



SAMPLE
REPORT

Monthly Performance Report

Green Eats Cafe & Restaurant

Jan 2021



GREEN EATS
CAFE & RESTAURANT

Introduction

Overview

Overview

Well done team, the results for the month are better than planned. Revenues for the current month are \$551,165, narrowly missing our target \$605,095. However, profitability margins improved by 12.02% this month due to cost savings and efficiency gains.

We observed the positive impact of increasing our marketing spend this period. Survey results showed a rise in brand awareness, and we attribute the increased revenue, in part, to the launch of this campaign.

Continuing to provide high quality service will ensure we maintain rapport with our new and existing clientele over the coming months. This is especially important as we head towards the Christmas period where we typically see a decrease in sales.

Additionally, we will continue to reduce costs in the latter half of the year as we transition to using local suppliers to decrease shipping costs.

Actions

- Review rolling 12 month plan and forecast
- Review sales order pipeline
- Update shareholder agreements
- Award tender contracts

REVENUE

Revenue \$551,165 (Last month \$577,664)

Narrowly missing target, but still improving on past months performance.

PROFITABILITY

Profitability Ratio 17.75% (Last month 26.19%)

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

WORKING CAPITAL

Cash Conversion Cycle -6 days (Last month 30 days)

Positive trend downwards. Strategies to improve cash conversion include: collecting debt faster, reducing inventory levels, billing work in progress faster and paying creditors slower

CASH FLOW

Free Cash Flow \$486,679

Free Cash Flow is positive. After paying its operating expenses and investing for future growth (capital expenditures) the business has generated cash. This cash is available to be paid back to the suppliers of capital.

MARGINAL CASH FLOW

Net Variable Cash Flow 70.95%

Net variable cash flow is positive. The business will generate cash from each additional \$1 of products or services that the business sells.

