



Management Report

Demo Company (AU)

1 September 2011

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Demo Company (AU) For the month of August 2011

Summary

August saw a cash deficit of \$12.8k, leaving just \$3.5k in the bank. The lowest it's been for the past 18 months.

The number of invoices that were raised increased from 8 in July to 12, while the average value also increased. Well done!

	Aug 2011	Jul 2011	Variance
Cash			
Cash received	12,682	12,896	-1.7% ▼
Cash spent	25,518	13,711	86.1% ▲
Cash surplus (deficit)	(12,837)	(815)	-1474.9% ▼
Closing bank balance	3,565	16,402	-78.3% ▼
Profitability			
Income	16,380	10,841	51.1% ▲
Direct costs	764	-	0.0%
Gross profit (loss)	15,617	10,841	44.1% ▲
Expenses	29,536	18,236	62.0% ▲
Profit (loss)	(13,919)	(7,395)	-88.2% ▼
Balance Sheet			
Debtors	6,766	1,400	383.5% ▲
Creditors	10,387	2,424	328.5% ▲
Net assets	(25,350)	(11,431)	-121.8% ▼
Income			
Number of invoices issued	12.0	8.0	50.0% ▲
Average value of invoices	1,357	1,343	1.0% ▲
Performance			
Gross profit margin	95.3%	100.0%	-4.7% ▼
Net profit margin	-85.0%	-68.2%	-24.6% ▼
Return on investment (p.a.)	658.9%	776.3%	-15.1% ▼
Position			
Average debtors days	12.8 ¹	4.0	220.0% ▲
Average creditors days	10.6	4.1	157.9% ▲
Short term cash forecast	(3,621)	(1,025)	-253.3% ▼
Current assets to liabilities	0.2	0.6	-61.2% ▼
Term assets to liabilities			0.0%

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Notes

1

Average debtor days increased from July. This means your clients are stretching out their payment terms to you. Something to watch!

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Demo Company (AU) For the month ended 31 August 2011 Excluding GST

Summary

This is the CASH summary of your business. It's a summary of where your cash was spent during August, and also from where it was received.

As noted on the first page, there is a deficit of \$12k in August, leaving the bank balance at the lowest it's been. It's time to start chasing those lingering debtors!

	Aug 2011	Income %	Jul 2011	Jun 2011	YTD Actual	Income %
Income						
Interest Income	97	0.8%	96	94	193	0.8%
Sales	11,405	99.2%	11,636	11,023	23,041	99.2%
Total Income	11,502	100.0%	11,732	11,117	23,234	100.0%
Less Operating Expenses						
Advertising	4,091	35.6%	-	12	4,091	17.6%
Bank Fees	326	2.8%	11	-	336	1.4%
Cleaning	155	1.3%	155	-	310	1.3%
Consulting & Accounting	125	1.1%	-	-	125	0.5%
Entertainment	164	1.4%	266	12	429	1.8%
Light, Power, Heating	301	2.6%	295	350	596	2.6%
Motor Vehicle Expenses	384	3.3%	135	176	519	2.2%
Office Expenses	183	1.6%	219	1,077	403	1.7%
Printing & Stationery	97	0.8%	46	114	143	0.6%
Rent	1,500	13.0%	1,500	1,500	3,000	12.9%
Telephone & Internet	63	0.5%	158	33	221	1.0%
Travel - National	77	0.7%	263	199	340	1.5%
Wages and Salaries	13,400	116.5%	13,400	13,400	26,800	115.3%
Owner A Funds Introduced	-	0.0%	-	(550)	-	0.0%
PAYG Withholdings Payable	(3,014)	-26.2%	(3,014)	(3,014)	(6,028)	-25.9%
Total Operating Expenses	17,851	155.2%	13,434	13,308	31,285	134.7%
Operating Surplus (Deficit)	(6,349)	-55.2%	(1,702)	(2,191)	(8,051)	-34.7%
Plus Non Operating Movements						
Computer Equipment	-	0.0%	-	(500)	-	0.0%
Office Equipment	(6,300)	-54.8%	-	(750)	(6,300)	-27.1%
Less Accumulated Depreciation on Office Equipment	-	0.0%	-	825	-	0.0%
Total Non Operating Movements	(6,300)	-54.8%	-	(425)	(6,300)	-27.1%
GST Movements						
GST Inputs	(1,331)		(315)	(591)	(1,646)	
GST Outputs	1,144		1,201	1,222	2,345	
Net GST Movements	(187)	-1.6%	886	631	699	3.0%

