

## Keeping Records and Trading Accounts

### Workbook

You can only keep a limited amount of information in your head!



Keeping records of your trading will help:

1. Know how you are progressing
2. Know how much money you can pay yourself – and how much you can put aside for new stock or materials
3. If you are to grow your business and/or need to borrow money,

you will need to have adequate financial records

So, every time you sell anything or spend money buying materials or stock and minor expense write it down in a book that you keep safely.



<b>INCOME (SALES)</b>		
<b>Date</b>	<b>Item</b>	<b>Amount</b>
MONTH TOTAL		

<b>EXPENSE (COSTS)</b>		
<b>Date</b>	<b>Item</b>	<b>Amount</b>
Money taken as income		
MONTH TOTAL		

Then at the end of each month make totals and see what you profit has been

<b>Month Total</b>	<b>Amount</b>
Sales (S)	
Expense (E)	
<b>Profit (S-E)</b>	

Tick what you can do:

**I CAN/CAN'T DO**

I can do this very well

Can do this well

Can do this but not very well

Can't do this

Make notes each day of sales and costs (Keep any paper details)

Keep written records in a book of sales and expense safely

Put a value on barter (exchanged ) goods and add to income or expenditure

Make a monthly summary of profit



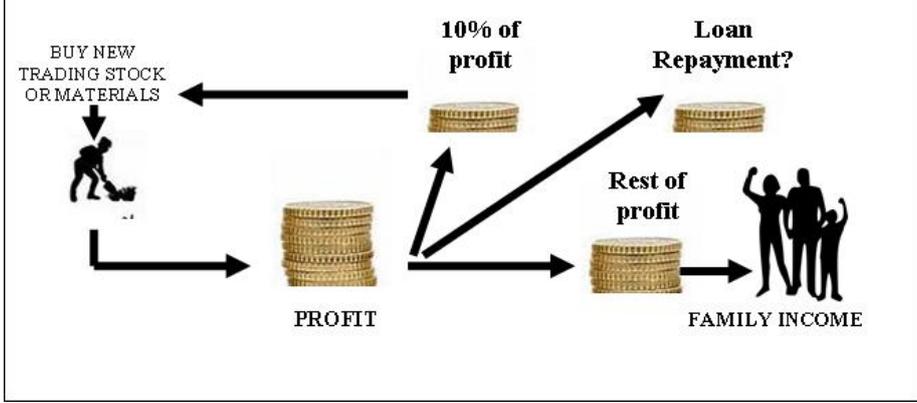

Remember, if you want to grow your business you must save enough money to buy more stock or materials to feed your business, or it will wither and fail.

If you have borrowed money you must plan for its repayment



**GROW TRADING!**

Example



As you grow, it will become necessary to keep more detailed records and give more attention to the money you have available this is called managing your 'Cash Flow'. If you run out of money your business will fail!  
It is not too difficult to forecast your cash flow



**Discuss 'cash flow' and try making the Forecast below for your business**

<b>CASH FLOW FORECAST</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>
<b>Cash Available</b>			
Cash in Hand at Day 1			
Income from sales			
Income from Barter			
<b>Total Cash Available Forecast</b>			
<b>Expense Expected in month</b>			
Materials			
Stock			
Loan Repayment			
Other costs			
<b>Total Expense Forecast</b>			
<b>Cash available at end of month</b>			

Plan so that you can be fairly sure you will always have enough money to keep going and keep growing!