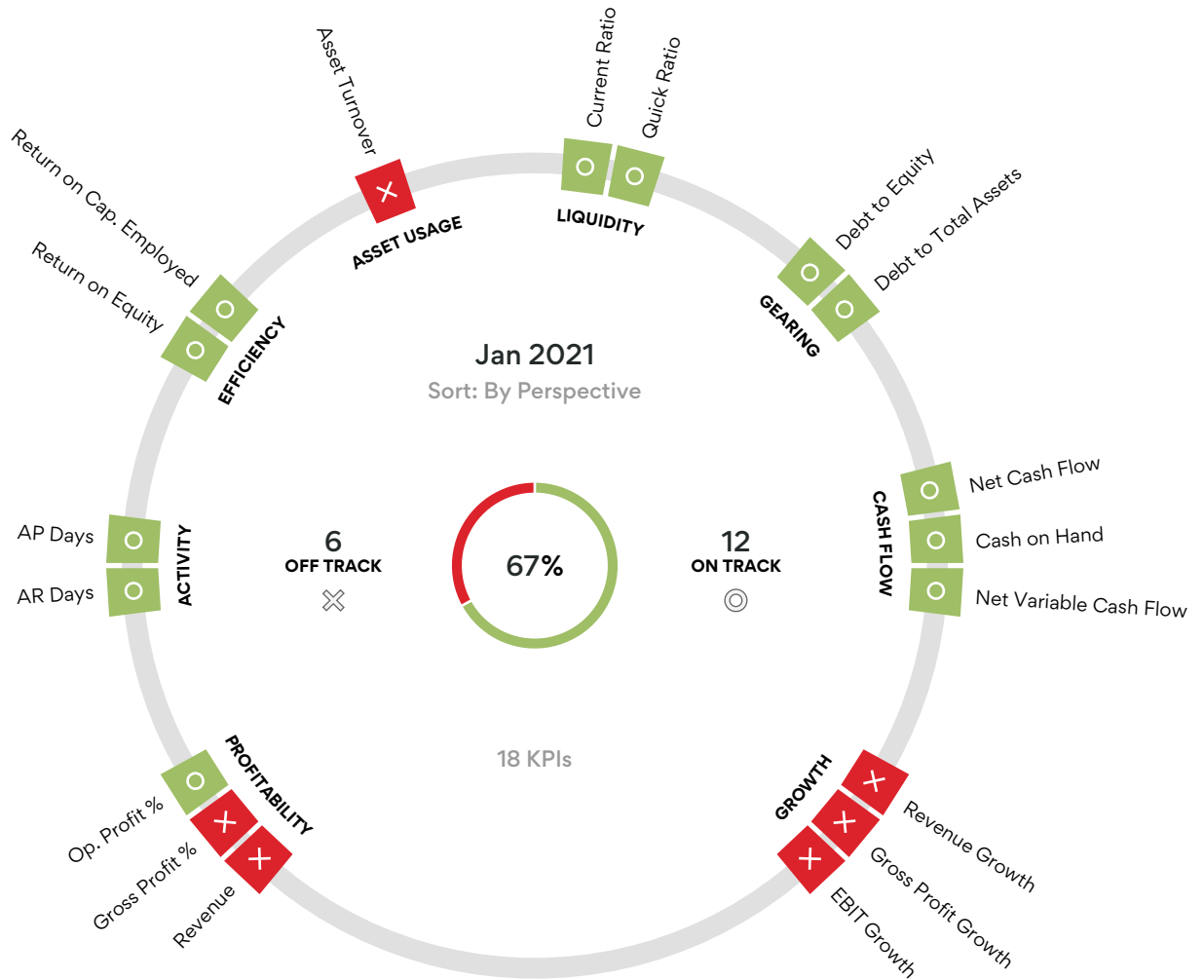
DEBT

Net Debt -\$1,195,596 (Last month -\$746,155)

Net debt levels have fallen.

KPI Results

This chart shows KPIs grouped into performance perspectives.



KPI Results

| | 1 ALERT | RESULT | TARGET | TREND | IMPORTANCE |
|----------------------------|---------|-------------|------------|-----------------|------------|
| A PROFITABILITY | | JAN 2021 | | vs DEC 2020 | |
| Total Revenue | | \$551,165 | \$605,095 | ✗ ▼ -4.6% | Critical |
| Gross Profit Margin | | 73.45% | 73.74% | ✗ ▼ -0.37% | Critical |
| Operating Profit Margin | ● | 10.6% | -106.62% | ✓ ▼ -10.66% | Critical |
| B ACTIVITY | | | | | |
| Accounts Receivable Days * | | 8 days | 40 days | ✓ 0 days | Low |
| Accounts Payable Days | | 83 days | 45 days | ✓ ▲ 36 days | Low |
| C EFFICIENCY | | | | | |
| Return on Equity | | 41.74% | 15% | ✓ ▼ -26.21% | Critical |
| Return on Capital Employed | | 49.22% | 12.5% | ✓ ▼ -30.94% | Critical |
| D ASSET USAGE | | | | | |
| Asset Turnover | | 1.98 times | 5.00 times | ✗ ▼ -0.47 times | Medium |
| E LIQUIDITY | | | | | |
| Current Ratio | | 2.63:1 | 2.00:1 | ✓ ▼ -0.80:1 | Medium |
| Quick Ratio | | 2.00:1 | 1.00:1 | ✓ ▼ -0.39:1 | Medium |
| F GEARING | | | | | |
| Debt to Equity * | | 42.01% | 100% | ✓ ▲ 4.46% | Low |
| Debt to Total Assets * | | 21.79% | 50% | ✓ ▼ -0.4% | Low |
| G CASH FLOW | | | | | |
| Net Cash Flow | | \$451,562 | \$10,000 | ✓ ▲ \$689,401 | Low |
| Cash on Hand | | \$1,907,964 | \$10,000 | ✓ ▲ 40.2% | Medium |
| Net Variable Cash Flow | | 70.95% | 0% | ✓ ▲ 2.14% | Medium |
| H GROWTH | | | | | |
| Revenue Growth | | -4.59% | 0.41% | ✗ ▼ -6% | Critical |
| Gross Profit Growth | | -5.07% | 0.17% | ✗ ▼ -6.66% | Medium |
| EBIT Growth | | -35.36% | 0.17% | ✗ ▼ -60.54% | High |

