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# Management Report

Demo Company (UK)

7 September 2013

Prepared by Thomas Szczepanski

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# Executive Summary



## Demo Company (UK) For the month of July 2013

### Summary

#### Cash Summary

- Cash received is up £5.1k (78%) from £6.5k to £11.6k
- Cash spent remained relatively static during the period at £2.9k
- This means the bank balance has increased during the period by £9k to £19.4k, an excellent cash position for the business

#### Profit Summary

- Income is up £4.7k (104%) from £4.5k to £9.2k - an excellent sales month for the business
- Direct costs were incurred doing this work of £1.3k
- This means the gross profit for the month was up £3.5k (76%) to £8k, with a gross profit margin of 86.4%.
- Unfortunately, the business incurred expenses of £17.1k during the month, up £13.4k (359%) on the last months costs.
- This has meant the business has suffered a loss during the month of £9.1k, compared to the profit last month of £800

#### Sales

- The key driver of sales growth was the number of sales invoices during the month doubling from 5 to 10

#### Position

- The business exhibits excellent ability to receive its debts, in a time of 2.7 days. Perhaps improved payment terms could be offered to customers in the future in exchange for an increase to the price.
- Current creditor days are 21 days, if the business finds itself short of cash in the future it may be beneficial to slow down the speed in which creditors are paid.

	Jul 2013	Jun 2013	Variance
<b>Cash</b>			
Cash received	11,589	6,495	78.4%▲
Cash spent	2,876	2,955	-2.7%▼
Cash surplus (deficit)	8,713	3,539	146.2%▲
Closing bank balance	19,371	10,658	81.7%▲
<b>Profitability</b>			
Income	9,208	4,525	103.5%▲
Direct costs	1,250	-	0.0%
Gross profit (loss)	7,958	4,525	75.9%▲
Other Income	-	-	0.0%
Expenses	17,083	3,724	358.8%▲
Profit (loss)	(9,125)	801	-1239.1%▼
<b>Balance Sheet</b>			
Debtors	811	1,350	-40.0%▼
Creditors	12,469	1,456	756.5%▲
Net assets	(2,359)	6,766	-134.9%▼
<b>Income</b>			
Number of invoices issued	10.0	5.0	100.0%▲
Average value of invoices	921	905	1.7%▲

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# Executive Summary

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	Jul 2013	Jun 2013	Variance
<b>Performance</b>			
Gross profit margin	86.4%	100.0%	-13.6%▼
Net profit margin	-99.1%	17.7%	-659.8%▼
Return on investment (p.a.)	4642.2%	142.1%	3167.5%▲
<b>Position</b>			
Average debtors days	2.7	9.0	-69.5%▼
Average creditors days	21.1	11.7	79.8%▲
Short term cash forecast	(11,658)	(106)	-10923.2%▼
Current assets to liabilities	0.8	1.8	-52.4%▼
Term assets to liabilities			0.0%

# Cash Summary



## Demo Company (UK) For the month ended 31 July 2013 Excluding VAT

	Jul 2013	Monthly Avg	Variance
<b>Income</b>			
Sales	9,658	4,122	134.3%▲
<b>Total Income</b>	<b>9,658</b>	<b>4,122</b>	<b>134.3%▲</b>
<b>Less Operating Expenses</b>			
Audit & Accountancy fees	47	23	100.0%▲
Bank Fees	-	8	-100.0%▼
Cleaning	99	25	300.0%▲
Entertainment-100% business	-	7	-100.0%▼
General Expenses	78	44	79.4%▲
Light, Power, Heating	233	112	108.0%▲
Motor Vehicle Expenses	124	62	100.0%▲
Printing & Stationery	-	5	-100.0%▼
Rent	984	738	33.3%▲
Repairs & Maintenance	750	188	300.0%▲
Subscriptions	-	305	-100.0%▼
Telephone & Internet	82	30	174.6%▲
Travel - National	29	7	300.0%▲
Rounding	-	-	-300.0%▼
<b>Total Operating Expenses</b>	<b>2,426</b>	<b>1,552</b>	<b>56.3%▲</b>
<b>Operating Surplus (Deficit)</b>	<b>7,231</b>	<b>2,570</b>	<b>181.4%▲</b>
<b>Plus Non Operating Movements</b>			
Computer Equipment	-	(396)	100.0%▲
<b>Total Non Operating Movements</b>	<b>-</b>	<b>(396)</b>	<b>100.0%▲</b>
<b>VAT Movements</b>			
VAT Inputs	(534)		
VAT Outputs	2,015		
<b>Net VAT Movements</b>	<b>1,481</b>		<b>0.0%</b>
<b>Net Cash Movement</b>	<b>8,713</b>	<b>2,174</b>	<b>300.8%▲</b>
<b>Summary</b>			
Opening Balance	10,658		
Plus Net Cash Movement	8,713		
Closing Balance	19,371		

