

EXAMPLE COMPANY LIMITED

**BUSINESS PERFORMANCE REVIEW
FOR THE YEAR ENDED
31 DECEMBER 2023**

22/02/2024



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BUSINESS PERFORMANCE REVIEW
for the year ended
31 December 2023

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EXAMPLE COMPANY LIMITED

BUSINESS PERFORMANCE REVIEW for the year ended 31 December 2023

| Period start date | 01-Jan-23 | n/a | 01-Jan-22 | Change over | % |
|--|------------------|----------------------|------------------|------------------|----------------|
| Period end date | 31-Dec-23 | n/a | 31-Dec-22 | Previous | Variance |
| Number of days | 365 | Annual Equivalent | 365 | Period | |
| Total sales | 10,787,913 | | 7,842,853 | 2,945,060 | 37.55% |
| <i>Cash & credit card sales</i> | <i>1,078,791</i> | | <i>784,285</i> | <i>294,506</i> | 37.55% |
| Cost of goods sold | 5,964,282 | | 4,229,720 | 1,734,562 | 41.01% |
| Gross profit | 4,823,631 | | 3,613,133 | 1,210,498 | 33.50% |
| Other income | 152,859 | | 263,011 | (110,152) | -41.88% |
| Total Expenses | 3,200,501 | | 2,802,166 | 398,335 | 14.22% |
| Net Profit | 1,775,989 | | 1,073,978 | 702,011 | 65.37% |
| Tax | 266,617 | | 159,406 | 107,211 | 67.26% |
| Dividends | 379,800 | | 349,788 | 30,012 | 8.58% |
| Retained Profit | 1,129,572 | | 564,784 | 564,788 | 100.00% |
| Depreciation & amortization charges | 228,560 | | 242,534 | (13,974) | -5.76% |
| Interest & financing expenses | 27,675 | | 37,524 | (9,849) | -26.25% |
| Salaries & wages | 1,452,890 | | 1,314,789 | 138,101 | 10.50% |
| Opening stock | 987,677 | | 921,050 | 66,627 | 7.23% |
| Closing stock | 1,357,857 | | 987,677 | 370,180 | 37.48% |
| Opening debtors | 1,265,127 | | 1,210,243 | 54,884 | 4.53% |
| Closing debtors | 1,354,307 | | 1,265,127 | 89,180 | 7.05% |
| Cash on hand & at bank | 724,224 | | 672,242 | 51,982 | 7.73% |
| Total Current Assets | 5,122,308 | | 3,571,424 | 1,550,884 | 43.42% |
| Fixed Assets at Net Book Value | 2,801,887 | | 2,999,561 | (197,674) | -6.59% |
| Total Assets | 7,924,195 | | 6,570,985 | 1,353,210 | 20.59% |
| Opening creditors (stock) | 769,697 | | 601,930 | 167,767 | 27.87% |
| Closing creditors (stock) | 848,016 | | 769,697 | 78,319 | 10.18% |
| Bank overdraft | 0 | | 0 | 0 | n/a |
| Total Current Liabilities (external) | 1,650,171 | | 1,534,467 | 115,704 | 7.54% |
| Total Long-term Liabilities (external) | 884,614 | | 912,675 | (28,061) | -3.07% |
| Owners' loans to the business | 11,460 | | -124,235 | 135,695 | -109.22% |
| Total Liabilities | 2,546,245 | | 2,322,907 | 223,338 | 9.61% |
| Net Worth | 5,389,410 | | 4,123,843 | 1,265,567 | 30.69% |
| Number of full-time equivalent employees | 35 | | 34 | 1 | 2.94% |

