

EXAMPLE CLIENT LTD

**BUSINESS PERFORMANCE REVIEW
FOR THE YEAR ENDED
31 MARCH 2015**

14/04/2015



BUSINESS PERFORMANCE REVIEW for the year ended 31 March 2015

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BUSINESS PERFORMANCE REVIEW for the year ended 31 March 2015

Period start date	01-Apr-14	n/a	01-Apr-13	Change over	%
Period end date	31-Mar-15	n/a	31-Mar-14	Previous	Variance
Number of days	365	Annual Equivalent	365	Period (adjusted)	
Total sales	4,300,000		3,300,000	1,000,000	30.30%
<i>Cash & credit card sales</i>	<i>0</i>		<i>0</i>		n/a
Cost of goods sold	3,100,000		2,400,000	700,000	29.17%
Gross profit	1,200,000		900,000	300,000	33.33%
Other income	8,000		11,000	(3,000)	-27.27%
Total Expenses	750,000		770,000	(20,000)	-2.60%
Net Profit	458,000		141,000	317,000	224.82%
Tax	114,500		29,610	84,890	286.69%
Dividends	175,690		78,120	97,570	124.90%
Retained Profit	167,810		33,270	134,540	404.39%
Depreciation & amortization charges	155,000		195,000	(40,000)	-20.51%
Interest & financing expenses	50,904		18,043	32,861	182.13%
Salaries & wages	1,528,052		1,434,897	93,155	6.49%
Opening stock	85,000		80,000	5,000	6.25%
Closing stock	90,000		85,000	5,000	5.88%
Opening debtors	1,178,484		868,991	309,493	35.62%
Closing debtors	1,423,020		1,178,484	244,536	20.75%
Cash on hand & at bank	433,418		511,224	(77,806)	-15.22%
Total Current Assets	2,162,962		1,847,524	315,438	17.07%
Fixed Assets at Net Book Value	900,482		898,902	1,580	0.18%
Total Assets	3,063,444		2,746,426	317,018	11.54%
Opening creditors (stock)	312,229		264,796	47,433	17.91%
Closing creditors (stock)	414,530		312,229	102,301	32.76%
Bank overdraft	0		0	0	n/a
Total Current Liabilities (external)	762,165		597,695	164,470	27.52%
Total Long-term Liabilities (external)	143,618		158,880	(15,262)	-9.61%
Owners' loans to the business	0		0	0	n/a
Total Liabilities	905,783		756,575	149,208	19.72%
Net Worth	2,157,661		1,989,851	167,810	8.43%
Number of full-time equivalent employees	52.00		50.00	2.00	4.00%

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Key Performance Indicators	This Period	Last Period	
1. Gross Margin on Sales (%)	27.91%	27.27%	
2. Break-even Gross Margin (%)	17.26%	23.00%	
Expense Ratio (%)	17.44%	23.33%	
3. Net Profit Margin (%)	10.65%	4.27%	
4. Asset Turnover (times p.a.)	1.40	1.20	
Fixed Asset Turnover	4.78	3.67	
5. Return on Investment (%)	14.95%	5.13%	
6. Stock Turnover Rate (days)	11	13	
7. Debtors Collection Rate (days)	103	111	
8. Creditors Payment Time (days)	41	40	
9. Net Working Capital Turnover (days)	72	84	
Gross W/Capital Turnover (days)	113	124	
10. Cash Sales Ratio	0%	0%	
11. Cash Flow per £ of Sales	£ 0.94	£ 0.90	
Operating Cash Flow per £ of Debt	£ 0.40	£ 0.03	
12. Sales per £ of Wages	£ 2.81	£ 2.30	
Net Profit per £ of Wages	£ 0.30	£ 0.10	
Gross profit per £ of Wages	£ 0.79	£ 0.63	
13. Sales per person employed	£ 82,692	£ 66,000	
14. Finance cost as % profit before interest	10.00%	11.34%	
15. External Debt as % Total Assets	30%	28%	****
Ratio Current Assets to Current Liabilities	284%	309%	****
16. Annual Sales required to break-even	£ 2,658,833	£ 2,783,000	
Safety Margin	38.17%	15.67%	
17. Analysis of the Increase / (Decrease) in Net Profit :			
Gross Profit change re Sales Volume	279,070		
Gross Profit change re Gross Margin %	20,930		
Change in Expenses	20,000		
Change in Other Income	(3,000)		
Change in Net Profit / Loss	£ 317,000		

NOTE :
Those factors marked by **** exhibited an unfavourable change over the previous period and may require attention.