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Cash Summary



	Aug 2011	Income %	Jul 2011	Jun 2011	YTD Actual	Income %
Net Cash Movement	(12,837)	-111.6%	(815)	(1,985)	(13,652)	-58.8%
Summary						
Opening Balance	16,402		17,217	19,202	17,217	
Plus Net Cash Movement	(12,837)		(815)	(1,985)	(13,652)	
Closing Balance	3,565		16,402	17,217	3,565	

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Demo Company (AU)

For the month ended 31 August 2011

Summary

Unfortunately Demo company continues to experience trading difficulties, with the third consecutive monthly loss since May. More sales are desperately needed.

It might soon be time to sell the corporate Jet!!

Account	Aug-11	Jul-11	Jun-11	May-11	YTD
Income					
Sales	16,283	10,745	10,686	2,500	27,028
Total Income	16,283	10,745	10,686	2,500	27,028
Less Cost Of Sales					
Purchases	764	-	-	-	764
Total Cost Of Sales	764	-	-	-	764
GROSS PROFIT	15,520	10,745	10,686	2,500	26,265
Less Operating Expenses					
Advertising	6,364 ²	1,818	12	-	8,182
Bank Fees	326	11	-	11	336
Cleaning	155	155	155	-	310
Consulting & Accounting	76	49	-	-	125
Entertainment	(36) ³	450	27	-	414
Light, Power, Heating	301	295	350	-	596
Motor Vehicle Expenses	1,334	135	41	135	1,469
Office Expenses	503	219	1,077	-	723
Printing & Stationery	97	46	114	-	143
Rent	1,500	1,500	1,500	-	3,000
Subscriptions	120	-	-	-	120
Superannuation	431	-	-	-	431
Telephone & Internet	63	158	33	-	221
Travel - National	115	-	462	-	115
Wages and Salaries	18,188	13,400	13,400	-	31,588
Total Operating Expenses	29,536	18,236	17,171	146	47,772
OPERATING PROFIT	(14,016)	(7,491)	(6,485)	2,355	(21,507)
Non-operating Income					
Interest Income	97	96	94	-	193
Total Non-operating Income	97	96	94	-	193
NET PROFIT	(13,919)	(7,395)	(6,391)	2,355	(21,314)

Notes

2

Advertising costs increased, due to a large ad in the West Australian to entice new customers.

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3

A credit note was received from Kent party hire for the party cancelled in June, which is why Entertainment is a negative here

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Demo Company (AU) As at 31 August 2011

Summary

Total liabilities are now outweighing total assets. Note how Accounts Payable is higher than both Accounts receivable and the bank balance.

31 Aug 2011 31 Aug 2010

Assets

	31 Aug 2011	31 Aug 2010
Current Assets		
Accounts Receivable	6,766	-
Total Current Assets	6,766	-
Bank		
ANZ Business Account	3,565	-
Total Bank	3,565	-
Fixed Assets		
Computer Equipment	2,470	-
Office Equipment	7,050	-
Less Accumulated Depreciation on Office Equipment	(825)	-
Total Fixed Assets	8,695	-
Total Assets	19,026	-

Liabilities

Current Liabilities		
Accounts Payable	10,387	-
GST	1,105	-
Historical Adjustment	19,212 ⁴	-
Owner A Funds Introduced	550	-
PAYG Withholdings Payable	9,042	-
Wage Payables	4,080	-
Total Current Liabilities	44,376	-
Total Liabilities	44,376	-
Net Assets	(25,350)	-

Equity

Current Year Earnings	(21,314)	-
Retained Earnings	(4,036)	-
Total Equity	(25,350)	-

Notes

4

this historical adjustment from your accountant is playing serious havoc with the balance sheet. I've tried to contact them, but they're not returning my call?!

