

Management Report

Demo Company (UK)

13 March 2008

Adrian Pearson

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Executive Summary

Demo Company (UK) For the month of March 2008

	Mar 2008	Feb 2008	Variance
Cash			
Cash received	2,861.13	2,350.00	21.8%▲
Cash spent	117.50	20.00	487.5%▲
Cash surplus (deficit)	2,743.63	2,330.00	17.8%▲
Closing bank balance	19,325.47	16,581.84	16.5%▲
Profitability			
Income	3,150.00	4,435.00	-29.0%▼
Direct costs	2,000.00	2,000.00	0.0%
Gross profit (loss)	1,150.00	2,435.00	-52.8%▼
Expenses	364.00	110.00	230.9%▲
Profit (loss)	786.00	2,325.00	-66.2%▼
Balance Sheet			
Debtors	9,227.29	8,387.17	10.0%▲
Creditors	6,719.21	2,090.00	221.5%▲
Net assets	26,796.00	26,010.00	3.0%▲
Performance			
Gross profit margin	36.5%	54.9%	-33.5%▼
Net profit margin	25.0%	52.4%	-52.4%▼
Return on investment (p.a.)	35.2%	107.3%	-67.2%▼
Position			
Average debtors days	90.8	54.8	65.6%▲
Average creditors days	88.1	28.7	206.7%▲
Short term cash forecast	2,508.08	6,297.17	-60.2%▼
Current assets to liabilities	2.9	6.3	-54.2%▼
Term assets to liabilities			

Cash Summary

Demo Company (UK) For the month ended 31 March 2008 Excluding VAT

	Mar 2008	Monthly Avg	Variance
Income			
Interest Income	0.00	100.00	-100.0%▼
Sales	2,435.00	9,339.17	-73.9%▼
Total Income	2,435.00	9,439.17	-74.2%▼
Less Operating Expenses			
Advertising & Marketing	0.00	500.00	-100.0%▼
Audit and accountancy fees	100.00	350.00	-71.4%▼
Bank Fees	0.00	50.00	-100.0%▼
Direct Wages	0.00	2,666.67	-100.0%▼
Entertainment-100% business	0.00	100.00	-100.0%▼
General Expenses	0.00	200.00	-100.0%▼
Insurance	0.00	50.00	-100.0%▼
IT software and consumables	0.00	38.67	-100.0%▼
Legal expenses	0.00	100.00	-100.0%▼
Light, Power, Heating	0.00	20.00	-100.0%▼
Postage, Freight & Courier	0.00	33.33	-100.0%▼
Printing & Stationery	0.00	35.00	-100.0%▼
Rent	0.00	68.33	-100.0%▼
Telephone and Internet	0.00	63.33	-100.0%▼
Total Operating Expenses	100.00	4,275.33	-97.7%▼
Operating Surplus (Deficit)	2,335.00	5,163.83	-54.8%▼
Plus Non Operating Movements			
Computer Equipment	0.00	(500.00)	100.0%▲
Office Equipment	0.00	(333.33)	100.0%▲
Total Non Operating Movements	0.00	(833.33)	100.0%▲
Plus Movements in Equity			
Capital - x,xxx Ordinary Shares	0.00	16.67	-100.0%▼
Retained Earnings	0.00	(1,297.67)	100.0%▲
Total Movements in Equity	0.00	(1,281.00)	100.0%▲
VAT Movements			
VAT Inputs	426.13		
VAT Outputs	(17.50)		
Net VAT Movements	408.63		
Net Cash Movement	2,743.63	3,049.50	-10.0%▼
Summary			
Opening Balance	16,581.84		
Plus Net Cash Movement	2,743.63		
Closing Balance	19,325.47		

Profit and Loss

Demo Company (UK) For the month ended 31 March 2008

Account	Mar-08	Feb-08	Jan-08	Dec-07	YTD
Income					
Interest Income	0.00	0.00	0.00	0.00	600.00
Sales	3,150.00	4,435.00	3,600.00	1,753.00	63,888.00
Total Income	3,150.00	4,435.00	3,600.00	1,753.00	64,488.00
Less Cost of Sales					
Direct Wages	2,000.00	2,000.00	2,000.00	2,000.00	20,000.00
Total Cost of Sales	2,000.00	2,000.00	2,000.00	2,000.00	20,000.00
Gross Profit	1,150.00	2,435.00	1,600.00	(247.00)	44,488.00
Less Overheads					
Advertising & Marketing	0.00	0.00	0.00	0.00	3,000.00
Audit and accountancy fees	100.00	0.00	0.00	0.00	2,100.00
Bank Fees	0.00	0.00	0.00	0.00	300.00
Entertainment-100% business	0.00	0.00	0.00	0.00	600.00
General Expenses	125.00	0.00	0.00	0.00	1,325.00
Insurance	0.00	0.00	0.00	0.00	300.00
IT software and consumables	29.00	0.00	0.00	29.00	261.00
Legal expenses	0.00	0.00	0.00	0.00	600.00
Light, Power, Heating	0.00	0.00	0.00	0.00	120.00
Postage, Freight & Courier	0.00	0.00	0.00	0.00	200.00
Printing & Stationery	0.00	0.00	0.00	0.00	210.00
Rent	50.00	50.00	50.00	0.00	510.00
Telephone and Internet	60.00	60.00	60.00	0.00	480.00
Total Overheads	364.00	110.00	110.00	29.00	10,006.00
Total Expenses	364.00	110.00	110.00	29.00	10,006.00
Net Profit	786.00	2,325.00	1,490.00	(276.00)	34,482.00