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BUSINESS PERFORMANCE REVIEW for the year ended 31 March 2015

Financial Trend Analysis

Period start date	01-Apr-14	01-Apr-13	01-Apr-12	01-Apr-11	01-Apr-10
Period end date	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Number of days	365	365	365	366	365
Total sales	4,300,000	3,300,000	3,400,000	4,200,000	3,900,000
<i>Cash & credit card sales</i>					
Cost of goods sold	3,100,000	2,400,000	2,450,000	2,850,000	2,660,000
Gross profit	1,200,000	900,000	950,000	1,350,000	1,240,000
Other income	8,000	11,000	25,000	17,000	6,000
Total Expenses	750,000	770,000	840,000	1,005,000	865,000
Net Profit / (Loss)	458,000	141,000	135,000	362,000	381,000
Tax	114,500	29,610	28,350	90,500	95,250
Dividends	175,690	78,120	78,120	78,119	73,100
Retained Profit	167,810	33,270	28,530	193,381	212,650
Depreciation & amortization charges	155,000	195,000	200,000	195,000	260,000
Interest & financing expenses	50,904	18,043	18,983	21,041	16,156
Salaries & wages	1,528,052	1,434,897	1,507,678	1,772,411	1,423,473
Opening stock	85,000	80,000	140,223	197,520	161,743
Closing stock	90,000	85,000	80,000	140,223	197,520
Opening debtors	1,178,484	868,991	1,017,572	1,032,534	881,291
Closing debtors	1,423,020	1,178,484	868,991	1,017,572	1,032,534
Cash on hand & at bank	433,418	511,224	685,399	495,290	404,041
Total Current Assets	2,162,962	1,847,524	1,648,326	1,808,890	1,634,095
Fixed Assets at Net Book Value	900,482	898,902	1,008,485	1,200,296	1,369,209
Total Assets	3,063,444	2,746,426	2,656,811	3,009,186	3,003,304
Opening creditors (stock)	312,229	264,796	357,034	342,072	247,904
Closing creditors (stock)	414,530	312,229	264,796	357,034	342,072
Bank overdraft & factoring	0	0	4,149	0	125,973
Total Current Liabilities (external)	762,165	597,695	521,199	721,268	813,265
Total Long-term Liabilities (external)	143,618	158,880	222,550	355,015	481,809
Owners' loans to the business	0	0	-43,519	5,972	41,567
Total Liabilities	905,783	756,575	700,230	1,082,255	1,336,641
Net Worth - incl owners' loans to business	2,157,661	1,989,851	1,913,062	1,932,903	1,708,230
Number of full-time equivalent employees	52	50	52	54	51

% Change over Previous Period

Sales	30.30%	-2.94%	-18.83%	7.40%	n/a
Gross Profit	33.33%	-5.26%	-29.44%	8.57%	n/a
Expenses	-2.60%	-8.33%	-16.19%	15.87%	n/a
Working Capital	12.08%	10.89%	3.63%	32.50%	n/a
Net Worth	8.43%	4.01%	-1.03%	13.15%	n/a
Annualized Net Profit	£ 458,000	£ 141,000	£ 135,000	£ 361,011	£ 381,000