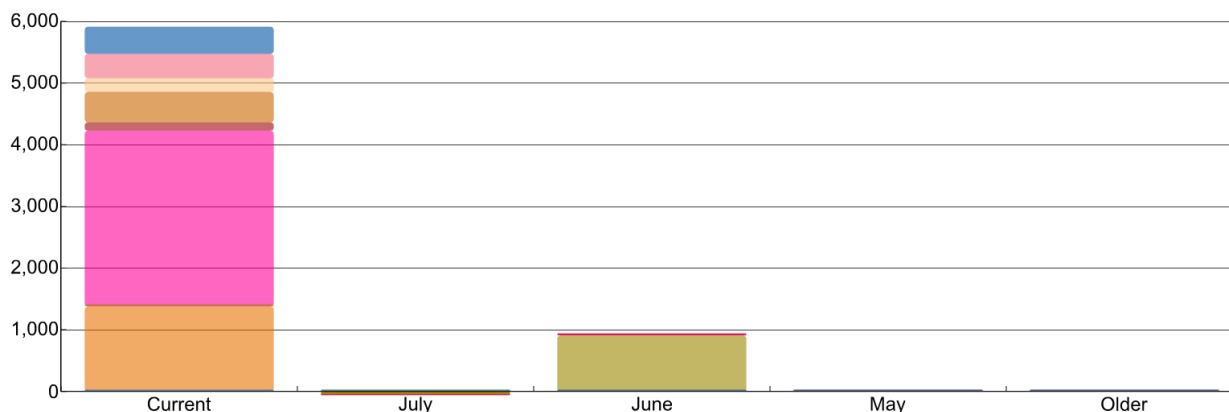
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Demo Company (AU) August 2011

Summary

Only one troublesome client; City Limousines not paying an old May invoice. Time to send the debt collectors.

Aged Receivables



	Current	July	June	May	Older	Total
Receivables						
Bayside Club	224	-	-	-	-	224
Boom FM	132	-	-	-	-	132
City Limousines	-	(61)	910	-	-	850
Cube Land	495	-	-	-	-	495
DIISR - Small Business Services	2,850	-	-	-	-	2,850
Marine Systems	396	-	-	-	-	396
Mitchell River Lodge	440	-	-	-	-	440
Pinnacle Management	1,380	-	-	-	-	1,380
Total Receivables	5,917	(61)	910	-	-	6,766
	87.4%	-0.9%	13.4%	0.0%	0.0%	

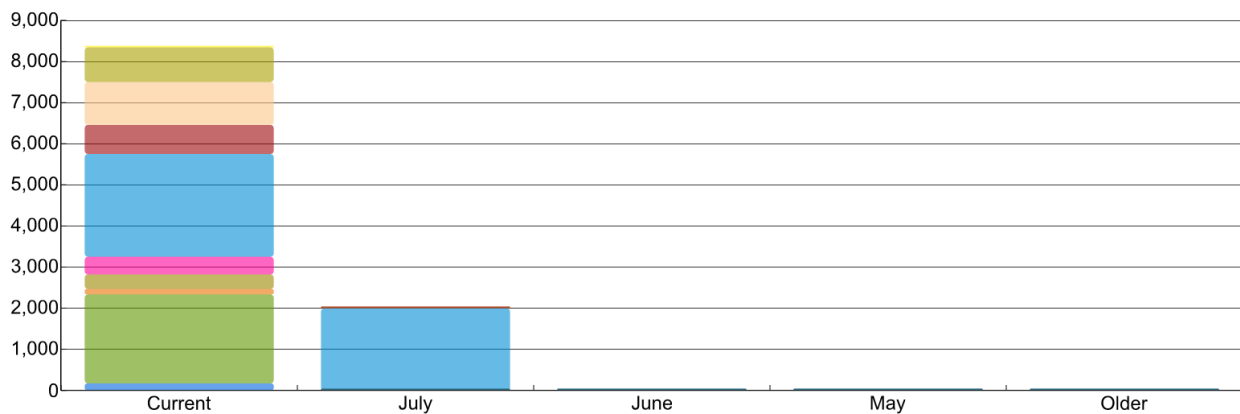
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Summary

Demo Company is keeping up with supplier invoices for now, which is why the cash deficit is so severe this month. But this may not be able to continue now that accounts payable is more than both accounts receivable & the bank balance combined.