EXAMPLE COMPANY LIMITED

BUSINESS PERFORMANCE REVIEW for the year ended 31 December 2023

| Key Performance Indicators | This Period | Last Period | |
|---|------------------|----------------|------|
| 1. Gross Margin on Sales (%) | 44.71% | 46.07% | **** |
| 2. Break-even Gross Margin (%) | 28.25% | 32.38% | |
| Expense Ratio (%) | 29.67% | 35.73% | |
| 3. Net Profit Margin (%) | 16.46% | 13.69% | |
| 4. Asset Turnover (times p.a.) | 1.36 | 1.19 | |
| Fixed Asset Turnover | 3.85 | 2.61 | |
| 5. Return on Investment (%) | 22.41% | 16.34% | |
| 6. Stock Turnover Rate (days) | 83 | 85 | |
| 7. Debtors Collection Rate (days) | 43 | 56 | |
| 8. Creditors Payment Time (days) | 42 | 56 | **** |
| 9. Net Working Capital Turnover (days) | 81 | 80 | **** |
| Gross W/Capital Turnover (days) | 126 | 141 | |
| 10. Cash Sales Ratio | 10% | 10% | |
| 11. Cash Flow per £ of Sales | £ 0.96 | £ 0.98 | **** |
| Operating Cash Flow per £ of Debt | £ 0.61 | £ 0.51 | |
| 12. Sales per £ of Wages | £ 7.43 | £ 5.97 | |
| Net Profit per £ of Wages | £ 1.22 | £ 0.82 | |
| Gross profit per £ of Wages | £ 3.32 | £ 2.75 | |
| 13. Sales per person employed | £ 308,226 | £ 230,672 | |
| 14. Finance cost as % profit before interest | 1.53% | 3.38% | |
| 15. External Debt as % Total Assets | 32% | 37% | |
| Ratio Current Assets to Current Liabilities | 310% | 233% | |
| 16. Annual Sales required to break-even | £ 6,815,964 | £ 5,511,621 | **** |
| Safety Margin | 36.82% | 29.72% | |
| 17. Analysis of the Increase / (Decrease) in Net Profit : | | | |
| Gross Profit change re Sales Volume | 1,316,833 | | |
| Gross Profit change re Gross Margin % | (106,335) | | |
| Change in Expenses | (398,335) | | |
| Change in Other Income | (110,152) | | |
| Change in Net Profit / Loss | <u>£ 702,011</u> | | |

NOTE :

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

EXAMPLE COMPANY LIMITED

BUSINESS PERFORMANCE REVIEW for the year ended 31 December 2023

Financial Trend Analysis

| Period start date | 01-Jan-23 | 01-Jan-22 | 01-Jan-21 | 01-Jan-20 | 01-Jan-19 |
|---|------------------|------------------|------------------|------------------|------------------|
| Period end date | 31-Dec-23 | 31-Dec-22 | 31-Dec-21 | 31-Dec-20 | 31-Dec-19 |
| Number of days | 365 | 365 | 365 | 366 | 365 |
| Total sales | 10,787,913 | 7,842,853 | 7,780,718 | 7,372,270 | 6,685,050 |
| <i>Cash & credit card sales</i> | <i>1,078,791</i> | <i>784,285</i> | <i>778,072</i> | <i>737,227</i> | <i>66,851</i> |
| Cost of goods sold | 5,964,282 | 4,229,720 | 4,086,199 | 3,805,373 | 3,516,455 |
| Gross profit | 4,823,631 | 3,613,133 | 3,694,519 | 3,566,897 | 3,168,595 |
| Other income | 152,859 | 263,011 | 79,578 | 60,115 | 50,532 |
| Total Expenses | 3,200,501 | 2,802,166 | 2,984,686 | 2,397,956 | 2,434,124 |
| Net Profit / (Loss) | 1,775,989 | 1,073,978 | 789,411 | 1,229,056 | 785,003 |
| Tax | 266,617 | 159,406 | 47,039 | 132,933 | 43,200 |
| Dividends | 379,800 | 349,788 | 303,100 | 237,000 | 216,565 |
| Retained Profit | 1,129,572 | 564,784 | 439,272 | 859,123 | 525,238 |
| Depreciation & amortization charges | 228,560 | 242,534 | 237,166 | 239,995 | 236,262 |
| Interest & financing expenses | 27,675 | 37,524 | 49,221 | 58,940 | 47,839 |
| Salaries & wages | 1,452,890 | 1,314,789 | 1,378,214 | 1,177,149 | 1,009,457 |
| Opening stock | 987,677 | 921,050 | 733,100 | 780,030 | 619,453 |
| Closing stock | 1,357,857 | 987,677 | 921,050 | 733,100 | 780,030 |
| Opening debtors | 1,265,127 | 1,210,243 | 1,436,408 | 764,171 | 791,035 |
| Closing debtors | 1,354,307 | 1,265,127 | 1,210,243 | 1,436,408 | 764,171 |
| Cash on hand & at bank | 724,224 | 672,242 | 333,555 | 251,497 | 73,499 |
| Total Current Assets | 5,122,308 | 3,571,424 | 2,975,866 | 2,850,423 | 1,679,858 |
| Fixed Assets at Net Book Value | 2,801,887 | 2,999,561 | 3,085,009 | 3,204,110 | 3,282,614 |
| Total Assets | 7,924,195 | 6,570,985 | 6,060,875 | 6,054,533 | 4,962,472 |
| Opening creditors (stock) | 769,697 | 601,930 | 684,890 | 510,641 | 498,539 |
| Closing creditors (stock) | 848,016 | 769,697 | 601,930 | 684,890 | 510,641 |
| Bank overdraft | 0 | 0 | 0 | 0 | 97,025 |
| Total Current Liabilities (external) | 1,650,171 | 1,534,467 | 1,193,195 | 1,493,792 | 1,093,415 |
| Total Long-term Liabilities (external) | 884,614 | 912,675 | 956,534 | 1,159,585 | 1,256,913 |
| Owners' loans to the business | 11,460 | -124,235 | 227,852 | 148,906 | 219,017 |
| Total Liabilities | 2,546,245 | 2,322,907 | 2,377,581 | 2,802,283 | 2,569,345 |
| Net Worth - incl owners' loans to business | 5,389,410 | 4,123,843 | 3,911,146 | 3,401,156 | 2,612,144 |
| Number of full-time equivalent employees | 35.0 | 34.0 | 41.0 | 35.0 | 30.0 |