This analysis is based on annualized comparisons

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Financial Trend Analysis

Period start date	01-Apr-14	01-Apr-13	01-Apr-12	01-Apr-11	01-Apr-10
Period end date	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Number of days	365	365	365	366	365
1. Gross Margin on Sales (%)	27.91%	27.27%	27.94%	32.14%	31.79%
2. Break-even Gross Margin (%)	17.26%	23.00%	23.97%	23.52%	22.03%
Expense Ratio (%)	17.44%	23.33%	24.71%	23.93%	22.18%
3. Net Profit Margin (%)	10.65%	4.27%	3.97%	8.62%	9.77%
4. Asset Turnover (times p.a.)	1.40	1.20	1.28	1.39	1.30
Fixed Asset Turnover	4.78	3.67	3.37	3.49	2.85
5. Return on Investment (%)	14.95%	5.13%	5.08%	12.00%	12.69%
6. Stock Turnover Rate (days)	11	13	12	18	27
7. Debtors Collection Rate (days)	103	111	79	75	82
8. Creditors Payment Time (days)	41	40	34	40	39
9. Net Working Capital Turnover (days)	72	84	57	54	70
Gross W/Capital Turnover (days)	113	124	91	93	109
10. Cash Sales Ratio	0%	0%	0%	0%	0%
11. Cash Flow per £ of Sales	£ 0.94	£ 0.90	£ 1.06	£ 1.02	£ 0.95
Operating Cash Flow per £ of Debt	£ 0.40	£ 0.03	£ 0.78	£ 0.58	£ 0.34
12. Sales per £ of Wages	£ 2.81	£ 2.30	£ 2.26	£ 2.37	£ 2.74
Net Profit per £ of Wages	£ 0.30	£ 0.10	£ 0.09	£ 0.20	£ 0.27
Gross profit per £ of Wages	£ 0.79	£ 0.63	£ 0.63	£ 0.76	£ 0.87
13. Sales per person employed	£ 82,692	£ 66,000	£ 65,385	£ 77,565	£ 76,471
14. Finance cost as % profit before int	10.00%	11.34%	12.33%	5.49%	4.07%
15. External Debt as % Total Assets	30%	28%	28%	36%	43%
Ratio Current Assets to Current Liab's	284%	309%	316%	251%	201%
16. Annual Sales required to break-even	£ 2,658,833	£ 2,783,000	£ 2,916,842	£ 3,065,379	£ 2,701,694
Safety Margin	38.17%	15.67%	14.21%	26.81%	30.73%
17. Analysis of the causes of the change in Net Profit over the previous period :					
Gross Profit change re Sales Volume	279,070	(27,273)	(220,323)	92,740	
Gross Profit change re Gross Margin %	20,930	(22,727)	(175,988)	13,571	
Change in Expenses	20,000	70,000	162,254	(137,254)	
Change in Other Income	(3,000)	(14,000)	8,046	10,954	
Change in Net Profit	<u>£ 317,000</u>	<u>£ 6,000</u>	<u>£ (226,011)</u>	<u>£ (19,989)</u>	

