

d1g1t

Monthly Management Report

My Business

Oct 2019



In a snapshot

REVENUE

\$97,408

▲ \$16,220 vs rolling 12 months average



A measure of the total amount of money received by the company for goods sold or services provided

TOTAL COST OF SALES

\$54,407

▲ \$123 vs rolling 12 months average



The costs directly related to the production of goods or provision of services

GROSS PROFIT

\$43,000

▲ \$16,098 vs rolling 12 months average



The residual profit after deducting all costs directly related to the sales

TOTAL EXPENSES

\$26,531

▼ -\$2,194 vs rolling 12 months average



The costs that a business incurs through its normal business operations

NET INCOME

\$23,442

▲ \$18,904 vs rolling 12 months average



The proportion of revenue left after deducting all cost of goods, expenses, interest, dividends and taxes. Also known as Net Profit or 'the bottom line'

REVENUE GROWTH

-6.39%

▼ -11.08% vs rolling 12 months average



A measure of the percentage change in revenue for the period.



Gross Profit Margin

Gross Profit Margin 44.14% (Rolling 12 months average 31.73%)

Positive trend upwards. Strategies to improve profitability include: increasing price, increasing sales volume, reducing cost of sales and reducing operating expenses.



Number of days before your customers pay

Accounts Receivable Days 18 days (Rolling 12 months average 20 days)

Positive trend downwards. Strategies to improve AR days include: tightening payment terms, sending payment reminders, debtor calls, implementing payment services



Number of days you take to pay suppliers

Accounts Payable Days 33 days (Rolling 12 months average 31 days)

Positive trend upwards. Strategies to improve AP days include: leveraging existing payment terms with suppliers, negotiating better terms, consolidating suppliers, batching payments. Note that dragging out supplier payments can impact your relationships with those suppliers!



Ability to pay your liabilities (Acid test)

Quick Ratio 1.96:1 (Rolling 12 months average 1.43:1)

Positive trend upwards. Strategies to improve liquidity include: increase sales, increase inventory turnover, improve invoice collection, pay liabilities early