* For this metric, a result below target is favourable

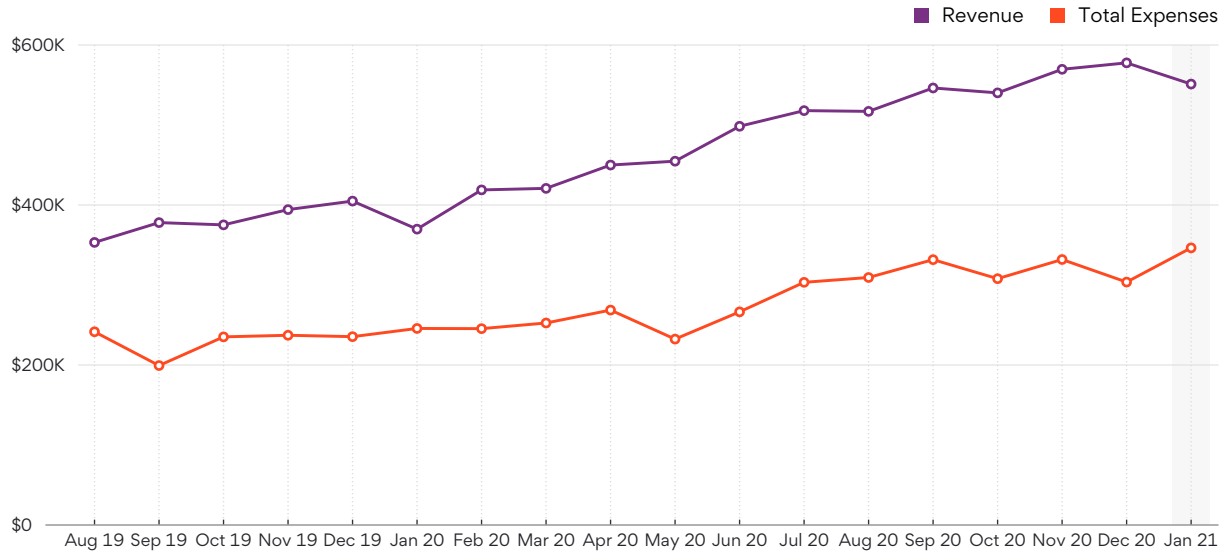
Alerts

Operating Profit Margin

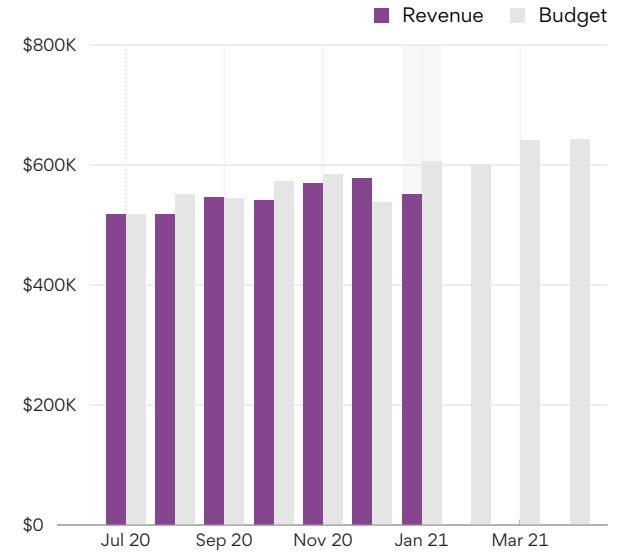
The Operating Profit Margin % is less than the alert level of 15%. A review of all costs of sales and operating expenses may assist to identify strategies to improve this KPI.