% Change over Previous Period

| | | | | | |
|-----------------------|-------------|-------------|-----------|-------------|-----------|
| Sales | 37.55% | 0.80% | 5.83% | 9.98% | n/a |
| Gross Profit | 33.50% | -2.20% | 3.86% | 12.26% | n/a |
| Expenses | 14.22% | -6.12% | 24.81% | -1.76% | n/a |
| Working Capital | 70.46% | 14.26% | 31.40% | 131.33% | n/a |
| Net Worth | 30.69% | 5.44% | 14.99% | 30.21% | n/a |
| Annualized Net Profit | £ 1,775,989 | £ 1,073,978 | £ 789,411 | £ 1,225,698 | £ 785,003 |

This analysis is based on annualized comparisons

EXAMPLE COMPANY LIMITED

BUSINESS PERFORMANCE REVIEW for the year ended 31 December 2023

Financial Trend Analysis

| Period start date | 01-Jan-23 | 01-Jan-22 | 01-Jan-21 | 01-Jan-20 | 01-Jan-19 |
|---|------------------|------------------|--------------------|------------------|-------------|
| Period end date | 31-Dec-23 | 31-Dec-22 | 31-Dec-21 | 31-Dec-20 | 31-Dec-19 |
| Number of days | 365 | 365 | 365 | 366 | 365 |
| 1. Gross Margin on Sales (%) | 44.71% | 46.07% | 47.48% | 48.38% | 47.40% |
| 2. Break-even Gross Margin (%) | 28.25% | 32.38% | 37.34% | 31.71% | 35.66% |
| Expense Ratio (%) | 29.67% | 35.73% | 38.36% | 32.53% | 36.41% |
| 3. Net Profit Margin (%) | 16.46% | 13.69% | 10.15% | 16.67% | 11.74% |
| 4. Asset Turnover (times p.a.) | 1.36 | 1.19 | 1.28 | 1.21 | 1.35 |
| Fixed Asset Turnover | 3.85 | 2.61 | 2.52 | 2.29 | 2.04 |
| 5. Return on Investment (%) | 22.41% | 16.34% | 13.02% | 20.24% | 15.82% |
| 6. Stock Turnover Rate (days) | 83 | 85 | 82 | 71 | 81 |
| 7. Debtors Collection Rate (days) | 43 | 56 | 54 | 67 | 36 |
| 8. Creditors Payment Time (days) | 42 | 56 | 44 | 57 | 43 |
| 9. Net Working Capital Turnover (days) | 81 | 80 | 87 | 74 | 73 |
| Gross W/Capital Turnover (days) | 126 | 141 | 136 | 138 | 117 |
| 10. Cash Sales Ratio | 10% | 10% | 10% | 10% | 1% |
| 11. Cash Flow per £ of Sales | £ 0.96 | £ 0.98 | £ 1.00 | £ 0.91 | £ 0.98 |
| Operating Cash Flow per £ of Debt | £ 0.61 | £ 0.51 | £ 0.45 | £ 0.30 | £ 0.35 |
| 12. Sales per £ of Wages | £ 7.43 | £ 5.97 | £ 5.65 | £ 6.26 | £ 6.62 |
| Net Profit per £ of Wages | £ 1.22 | £ 0.82 | £ 0.57 | £ 1.04 | £ 0.78 |
| Gross profit per £ of Wages | £ 3.32 | £ 2.75 | £ 2.68 | £ 3.03 | £ 3.14 |
| 13. Sales per person employed | £ 308,226 | £ 230,672 | £ 189,774 | £ 210,061 | £ 222,835 |
| 14. Finance cost as % profit before int | 1.53% | 3.38% | 5.87% | 4.58% | 5.74% |
| 15. External Debt as % Total Assets | 32% | 37% | 35% | 44% | 47% |
| Ratio Current Assets to Current Liab's | 310% | 233% | 249% | 191% | 154% |
| 16. Annual Sales required to break-even | £ 6,815,964 | £ 5,511,621 | £ 6,118,205 | £ 4,818,783 | £ 5,028,863 |
| Safety Margin | 36.82% | 29.72% | 21.37% | 34.46% | 24.77% |
| 17. Analysis of the causes of the change in Net Profit over the previous period : | | | | | |
| Gross Profit change re Sales Volume | 1,316,833 | 28,625 | 203,508 | 322,749 | |
| Gross Profit change re Gross Margin % | (106,335) | (110,011) | (66,140) | 65,807 | |
| Change in Expenses | (398,335) | 182,520 | (593,282) | 42,720 | |
| Change in Other Income | (110,152) | 183,433 | 19,627 | 9,419 | |
| Change in Net Profit | <u>£ 702,011</u> | <u>£ 284,567</u> | <u>£ (436,287)</u> | <u>£ 440,695</u> | |