What's coming in

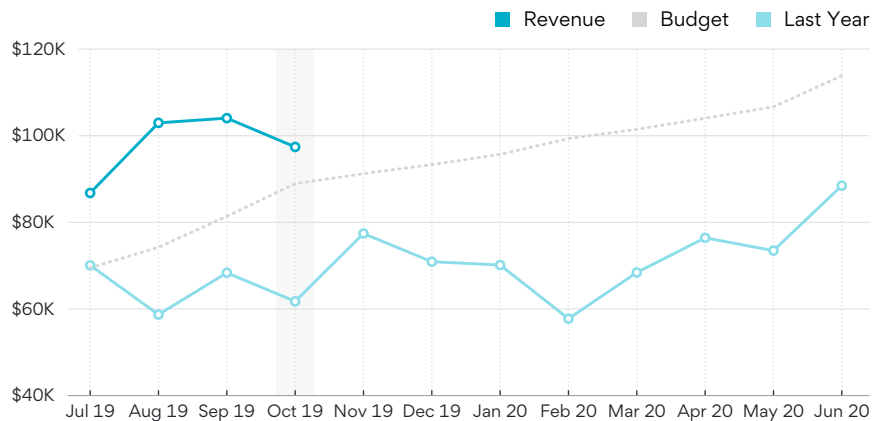
Revenue

The total amount of money received by you for goods sold or services provided

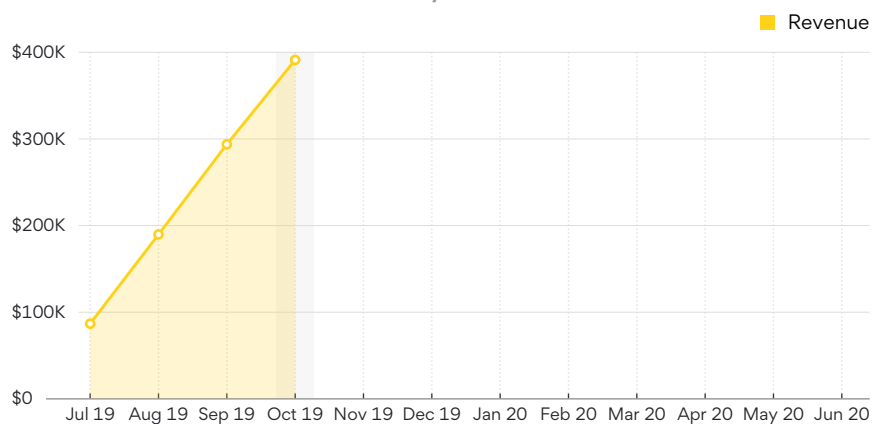
Year to date you've made **\$391,207**

For comparison, at this stage last year you had made **\$258,909**

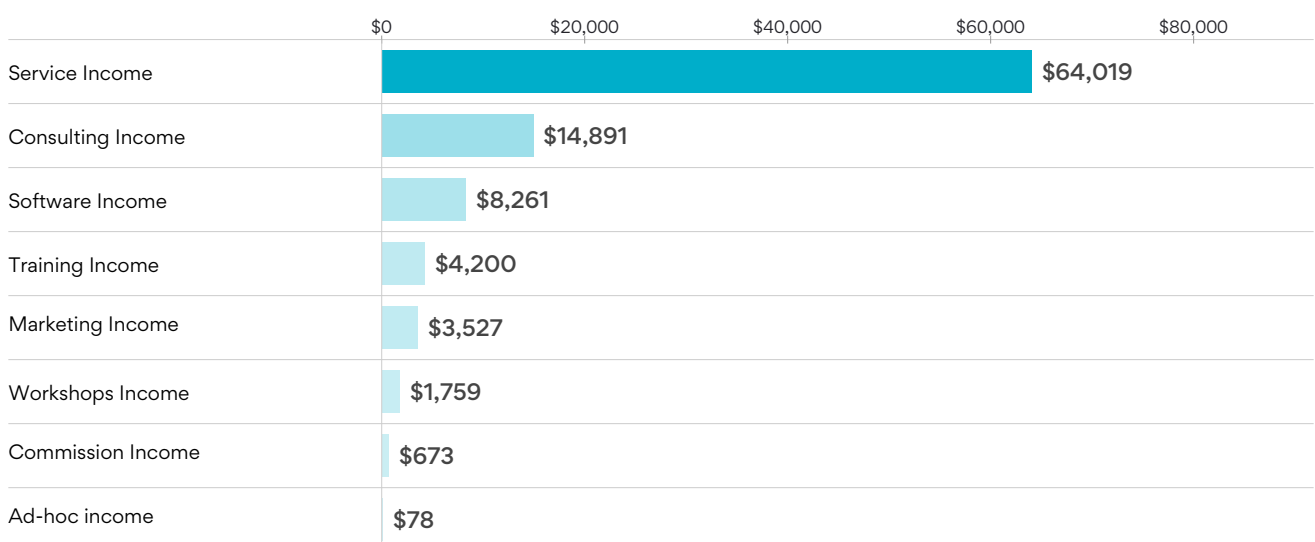
This year vs last year with budget



Cumulative Revenue this financial year



Revenue contribution this month



What's going out

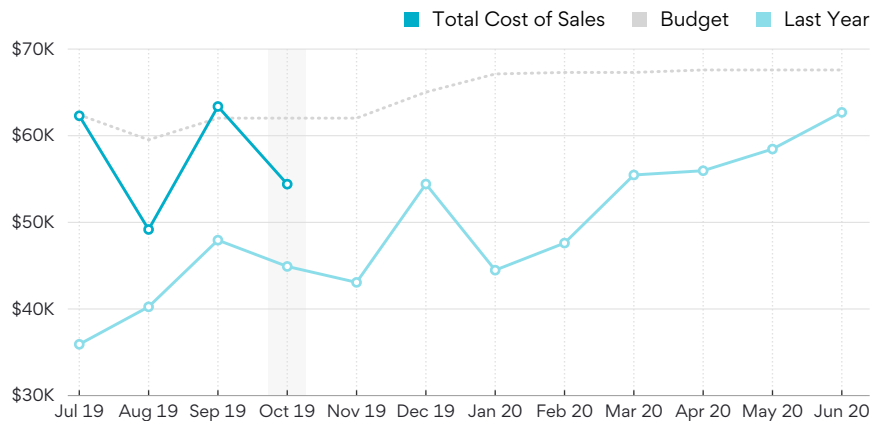
Cost of Sales

The total amount of money spent in order to create a good or service sold

Year to date you've spent **\$229,256**

For comparison, at this stage last year you had spent **\$169,022**

This year vs last year with budget



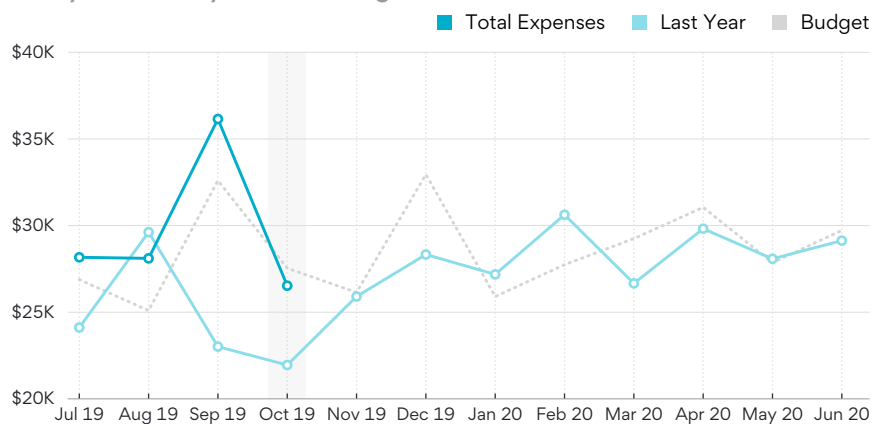
Operating Expenses

The total amount of money spent in normal business operations, not directly associated with production

Year to date you've spent **\$118,959**

For comparison, at this stage last year you had spent **\$98,701**

This year vs last year with budget



Top 10 expenses this month

	\$0	\$2,000	\$4,000	\$6,000	\$8,000
Rent					\$6,667
Marketing - Agency Fees					\$5,580
Ad Spend - Google					\$3,316
Development - Business Coaching					\$3,000
Ad Spend - Facebook					\$1,692
IT - Subscriptions & Software					\$1,371
Travel - National					\$1,086
Marketing - Networking					\$1,039
Utilities - Telephone					\$587
Utilities - Internet					\$414

Breakeven analysis

This chart is designed to evaluate your ability to generate profits. It also serves to visualise your breakeven point and the margin of safety between current revenue levels and the breakeven point

REVENUE

\$97,408

▲ \$16,220 vs rolling 12 months average



A measure of the total amount of money received by the company for goods sold or services provided