Revenue Charts

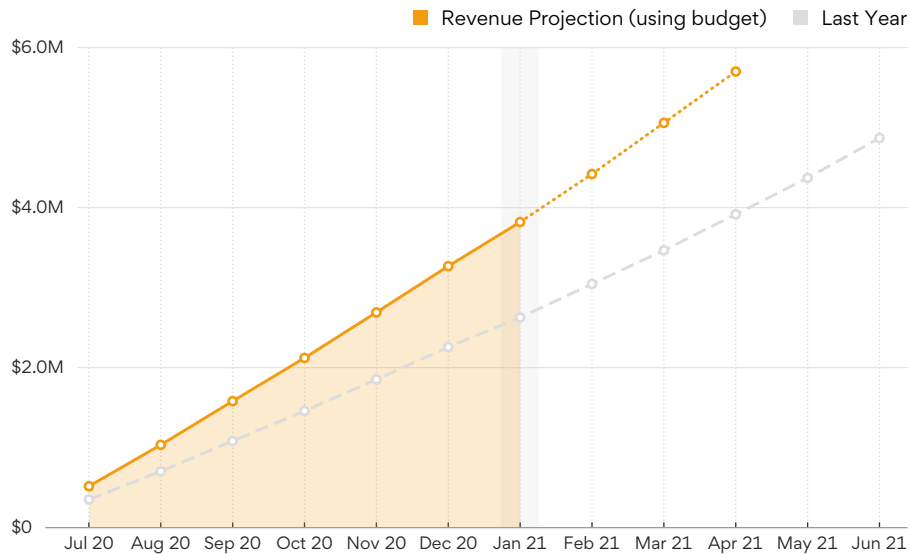
Revenue vs. Total expenses



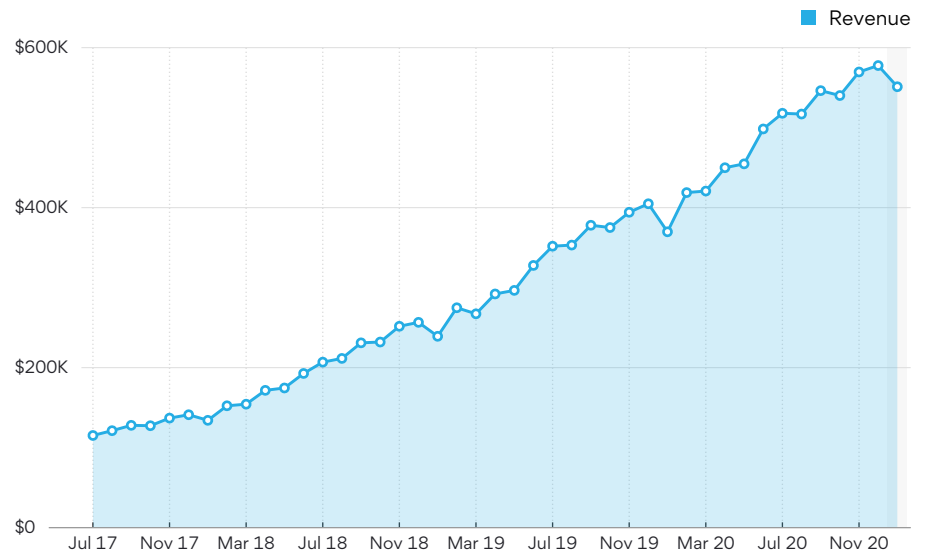
Revenue vs Budget



Total Revenue YTD + rest of year budget



Revenue for all time



Profitability

REVENUE

\$551,165

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

EXPENSES TO REVENUE RATIO

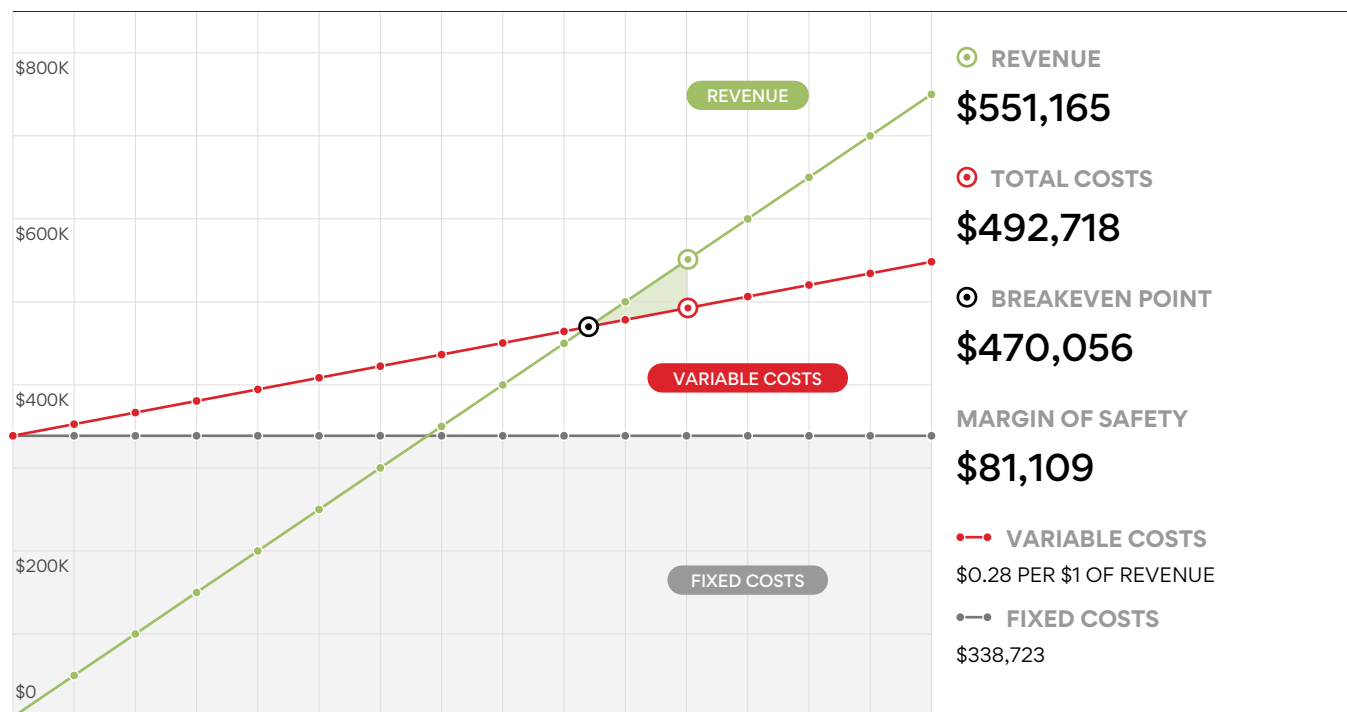
89.4%

A measure of how efficiently the business is conducting its operations.