This Financial Trend Analysis is based on annualized comparisons

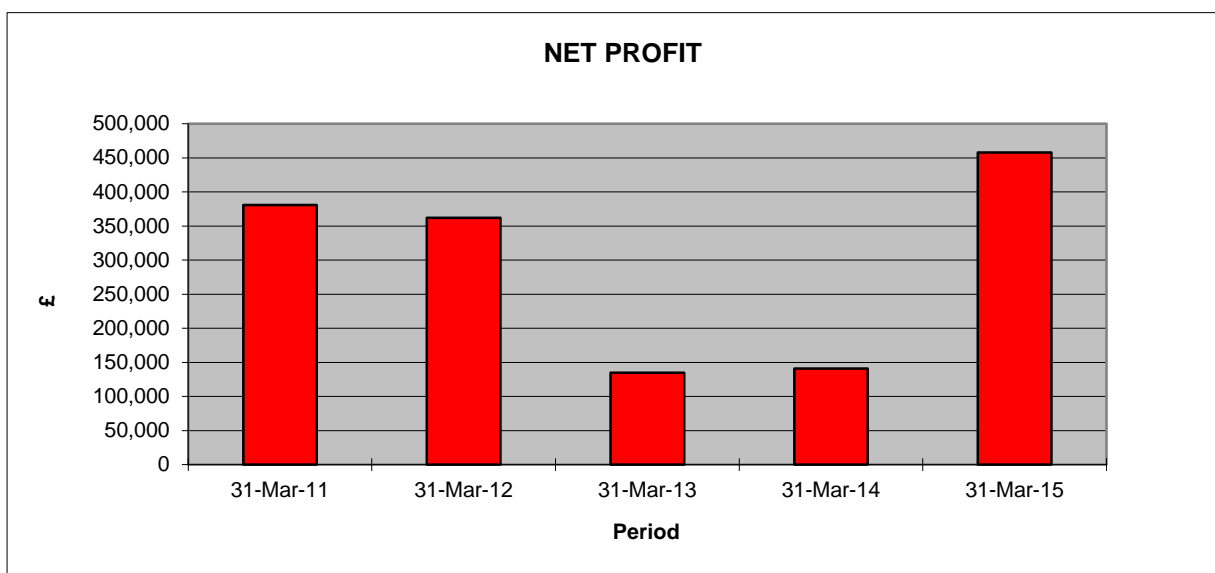
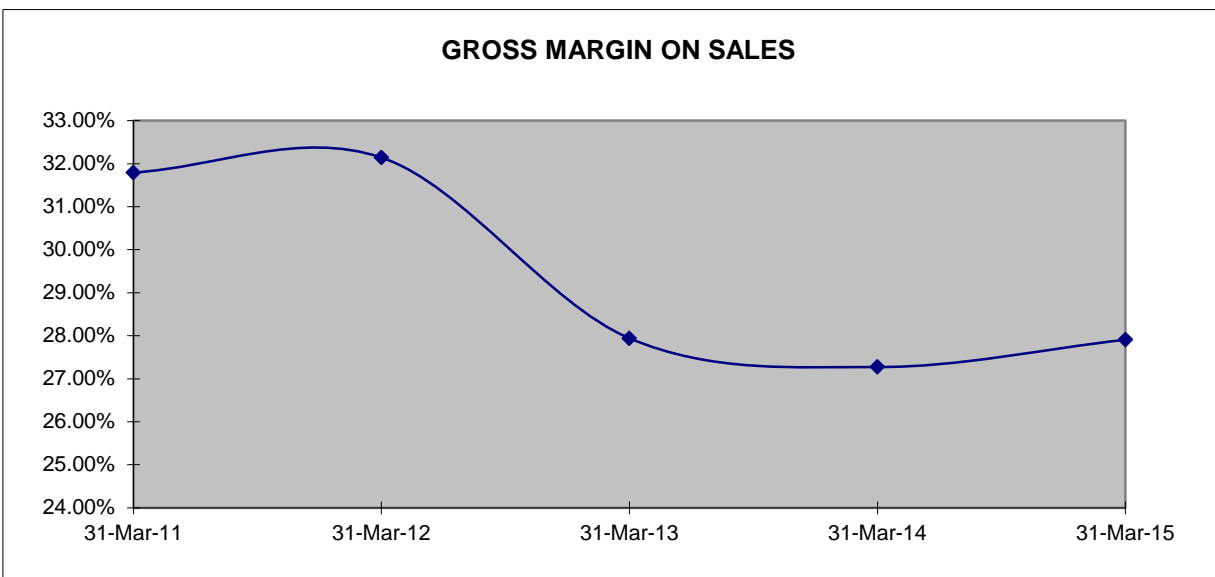
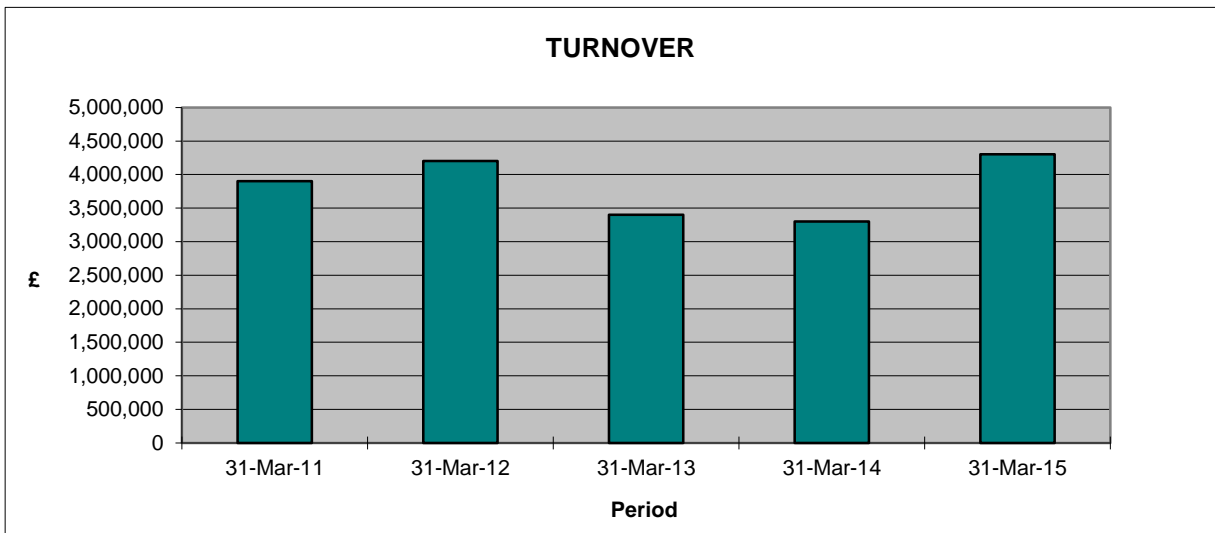