EXPENSE-TO-REVENUE RATIO

83.09%

▼ -21.51% vs rolling 12 months average



A measure of how efficiently the business is conducting its operations

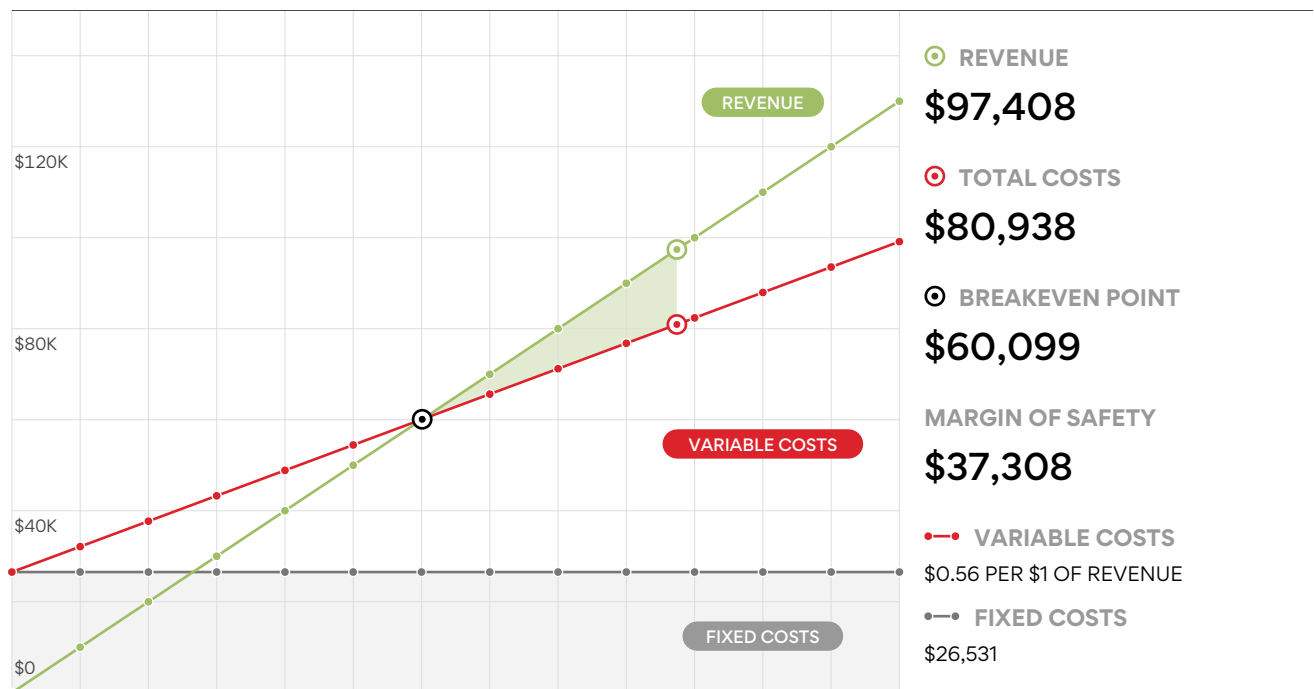
BREAKEVEN MARGIN

\$37,308

▲ \$58,161 vs rolling 12 months average



The breakeven safety margin represents the gap between the actual revenue level and the breakeven point. In other words, the amount by which revenue can drop before losses begin to be incurred



Cash flow analysis

OPERATING CASH FLOW

-\$6,423

▼ **-\$11,277** vs rolling 12 months average



Operating cash flow is simply the cash generated by the operating activities of the business. Operating activities include the production, sales and delivery of the company's product and/or services as well as collecting payment from its customers and making payment to suppliers

FREE CASH FLOW

-\$7,007

▼ **-\$11,253** vs rolling 12 months average



Free cash flow is the cash generated by the business, after paying its expenses and investing for future growth. It is the cash left after subtracting capital expenditure from operating cash flow. The term "free cash flow" is used because this cash is free to be paid back to the suppliers of capital

NET CASH FLOW

-\$6,968

▼ **-\$11,267** vs rolling 12 months average



Net cash flow is the cash flow remaining after operating, investing and financing activities. Financing activities may include cash outflows such as interest payments to lenders or dividend payments to shareholders

	Cash Received	Cash Spent	
add: Revenue	\$97,408		
less: Cost of Sales		-\$54,407	
less: Expenses		-\$26,531	
add: Other Income	\$6,916		
less: Cash Tax Paid	\$17		
add: Change in Accounts Payable		-\$1,549	
add: Change in Other Current Liabilities		-\$29,265	
less: Change in Accounts Receivable	\$681		
less: Change in Inventory	\$0		
less: Change in Work In Progress	\$0		
less: Change in Other Current Assets	\$308		
OPERATING CASH FLOW			-\$6,423
less: Change in Fixed Assets (ex. Depn and Amort)		-\$584	
less: Change in Intangible Assets		\$0	
less: Change in Investment or Other Non-Current Assets		\$0	
FREE CASH FLOW			-\$7,007
less: Net Interest (after tax)		\$39	
add: Change in Other Non-Current Liabilities		\$0	
less: Dividends		\$0	
add: Change in Retained Earnings and Other Equity		\$0	
less: Adjustments		\$0	
NET CASH FLOW			-\$6,968

Net Cash Flow can also be calculated as:

Change in Cash on Hand -\$6,968 (Open: \$144,891, Close: \$137,923) — **Change in Debt** \$0 (Open: \$0, Close: \$0)

Profitability

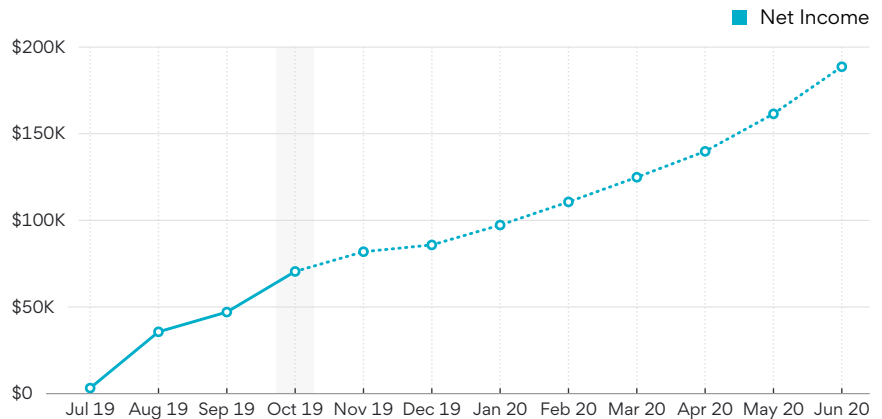
Profitability

The total amount of money earned by the business after all expenses have been paid