MARGIN OF SAFETY

\$81,109

The breakeven safety margin represents the gap between the actual revenue level and the breakeven point.



Profitability can be further improved by improving price, volume, cost of sales and operating expense management.

Top 10 Revenue Accounts

| | |
|-------|-----------|
| Sales | \$551,165 |
|-------|-----------|

Top 10 Expense Accounts

| | |
|--------------------------|----------|
| Labour | \$95,511 |
| Salaries & Wages | \$92,054 |
| Rent | \$35,476 |
| Entertainment | \$20,636 |
| Loan Interest | \$16,146 |
| Advertising & Promotions | \$11,357 |
| Contractors | \$9,324 |
| Repairs & Maintenance | \$8,927 |
| Travel & Accommodation | \$8,745 |
| Consulting Fees | \$8,743 |

Cash Flow

OPERATING CASH FLOW

\$470,921

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 payments to suppliers.

FREE CASH FLOW

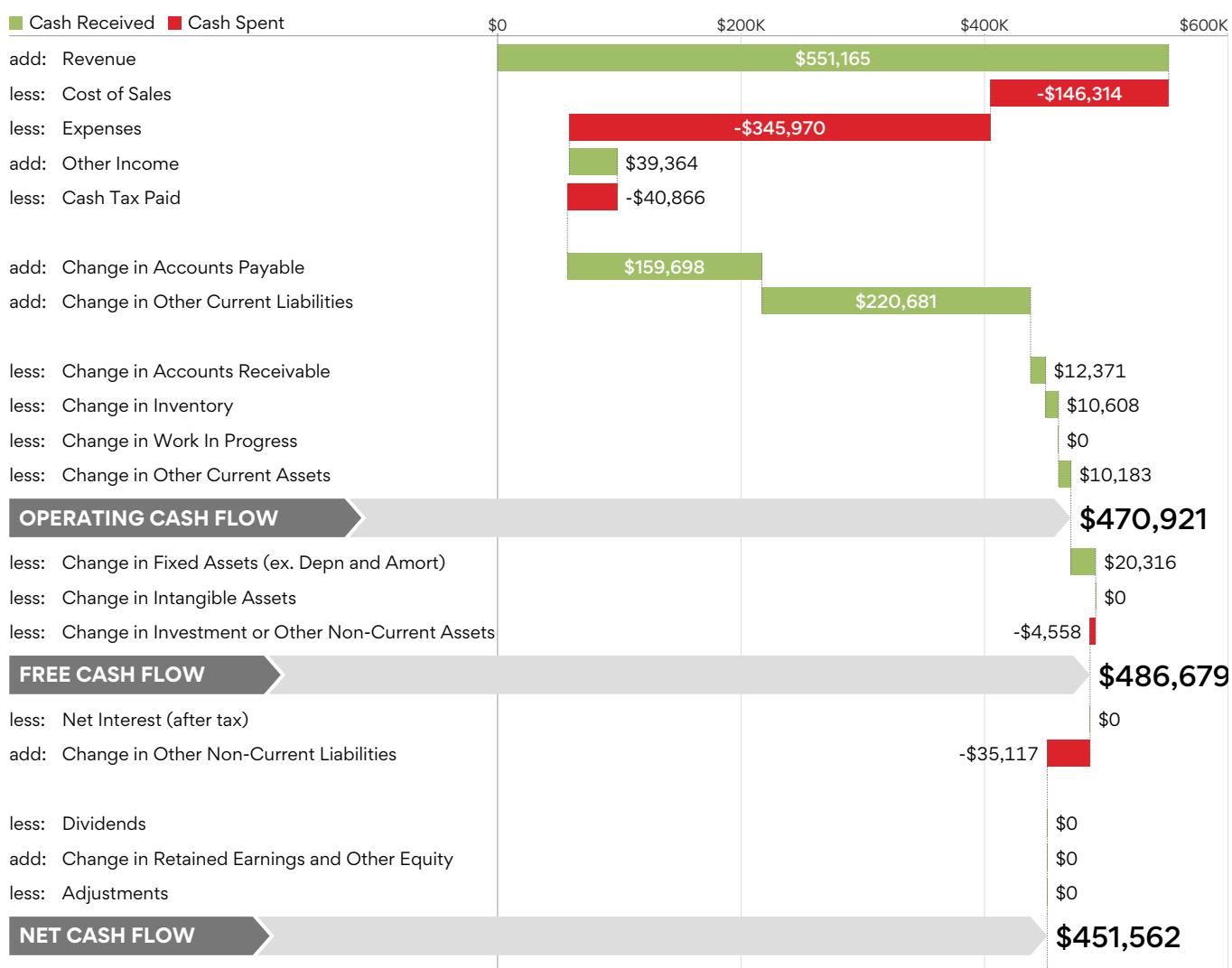
\$486,679

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

\$451,562

Net cash flow is the cash left after subtracting expenditures from financing activities from the free cash flow. This includes the cash impact from financing activities. Financing activities include the inflow of cash from investors such as banks or shareholders, as well as the outflow of cash to shareholders as dividends.