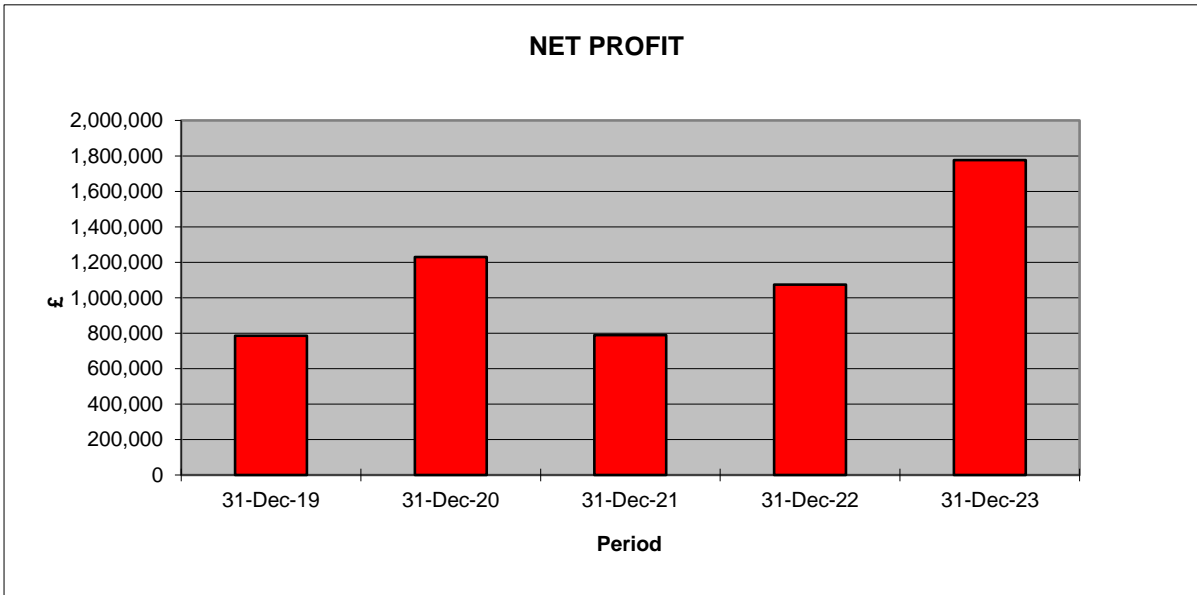
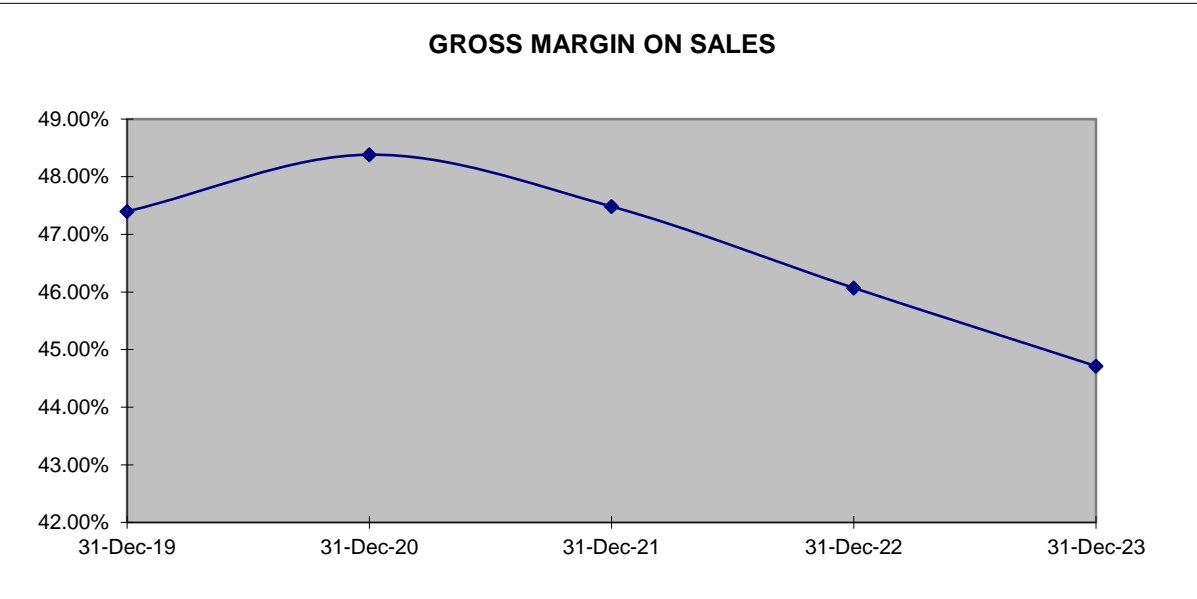