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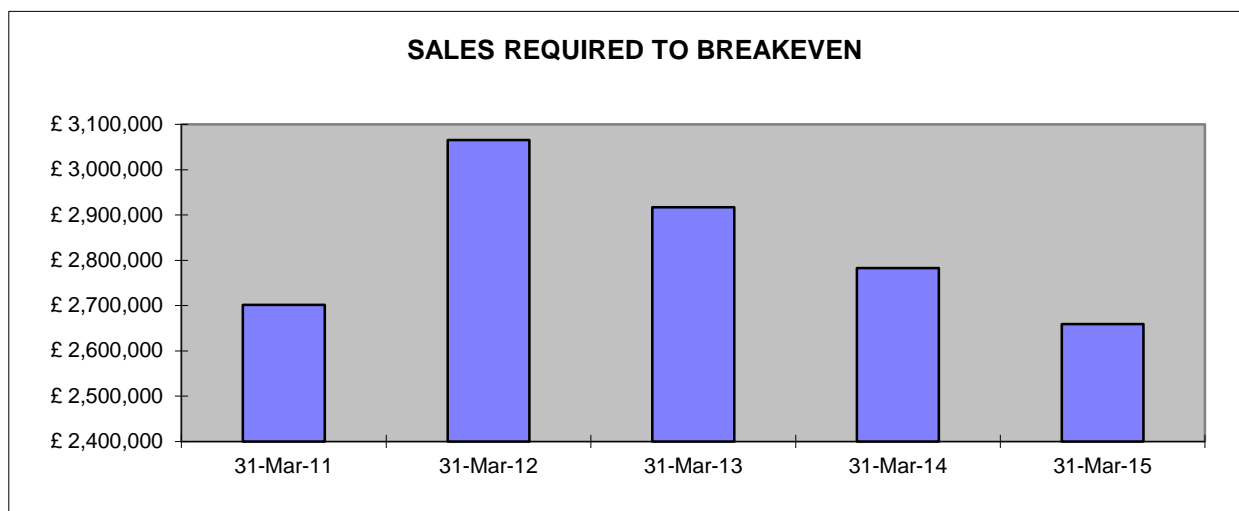
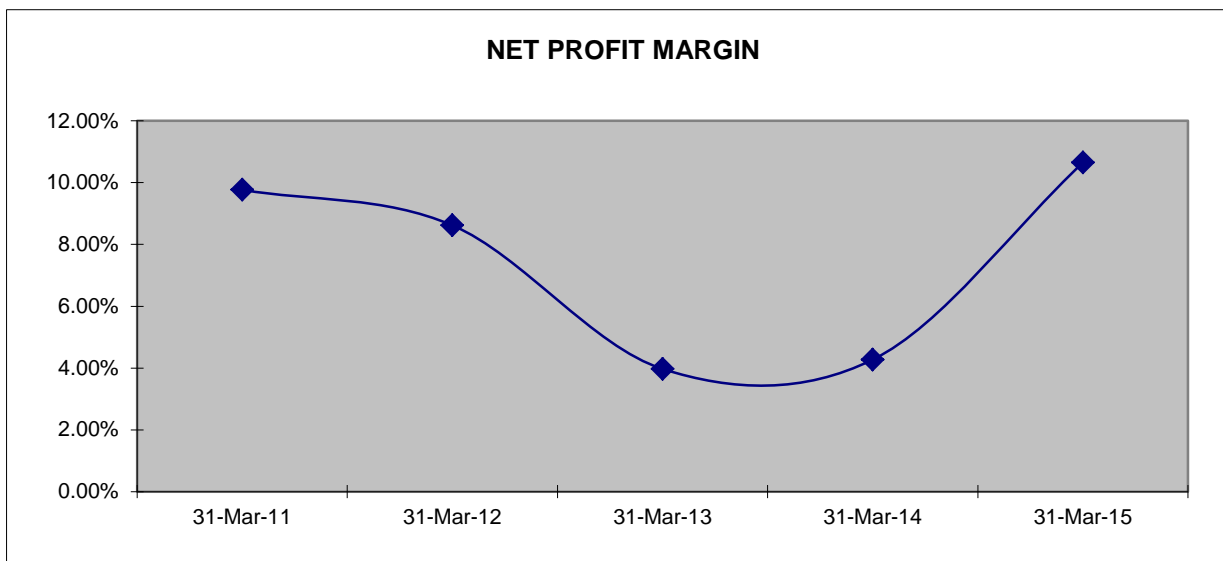
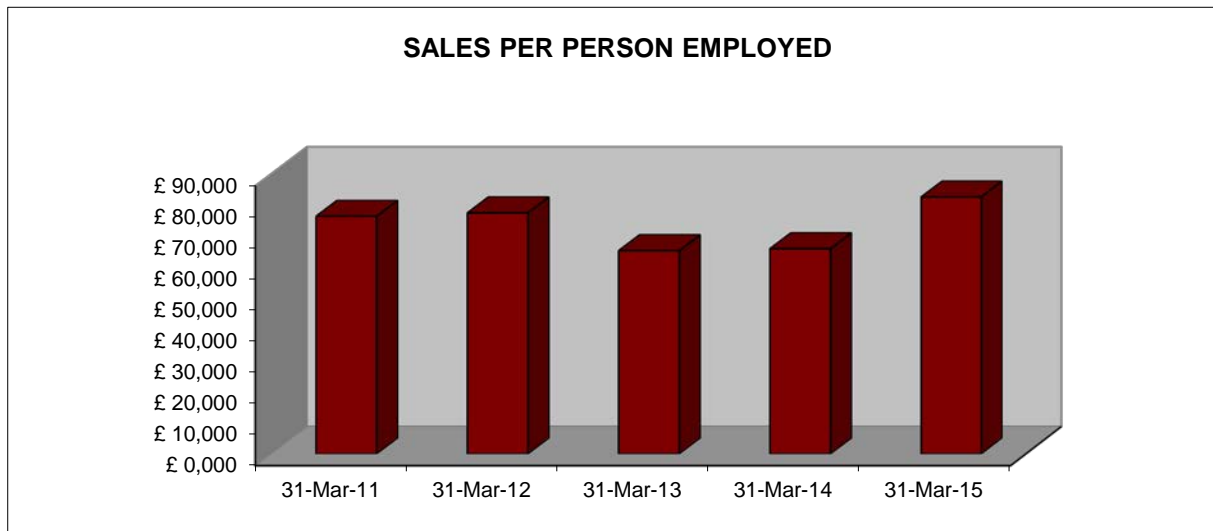
Funds Flow Statement