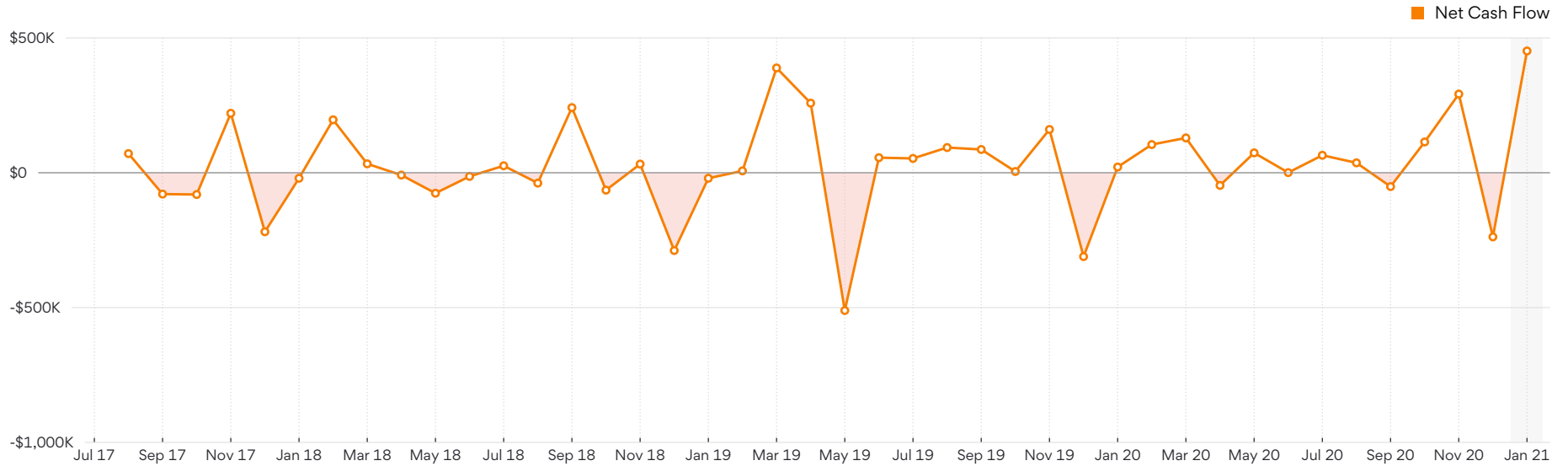


Net Cash Flow can also be calculated as:

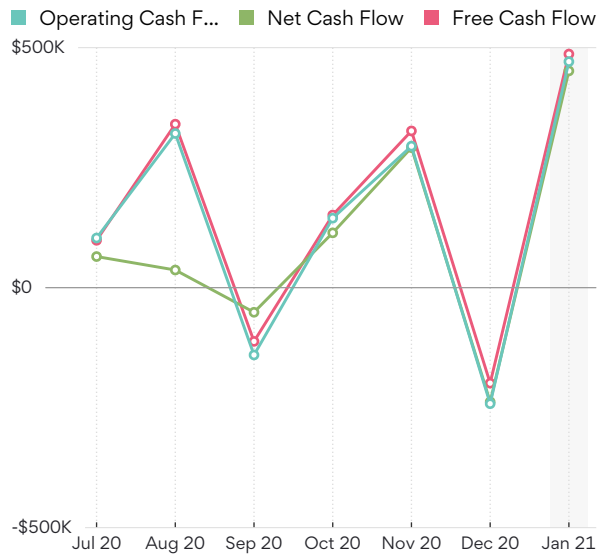
Change in Cash on Hand \$546,840 (Open: \$1,361,124, Close: \$1,907,964) — **Change in Debt** \$97,399 (Open: \$614,969, Close: \$712,368)