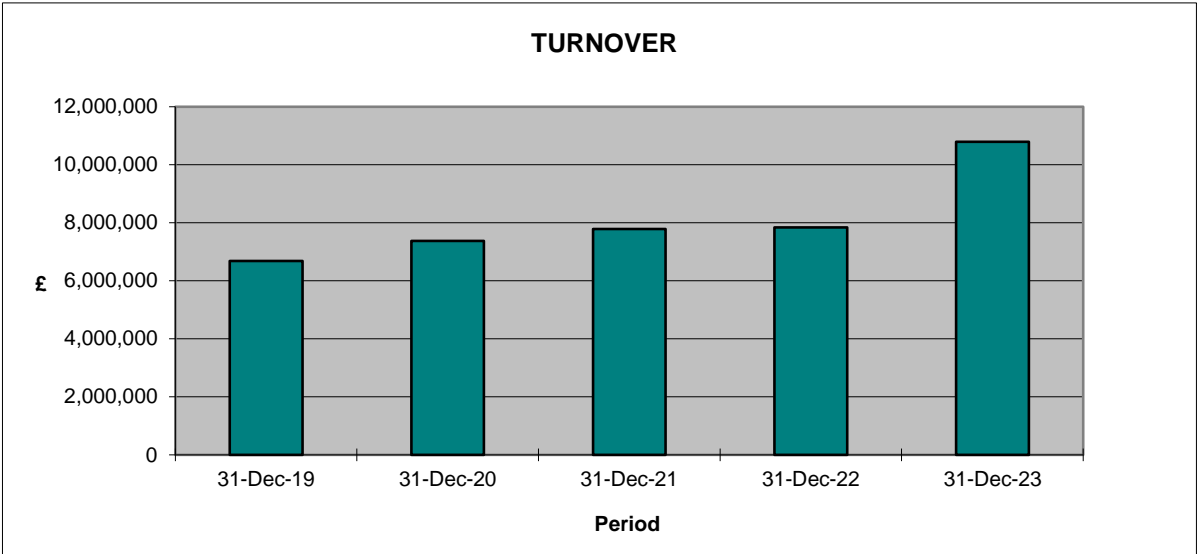
This Financial Trend Analysis is based on annualized comparisons