Year to date you have a net profit of **\$70,495**

For comparison, for the full financial year last year, your net profit was **\$3,903**

Profit projection (using budget)



GROSS PROFIT

\$43,000

▲ \$16,098 vs rolling 12 months average



Gross Profit is the residual profit after deducting all costs directly related to the sales

OPERATING PROFIT

\$16,470

▲ \$18,292 vs rolling 12 months average



Operating Profit is the residual profit after deducting all business operating expenses

NET INCOME

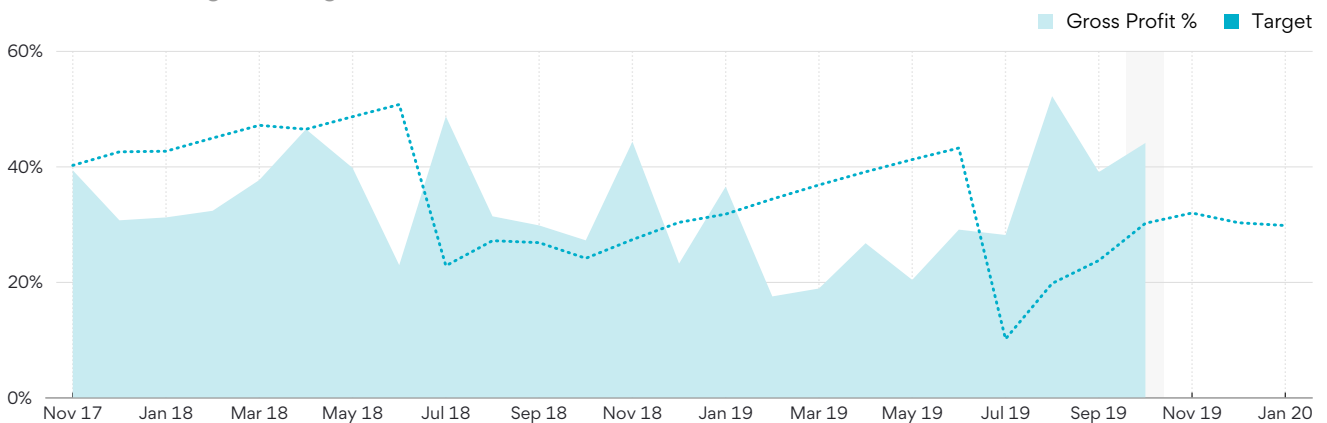
\$23,442

▲ \$18,904 vs rolling 12 months average



A measure of the proportion of revenue that is left after deducting all cost of goods, expenses, interest, dividends and taxes. As known as Net Profit or 'the bottom line'