Cash Flow Charts

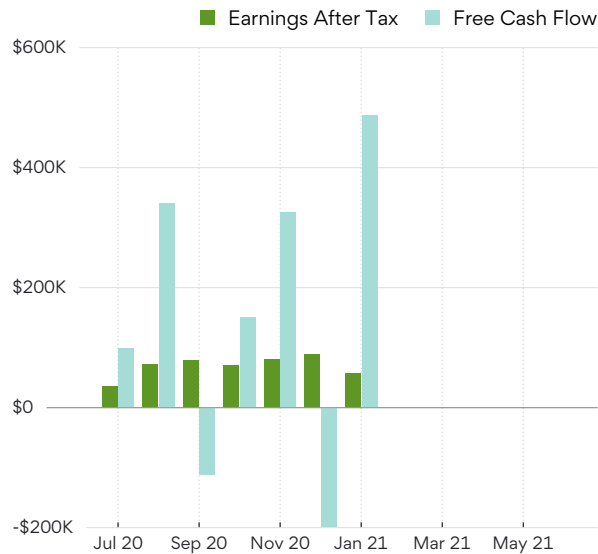
Net Cash Flow for all time



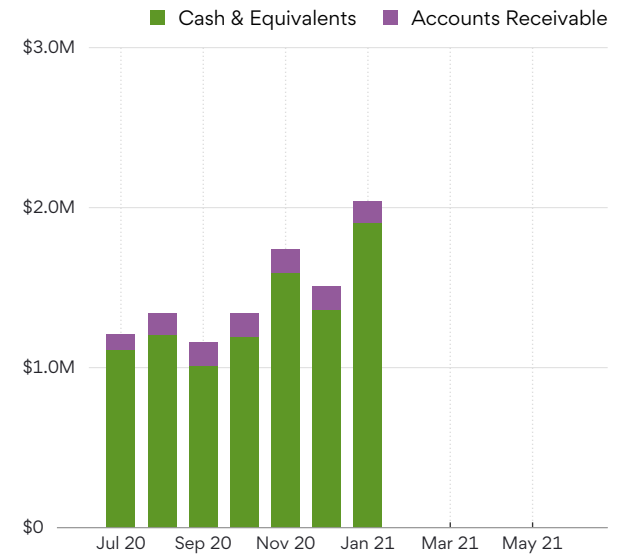
Cash Flow Trend



Profit vs Cash Flow



Cash & Receivables



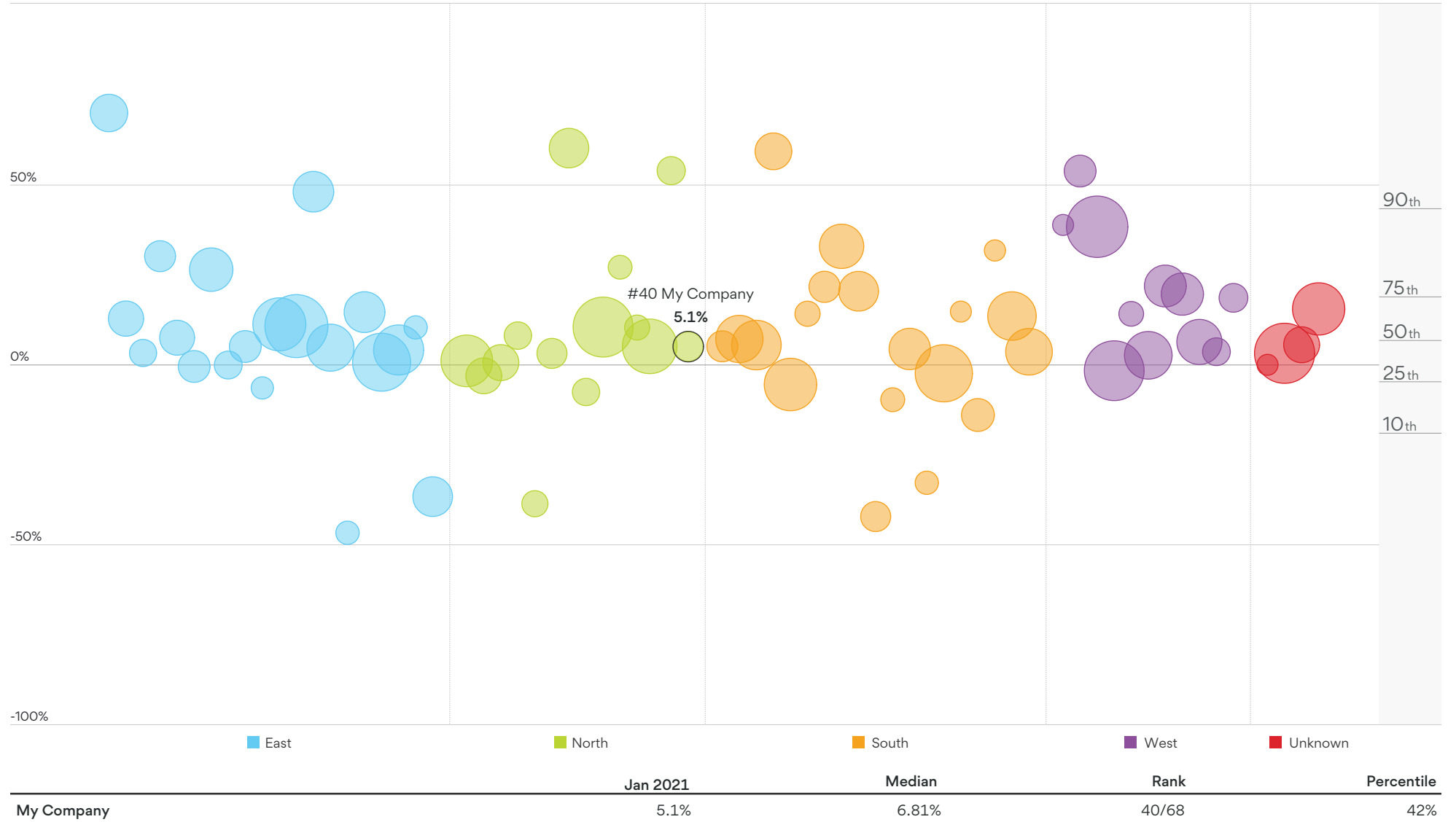
Financials

| PROFIT & LOSS | Jan 2021 | Dec 2020 | Variance % |
|---|------------------|------------------|-------------------|
| Revenue | \$551,165 | \$577,664 | -4.59% |
| Cost of Sales | \$146,314 | \$151,193 | -3.23% |
| Gross Profit | \$404,852 | \$426,471 | -5.07% |
| Expenses | \$346,404 | \$303,647 | 14.08% |
| Operating Profit | \$58,448 | \$122,824 | -52.41% |
| Other Income | \$39,364 | \$28,492 | 38.16% |
| Other Expenses | \$0 | \$0 | - |
| Earnings Before Interest & Tax | \$97,812 | \$151,316 | -35.36% |
| Tax Expenses | \$39,758 | \$61,968 | -35.84% |
| Earnings After Tax | \$58,053 | \$89,348 | -35.03% |
| Dividends | \$0 | \$0 | - |
| Net Income | \$58,053 | \$89,348 | -35.03% |

| BALANCE SHEET | Jan 2021 | Dec 2020 | Variance (\$) | Variance (%) |
|---------------------------------------|--------------------|--------------------|----------------------|---------------------|
| ASSETS | | | | |
| Cash & Equivalents | \$1,907,964 | \$1,361,124 | \$546,840 | 40.18% |
| Accounts Receivable | \$136,928 | \$149,300 | -\$12,371 | -8.29% |
| Inventory | \$325,340 | \$335,948 | -\$10,608 | -3.16% |