**BUSINESS PERFORMANCE REVIEW
for the year ended
31 December 2023**

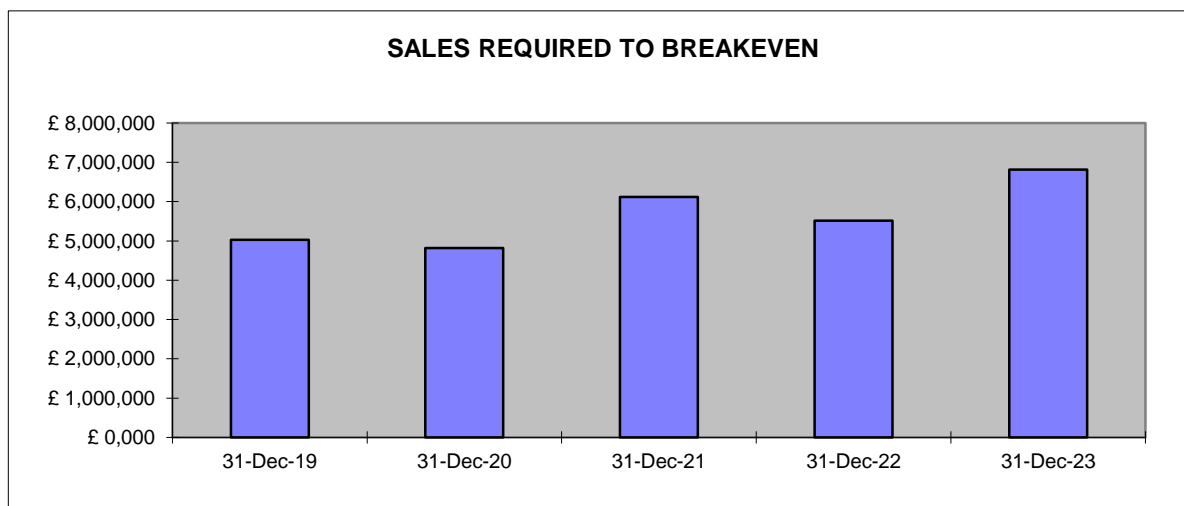
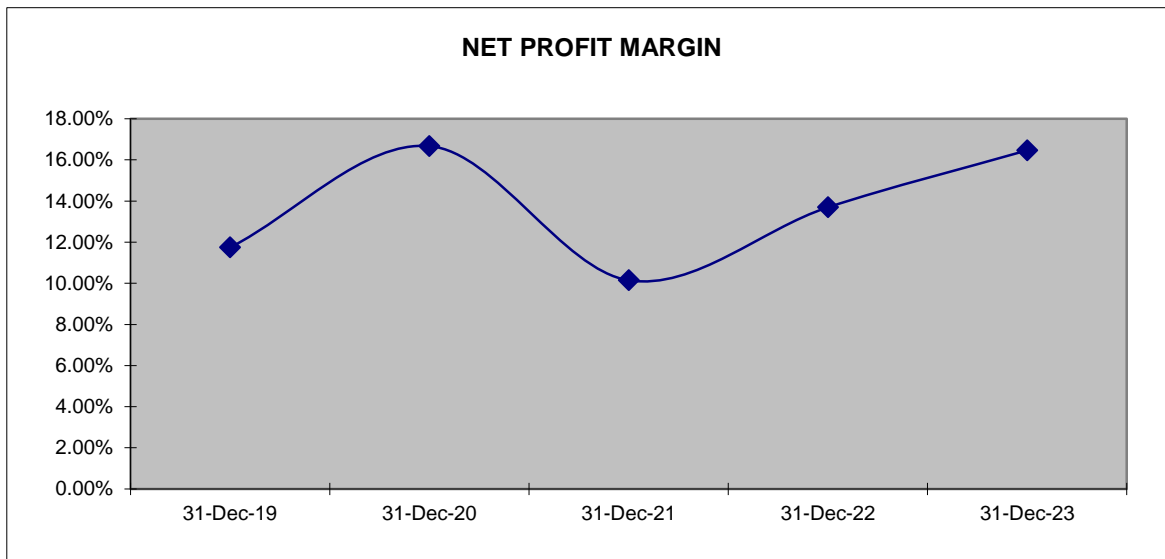
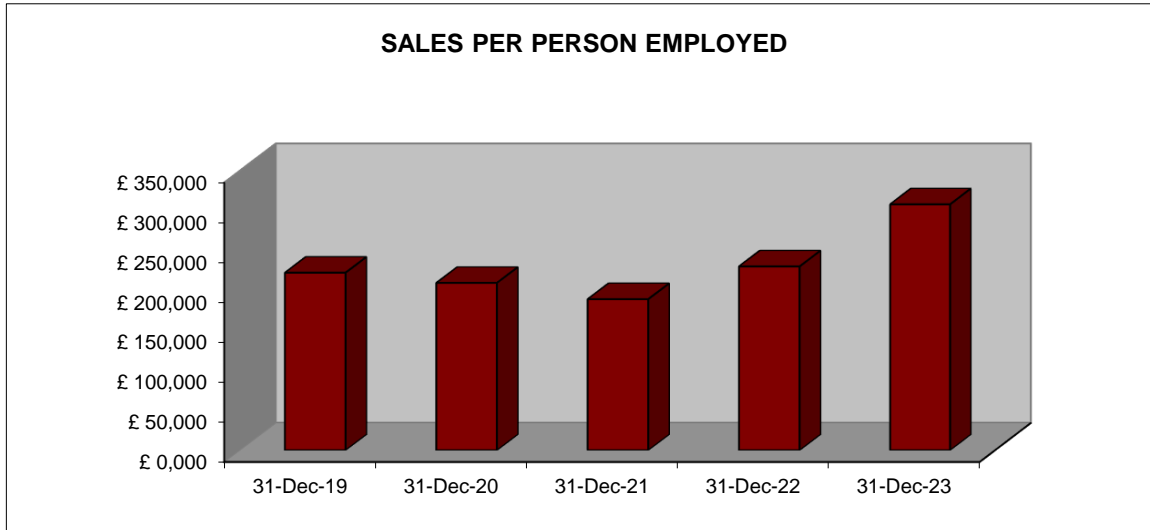
Funds Flow Statement