Aged Payables



	Current	July	June	May	Older	Total
Payables						
ASGARD	431	-	-	-	-	431
ATO	708	-	-	-	-	708
Bankrock Station	352	-	-	-	-	352
Bayside Wholesale	840	-	-	-	-	840
Capital Cab Co	42	-	-	-	-	42
Heritage Trust	132	-	-	-	-	132
MCO Cleaning Services	171	-	-	-	-	171
PC Complete	2,167	-	-	-	-	2,167
Princes Highway Motors	1,045	-	-	-	-	1,045
SMART Agency	2,500	2,000	-	-	-	4,500
Total Payables	8,387	2,000	-	-	-	10,387
Total Expense Claims	-	-	-	-	-	-
Total	8,387	2,000	-	-	-	10,387
	80.7%	19.3%	0.0%	0.0%	0.0%	

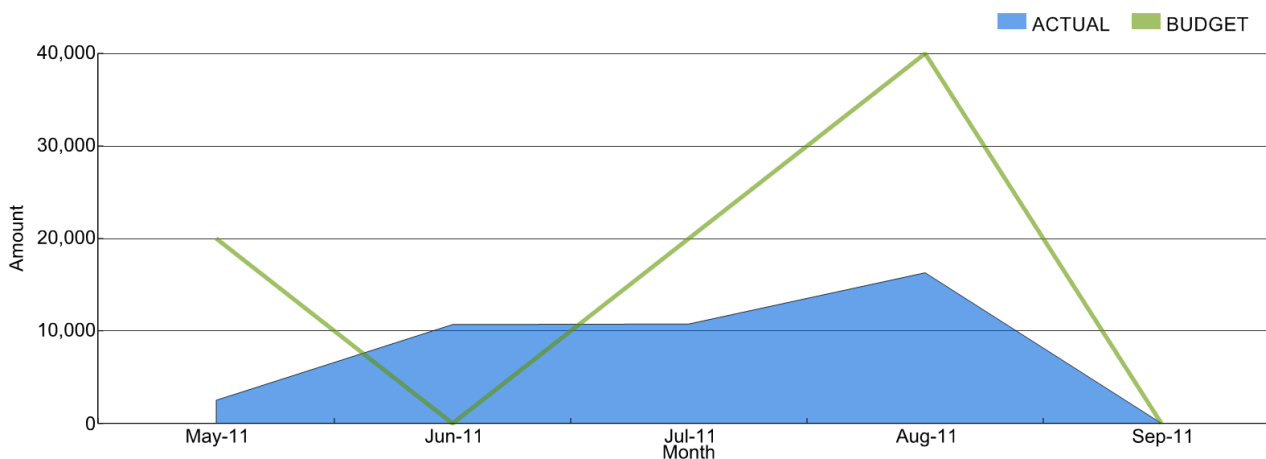
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Demo Company (AU) From 1 May 2011 to 30 Sep 2011

Summary

Larger sales were budgeted in August, but unfortunately the sales person was sick, and the sales were 59% under budget...

Monthly Balance



Month	Actual	Budget	Variance
May 2011	2,500	20,000	-87.5% ▼
June 2011	10,686	-	0.0%
Total	13,186	20,000	-34.1% ▼
July 2011	10,745	20,000	-46.3% ▼
August 2011	16,283	40,000	-59.3% ▼
September 2011	-	-	0.0%
Total	27,028	60,000	-55.0% ▼
Total Sales	40,214	80,000	-49.7% ▼

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