Gross Profit Margin vs Target

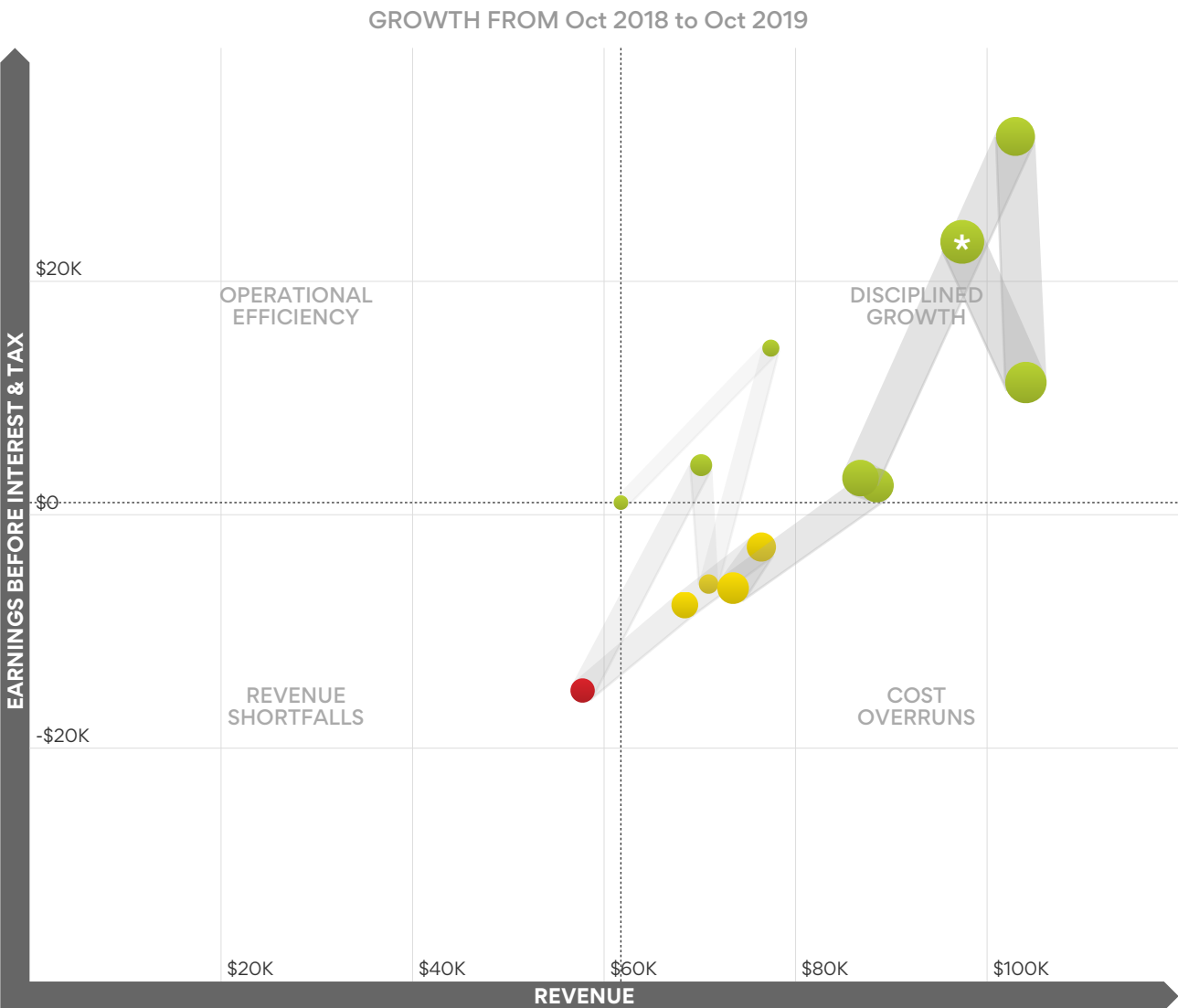


Growth analysis for the last 12 months

This chart is designed to help you understand and assess your trajectory over a period of time. It maps the relationship between EBIT (Earnings Before Interest and Tax) and Revenue. The size of the dot indicates the recency of the period, the colour represents which quadrant it is part of

Change in Key Drivers (from prior month)

Revenue	Cost of Sales	Expenses	Receivable Days	Inventory Days	Payable Days
Down 6.4%	Down 14.1%	Down 26.6%	Up 5.9 days	-	Up 17.9 days



Size of the circle shows the recency of the result

Vertical position of the circle shows the growth in Earnings Before Interest & Tax

Horizontal position of the circle shows the growth in Revenue

Profit and Loss

Your Profit & Loss (P&L) summarises the revenues, costs and expenses during a specific period. It shows changes in accounts over a period of time, and will show you whether your business earned or lost money

