenses is making sure you **focus** on your **priority** expenses, whether you **spend** them now or you **save** for the longer term ones! *Email to us what subjects you would like tips on.*

FOR YOUR BUSINESS



Cash Flow issues

On the paper your business looks good: your accountant keeps showing you a **profit**. But every month, the company **bank account** is low and paying your **employees** is stressful. First, **profit is not cash**. Why? Mainly because of **timing**: if you sell goods at 100 while you buy them at 50 and your other expenses are 30, you make a profit of 20. But depending how long your goods stay on your shelves, you might have to pay your suppliers several months before the customers actually pay you. This is what we call **working capital**. First, calculate your working capital: how much you need to **cash out before** you **cash in** every month, in average. Then **review each** payment

■ **KIDS' CORNER**



Hi Kittens! I am sure you know what saving is. Yes, keeping money aside! But do you know why it is important to save? Find out the four main reasons hidden in the scrambled words and email us the answers!

■ $a + b = 3$ Ltd News

1,000 people! This is the number of people we have taught since November 2005, and through them, many more as money is discussed in their families. Thank you to our **partners** Enrich, Enfants du Mekong and Salabai who have facilitated our courses in Hong Kong and Cambodia. **Sophie Paine** was invited by Lehman Brothers to do a **talk** on March 11th on **women and**

1. NMEYEGCRE
2. JERTOPCS
3. ENIMRETTRE
4. AYLEYR PESNXEES

personal finance.

We launched our first courses for children in **Cantonese** in February at Saint James Settlement. In time for the children to learn to manage their laisee!

delay: do your **invoices** clearly say when they are due? How much money out do your **customers owe** you? Can they pay quicker? What about the inventory? And the suppliers? **Forecast** your cash flow on the coming months. This will help you anticipate potential cash issues on low months. And don't forget to **track** how much **cash** you inject as an **owner** in your company! *Next issue: monthly reviews*

■ **COURSES TO COME**

- You can find our courses in 8 schools in Hong Kong on weekdays and Saturdays. Contact us before **April 11!** The term is starting!
- You are a **small business** owner and want to learn more how accounting and finance can help you better drive your business? Join Autopilot, our "**finance made easy**" course and/or set up one to one **consulting**.
- WILLING TO JOIN? We are looking for **part time teachers**. Email your CV to Sophie@aandbmake3.com
- Check our regular **courses** on www.AandBmake3.com