Budget Variance

Demo Company (UK) For the month ended 31 March 2008

Account	Actual	Budget	Variance	YTD Actual	YTD Budget	Variance
Income						
Interest Income	0.00	0.00		600.00	0.00	
Sales	3,150.00	0.00		63,888.00	0.00	
Total Income	3,150.00	0.00		64,488.00	0.00	
Less Cost of Sales						
Direct Wages	2,000.00	0.00		20,000.00	0.00	
Total Cost of Sales	2,000.00	0.00		20,000.00	0.00	
Gross Profit	1,150.00	0.00		44,488.00	0.00	
Less Overheads						
Advertising & Marketing	0.00	0.00		3,000.00	0.00	
Audit and accountancy fees	100.00	0.00		2,100.00	0.00	
Bank Fees	0.00	0.00		300.00	0.00	
Entertainment-100% business	0.00	0.00		600.00	0.00	
General Expenses	125.00	0.00		1,325.00	0.00	
Insurance	0.00	0.00		300.00	0.00	
IT software and consumables	29.00	0.00		261.00	0.00	
Legal expenses	0.00	0.00		600.00	0.00	
Light, Power, Heating	0.00	0.00		120.00	0.00	
Postage, Freight & Courier	0.00	0.00		200.00	0.00	
Printing & Stationery	0.00	0.00		210.00	0.00	
Rent	50.00	0.00		510.00	0.00	
Telephone and Internet	60.00	0.00		480.00	0.00	
Total Overheads	364.00	0.00		10,006.00	0.00	
Total Expenses	364.00	0.00		10,006.00	0.00	
Net Profit	786.00	0.00		34,482.00	0.00	

Balance Sheet

Demo Company (UK) As at 31 March 2008

31/3/2008

31/3/2007

Assets

Current Assets

Accounts Receivable	9,227.29	0.00
Total Current Assets	9,227.29	0.00

Bank

Clydesdale Savings A/c	10,575.00	0.00
HSBC Business Current A/c	8,867.97	0.00
Lloyds Current Account	(117.50)	0.00
Total Bank	19,325.47	0.00

Fixed Assets

Computer Equipment	6,134.68	0.00
Office Equipment	2,000.00	0.00
Total Fixed Assets	8,134.68	0.00

Total Assets	36,687.44	0.00
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Liabilities

Current Liabilities

Accounts Payable	6,719.21	0.00
Rounding	(0.01)	0.00
Unpaid Expense Claims	1,345.00	0.00
VAT	1,827.24	0.00
Total Current Liabilities	9,891.44	0.00

Total Liabilities	9,891.44	0.00
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Net Assets	26,796.00	0.00
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Equity

Capital - x,xxx Ordinary Shares	100.00	0.00
Current Year Earnings	34,482.00	0.00
Retained Earnings	(7,786.00)	0.00

Total Equity	26,796.00	0.00
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Aged Receivables

Demo Company (UK) March 2008

	Current	February	January	December	Older	Total
Receivables						
123 Accounting	0.00	0.00	0.00	0.00	1,116.25	1,116.25
Bumble Bee Marketing Services	705.00	0.00	705.00	351.33	0.00	1,761.33
Hallett Edwards Chartered Accountants	2,350.00	2,350.00	0.00	0.00	0.00	4,700.00
Mainstream Accounting LLP	0.00	0.00	0.00	652.13	0.00	652.13
Maxines Garden Design and Landscaping	0.00	0.00	0.00	351.33	0.00	351.33
Orange Accounting	646.25	0.00	0.00	0.00	0.00	646.25
Total Receivables	3,701.25	2,350.00	705.00	1,354.79	1,116.25	9,227.29
	40.1%	25.5%	7.6%	14.7%	12.1%	

Aged Payables

Demo Company (UK) March 2008

	Current	February	January	December	Older	Total
Payables						
BT	20.00	0.00	0.00	0.00	0.00	20.00
Jack's Letting Agency	196.88	50.00	0.00	0.00	0.00	246.88
Laptop World	2,338.25	0.00	0.00	0.00	0.00	2,338.25
Virtual Book-Keeping Services Ltd	2,000.00	2,000.00	0.00	0.00	0.00	4,000.00
Vodafone	40.00	40.00	0.00	0.00	0.00	80.00
Xero	34.08	0.00	0.00	0.00	0.00	34.08
Total Payables	4,629.21	2,090.00	0.00	0.00	0.00	6,719.21
	Current	February	January	December	Older	Total
Expense Claims						
Adrian Pearson	1,345.00	0.00	0.00	0.00	0.00	1,345.00
Total Expense Claims	1,345.00	0.00	0.00	0.00	0.00	1,345.00
Total	5,974.21	2,090.00	0.00	0.00	0.00	8,064.21
	74.1%	25.9%	0.0%	0.0%	0.0%	