

REPORT WRITER TEMPLATE



Easy Rider Pty Ltd Management Report - June

Note the graphic does not include the entire funds statement, just what you want to highlight. Not everything has to add up & balance. True!

Area of consideration

Cash Flow

Over the past 3 years the cash position of the business has worsened considerably. There are a number of factors influencing the final cash position each year, but one stands out, your drawings are in excess of the profit.

The decline in cash may not be evident to you as there is lots going on including the purchase of new equipment, equipment finance, growing sales and profitability etc. However if things continue along this path I predict you will run out of cash sometime during the next 6 months, and this means you will not be able to grow the business any further.

I recommend we meet to prepare a forecast of your living requirements and business cash flows over the next 12 months so you are aware of, and are able to monitor the cash situation.

	2017	2016	2015
Cash Surplus	(17,555)	(8,900)	(16,900)
Profit (before depn.)	214,000	198,000	194,000
Drawings	255,000	255,000	255,000

The information in the box is an element

Past performance

What this means for you

Recommendation



Areas of Consideration—Profitability

Sales ([Link](#))

Gross Profit ([Link](#))

Selected expenses

Wages ([link](#))

Net Profit

Budget & Targets

Areas of Consideration—Cash flow

Profitability

Borrowing

Working capital ([link](#))

Asset sales

Capital Contribution

Dividends

Budget & Targets



Areas of Consideration—Profitability

Sales

Increase price

Pricing for Profit

15 options—refer Optimiser

How Budgets Build Profits

Charge Rate Calculator

Increase sales volume

Sales & Marketing

Customer Numbers 20 options

Transaction Value 5 options

Frequency 6 options

Customer Service Systems

Sales Masterclass

Level Headed

Perth Vet

Profit Improvement—First Steps



Areas of Consideration—Profitability

Gross Profit

Increase price

Pricing for Profit

15 options—refer Optimiser

How Budgets Build Profits

Charge Rate Calculator

Increase productivity

Contribution Based Activity

How Budgets Build Profits

Level Headed

Perth Vet

Business Health Checklist

Strategy Session

Rate Tracker



Areas of Consideration—Profitability

Wages

If you have noted an adverse trend in terms of wages as a percentage of gross profit, then the client has a productivity issue to deal with

Increase productivity

Contribution Based Activity

How Budgets Build Profits

Level Headed

Perth Vet

Business Health Checklist

Strategy Session

Rate Tracker



Working Capital Review



	2017	2016	2015	2014	2013
Working Capital—Days					
Accounts Receivable					
Days In Inventory					
Accounts Payable.					

Accounts Receivable—Calculation of Days outstanding.

Total Credit Sales divided by trading days during period = Average daily sales .

Accounts Receivable Balance divided by Av. Daily sales = days outstanding.

Example

Annual Credit Sales \$1,315,000

Trading days for year 250

Accounts Receivable Balance \$221,000

$\$1,315,000 / 250 = \text{av. daily sales of } \$5,260$

$\$221,000 / \$5,260 = 42 \text{ days}$

Days in Inventory

The days in inventory refers to the total number of days a company takes to sell its average inventory. Follow [this link](#) or the link on the lesson page for details of how to calculate days in inventory.

Accounts Payable —Calculation of Days outstanding.

Total purchases divided by trading days during period = Average daily purchases.

Accounts Payable Balance divided by Av. Daily Purchases = days outstanding.

Management Report Checklist

- The report must not have more than 4 elements
- Each element must include a narrative and chart, table, or picture
- The narrative must not exceed 125 words
- Each element would ideally include a comment about past performance and a recommendation
- Each element MUST include a “And what this means for you” statement
- Keep charts and tables simple
- Make reference to the need to set budgets
- Invite the client to a meeting to discuss the report.
- Do not “pad” the report, if you only have one area of consideration to report on, keep the report to 1 element (and 125 words).