# Profit & Loss



## Demo Company (UK) For the month ended 31 July 2013

	Jul-13	Jun-13	May-13	Apr-13	YTD
<b>Income</b>					
Sales	9,208	4,525	2,429	1,000	17,162
<b>Total Income</b>	<b>9,208</b>	<b>4,525</b>	<b>2,429</b>	<b>1,000</b>	<b>17,162</b>
<b>Less Cost of Sales</b>					
Purchases	1,250	-	-	-	1,250
<b>Total Cost of Sales</b>	<b>1,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,250</b>
<b>Gross Profit</b>	<b>7,958</b>	<b>4,525</b>	<b>2,429</b>	<b>1,000</b>	<b>15,912</b>
<b>Less Operating Expenses</b>					
Advertising & Marketing	6,628	-	-	-	6,628
Audit & Accountancy fees	47	47	47	-	141
Bank Fees	-	15	15	-	30
Cleaning	-	99	-	-	99
Employers National Insurance	708	-	-	-	708
Entertainment-100% business	-	26	-	-	26
General Expenses	50	124	-	-	174
Light, Power, Heating	103	129	113	101	448
Motor Vehicle Expenses	124	124	-	-	248
Printing & Stationery	-	-	18	-	18
Rent	984	984	984	-	2,953
Repairs & Maintenance	-	886	-	-	886
Salaries	8,396	-	-	-	8,396
Subscriptions	-	1,220	-	-	1,220
Telephone & Internet	43	39	37	-	119
Travel - National	-	29	-	-	29
<b>Total Operating Expenses</b>	<b>17,083</b>	<b>3,724</b>	<b>1,215</b>	<b>101</b>	<b>22,124</b>
<b>Net Profit</b>	<b>(9,125)</b>	<b>801</b>	<b>1,214</b>	<b>899</b>	<b>(6,212)</b>

# Balance Sheet



## Demo Company (UK) As at 31 July 2013

31 Jul 2013

31 Jul 2012

### Assets

	31 Jul 2013	31 Jul 2012
<b>Bank</b>		
Business Bank Account	19,371	-
<b>Total Bank</b>	<b>19,371</b>	-
<b>Current Assets</b>		
Accounts Receivable	811	-
<b>Total Current Assets</b>	<b>811</b>	-
<b>Fixed Assets</b>		
Computer Equipment	(986)	-
Office Equipment	2,569	-
<b>Total Fixed Assets</b>	<b>1,583</b>	-
<b>Total Assets</b>	<b>21,765</b>	-

### Liabilities

<b>Current Liabilities</b>		
Accounts Payable	12,469	-
Historical Adjustment	4,131	-
Rounding	-	-
VAT	1,215	-
Wage Payables	6,309	-
<b>Total Current Liabilities</b>	<b>24,124</b>	-
<b>Total Liabilities</b>	<b>24,124</b>	-
<b>Net Assets</b>	<b>(2,359)</b>	-

### Equity

Current Year Earnings	(6,212)	-
Retained Earnings	3,853	-
<b>Total Equity</b>	<b>(2,359)</b>	-

# Aged Receivables

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## Demo Company (UK) July 2013

	Current	June	May	April	Older	Total
<b>Receivables</b>						
City Limousines	20	250	250	-	-	520
DIISR - Small Business Services	20	271	-	-	-	291
<b>Total Receivables</b>	<b>40</b>	<b>521</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>811</b>
	4.9%	64.2%	30.8%	0.0%	0.0%	

# Aged Payables



## Demo Company (UK) July 2013

	Current	June	May	April	Older	Total
<b>Payables</b>						
Carlton Functions	1,500	-	-	-	-	1,500
Central Copiers	-	164	-	-	-	164
HMRC	2,795	-	-	-	-	2,795
Hoyt Productions	5,954	-	-	-	-	5,954
SMART Agency	2,000	-	-	-	-	2,000
Xero	56	-	-	-	-	56
<b>Total Payables</b>	<b>12,305</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,469</b>
	<b>Current</b>	<b>June</b>	<b>May</b>	<b>April</b>	<b>Older</b>	<b>Total</b>
<b>Total Expense Claims</b>	-	-	-	-	-	-
<b>Total</b>	<b>12,305</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,469</b>
	98.7%	1.3%	0.0%	0.0%	0.0%	