PROFIT & LOSS	Oct 2019
Revenue	
Service Income	\$64,019
Software Income	\$8,261
Training Income	\$4,200
Commission Income	\$673
Consulting Income	\$14,891
Workshops Income	\$1,759
Ad-hoc Income	\$78
Marketing Income	\$3,527
Total Revenue	\$97,408
Cost of Sales	
Consultants	\$25,939
Software	\$2,345
Wages & Salaries	\$23,278
Superannuation	\$2,845
Total Cost of Sales	\$54,407
Gross Profit	\$43,000
Expenses	
Marketing - Agency Fees	\$5,580
Ad Spend - Spotify	\$99
Ad Spend - Instagram	\$87
Ad Spend - Facebook	\$1,692
Marketing - Networking	\$1,039
Marketing - Workshops	\$110
Fees - Bank	\$340
Fees - Stripe	\$1
Services - Accounting	\$358
Services - Bookkeeping	\$72
Education & Training	\$300
Employee entitlements	-\$54
Development - Business Coaching	\$3,000
IT - Subscriptions & Software	\$1,371
Office - General Expenses	\$106
Office - Printing & Stationery	\$312
Ad Spend - Google	\$3,316
Rent	\$6,667
Utilities - Telephone	\$587
Utilities - Internet	\$414
Travel - National	\$1,086
Travel - Food	\$50
Bank Revaluations	\$0
Total Expenses	\$26,531
Operating Profit	\$16,470

Oct 2019

Other Income	
Fees Recovered - Software	\$6,401
Fees Recovered - Marketing	\$514
Earnings Before Interest & Tax	\$23,386
Interest Income	
Interest Income	\$56
Earnings Before Tax	\$23,442
Net Income	\$23,442

Balance Sheet

Your balance sheet shows you the financial health of your business at a point in time. It contains your assets, liabilities and equity

BALANCE SHEET	2019/2020 (YTD)	2018/2019	Variance (\$)	Variance (%)
ASSETS				
Cash & Equivalents				
Savings Account	\$16	\$15	\$16	-
Everyday Transaction Account	\$56,365	\$54,128	\$27,103	92.62%
GST Account	\$80,935	\$55,718	\$23,913	41.94%
Petty Cash	\$0	\$91	-\$41	-100.00%
Provisions Account	\$607	\$0	\$607	-
Total Cash & Equivalents	\$137,923	\$109,953	\$51,598	59.77%
Accounts Receivable				
Accounts Receivable	\$57,907	\$45,980	\$6,801	13.31%
Other Current Assets				
Stripe Clearing	\$867	\$0	\$867	-
Loan to Staff	\$499	\$499	-\$800	-61.59%
Provision for doubtful debts	-\$6,373	-\$7,150	\$777	10.87%
Loan to Directors - Elvis Presley	\$0	\$0	-\$1,568	-100.00%
Loan to Directors - Steve Smith	\$0	\$0	-\$1,001	-100.00%
Loan to Directors - Neil Armstrong	\$0	\$0	-\$41	-100.00%
Total Other Current Assets	-\$5,008	-\$6,652	-\$1,765	-54.45%
Total Current Assets	\$190,822	\$149,282	\$56,634	42.20%
Fixed Assets				
Office Equipment	\$21,654	\$21,070	\$7,285	50.70%
Less Accumulated Depreciation on ...	-\$21,070	-\$21,070	-\$6,701	-46.63%
Total Fixed Assets	\$584	\$0	\$584	-
Total Non-Current Assets	\$584	\$0	\$584	-
Total Assets	\$191,406	\$149,282	\$57,217	42.64%
LIABILITIES				
Accounts Payable				
Accounts Payable	\$58,395	\$56,388	\$33,997	139.34%
Tax Liability				
Income Tax Payable	-\$6,736	-\$3,384	-\$7,668	-823.10%
Other Current Liabilities				
GST	\$8,582	-\$32	\$3,087	56.19%
ATO Integrated Account	\$7,088	\$50,396	-\$29,120	-80.42%
PAYG Withholdings Payable	\$0	\$0	-\$6,160	-100.00%
Superannuation Payable	\$2,845	\$0	\$140	5.19%
Provision for annual leave	\$30,214	\$25,166	\$8,712	40.52%
Suspense - Internal	-\$225	\$0	-\$225	-
Rounding	\$0	\$0	\$0	-57.14%
Total Other Current Liabilities	\$48,503	\$75,530	-\$23,565	-32.70%
Total Current Liabilities	\$100,162	\$128,534	\$2,764	2.84%
Total Non-Current Liabilities	\$0	\$0	\$0	-
Total Liabilities	\$100,162	\$128,534	\$2,764	2.84%
EQUITY				