| | This Period | Last Period |
|--|------------------|------------------|
| Period start date | 01-Jan-23 | 01-Jan-22 |
| Period end date | 31-Dec-23 | 31-Dec-22 |
| Number of days | 365 | 365 |
| Sources of Funds | | |
| Increase in Net Worth | 1,129,872 | 564,784 |
| Add back depreciation | 228,560 | 242,534 |
| Owners' loans to the business | 135,695 | |
| Decrease in Stock | | |
| Decrease in Trade Debtors | | |
| Decrease in Other Current Assets | | |
| Proceeds less investment in Fixed Assets | | |
| Increase in Trade Creditors | 78,319 | 167,767 |
| Increase in other external Current Liabilities | 37,385 | 173,505 |
| Increase in Long-Term Liabilities | | |
| | 1,609,831 | 1,148,590 |
| Funds were used to : | | |
| Decrease in Net Worth | 0 | 0 |
| Repay owners' loans to the business | | 352,087 |
| Increase in Stock | 370,180 | 66,627 |
| Increase in Trade Debtors | 89,180 | 54,884 |
| Increase in Other Current Assets | 1,039,542 | 135,360 |
| Net investment in Fixed Assets | 30,886 | 157,086 |
| Decrease in Trade Creditors | | |
| Decrease in other external Current Liabilities | | |
| Decrease in Long-Term Liabilities | 28,061 | 43,859 |
| | 1,557,849 | 809,903 |
| Increase / (decrease) in Bank & cash balances | 51,982 | 338,687 |
| Decrease / (increase) in Overdraft | | |
| Total cash movement | £ 51,982 | £ 338,687 |

BUSINESS PERFORMANCE REVIEW
for the year ended
31 December 2023



BUSINESS PERFORMANCE REVIEW for the year ended 31 December 2023



BUSINESS PERFORMANCE REVIEW for the year ended 31 December 2023