	This Period	Last Period
Period start date	01-Apr-14	01-Apr-13
Period end date	31-Mar-15	31-Mar-14
Number of days	365	365
Sources of Funds		
Increase in Net Worth	167,810	33,270
Add back depreciation	155,000	195,000
Owners' loans to the business		43,519
Decrease in Stock		
Decrease in Trade Debtors		
Decrease in Other Current Assets		
Proceeds less investment in Fixed Assets		
Increase in Trade Creditors	102,301	47,433
Increase in other external Current Liabilities	62,169	33,212
Increase in Long-Term Liabilities		
	487,280	352,434
Funds were used to :		
Decrease in Net Worth	0	0
Repay owners' loans to the business		
Increase in Stock	5,000	5,000
Increase in Trade Debtors	244,536	309,493
Increase in Other Current Assets	143,708	58,880
Net investment in Fixed Assets	156,580	85,417
Decrease in Trade Creditors		
Decrease in other external Current Liabilities		
Decrease in Long-Term Liabilities	15,262	63,670
	565,086	522,460
Increase / (decrease) in Bank & cash balances	(77,806)	(174,175)
Decrease / (increase) in Overdraft / Bank loans		4,149
Total cash movement	£ (77,806)	£ (170,026)

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for the year ended
31 March 2015



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for the year ended
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for the year ended
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