	2019/2020 (YTD)	2018/2019	Variance (\$)	Variance (%)
Retained Earnings				
Retained Earnings	\$17,748	\$13,845	\$3,903	28.19%
Current Earnings				
Current Year Earnings	\$70,495	\$3,903	\$50,551	253.45%
Other Equity				
3000 X \$1 - Ordinary Shares	\$3,000	\$3,000	\$0	0.00%
333 X \$1 - M Class Shares Issued	\$333	\$333	\$0	0.00%
Less: Unpaid Share Capital	-\$333	-\$333	\$0	0.00%
Total Other Equity	\$3,000	\$3,000	\$0	0.00%
Total Equity	\$91,243	\$20,748	\$54,453	148.01%
Total Liabilities & Equity	\$191,406	\$149,282	\$57,217	42.64%

Cashflow Statement

CASH FLOW STATEMENT	Oct 2019	Sep 2019	This month vs last month (%)	This month vs last month (\$)
OPERATING ACTIVITIES				
Net Income	\$23,442	\$11,394	105.74%	\$12,048
Change in Accounts Payable	-\$1,549	\$1,159	-233.68%	-\$2,708
Change in Other Current Liabilities	-\$29,265	\$21,912	-233.56%	-\$51,177
Change in Tax Liability	\$0	-\$3,352	100.00%	\$3,352
Change in Accounts Receivable	\$681	-\$19,252	103.54%	\$19,933
Change in Other Current Assets	\$308	\$3,509	-91.22%	-\$3,201
Cash Flow from Operating Activities	-\$6,384	\$15,369	-141.54%	-\$21,753
INVESTING ACTIVITIES				
Change in Fixed Assets (ex. D&A)	-\$584	\$0	-	-\$584
Cash Flow From Investing Activities	-\$584	\$0	-	-\$584
FINANCING ACTIVITIES				
Change in Earnings not attrib. to Ret....	\$0	\$0	-	\$0
Cash Flow From Financing Activities	\$0	\$0	-	\$0
Change in Cash & Equivalents	-\$6,968	\$15,369	-145.33%	-\$22,337
Cash & Equivalents, Opening Balance	\$144,891	\$129,521	11.87%	\$15,369
Cash & Equivalents, Closing Balance	\$137,923	\$144,891	-4.81%	-\$6,968

KPI Results

	RESULT	TARGET		TREND	IMPORTANCE
A PROFITABILITY	OCT 2019			vs SEP 2019	
Service Income	\$64,019	\$69,367	✗	▲ 2.9%	Critical
Consulting Income	\$14,891	\$5,950	✓	▲ 7.2%	High
Software Income	\$8,261	\$5,000	✓	▼ -62.4%	High
Total Revenue	\$97,408	\$88,915	✓	▼ -6.4%	Critical
Gross Profit Margin	44.14%	30.24%	✓	▲ 5.05%	Medium
Profitability Ratio	24.01%	8.22%	✓	▲ 13.12%	Critical
Net Profit After Tax Margin	24.07%	8.33%	✓	▲ 13.12%	Medium
B ACTIVITY					
Activity Ratio	12.57 times	2.00 times	✓	▼ -6.10 times	Critical
Accounts Receivable Days *	18 days	40 days	✓	▲ 1 days	Medium
Accounts Payable Days	33 days	45 days	✗	▲ 5 days	Medium
C EFFICIENCY					
Return on Equity	407.08%	15%	✓	▲ 161.33%	Critical
Return on Capital Employed	301.77%	12.5%	✓	▲ 98.45%	Critical
D ASSET USAGE					
Asset Turnover	5.99 times	5.00 times	✓	▼ -0.38 times	Medium
Working Capital Absorption *	-0.04%	25%	✓	▲ 0.06%	Low
E LIQUIDITY					
Current Ratio	1.91:1	2.00:1	✗	▲ 0.39:1	Medium
Quick Ratio	1.96:1	1.00:1	✓	▲ 0.40:1	Medium
F CASH FLOW					
Cash on Hand	\$137,923	\$10,000	✓	▼ -4.8%	Medium
Net Variable Cash Flow	44.19%	0%	✓	▲ 4.98%	Medium
G GROWTH					
Revenue Growth	-6.39%	9.24%	✗	▼ -7.44%	Critical
Gross Profit Growth	5.7%	38.84%	✗	▲ 30.08%	Medium
EBIT Growth	106.39%	232.54%	✗	▲ 171.44%	High

* For this metric, a result below target is favourable