| Other Current Assets | \$312,327 | \$322,510 | -\$10,183 | -3.16% |
| Total Current Assets | \$2,682,559 | \$2,168,881 | \$513,678 | 23.68% |
| Fixed Assets | \$565,778 | \$586,529 | -\$20,751 | -3.54% |
| Intangible Assets | \$3,867 | \$3,867 | \$0 | 0.00% |
| Investments or Other NCAs | \$17,529 | \$12,970 | \$4,558 | 35.14% |
| Total Non-Current Assets | \$587,174 | \$603,366 | -\$16,192 | -2.68% |
| Total Assets | \$3,269,733 | \$2,772,248 | \$497,485 | 17.95% |
| LIABILITIES | | | | |
| Short Term Debt | \$91,129 | \$82,619 | \$8,511 | 10.30% |
| Accounts Payable | \$390,276 | \$230,578 | \$159,698 | 69.26% |
| Other Current Liabilities | \$539,661 | \$318,980 | \$220,681 | 69.18% |
| Total Current Liabilities | \$1,021,066 | \$632,177 | \$388,890 | 61.52% |
| Long Term Debt | \$621,238 | \$532,350 | \$88,889 | 16.70% |
| Deferred Taxes | \$51,187 | \$52,295 | -\$1,108 | -2.12% |
| Other Non-Current Liabilities | -\$184,454 | -\$149,336 | -\$35,117 | -23.52% |
| Total Non-Current Liabilities | \$487,972 | \$435,308 | \$52,664 | 12.10% |
| Total Liabilities | \$1,509,038 | \$1,067,484 | \$441,553 | 41.36% |
| EQUITY | | | | |
| Retained Earnings | \$1,007,769 | \$1,007,769 | \$0 | 0.00% |
| Current Earnings | \$502,420 | \$444,367 | \$58,053 | 13.06% |
| Other Equity | \$185,438 | \$185,438 | \$0 | 0.00% |
| Total Equity | \$1,695,627 | \$1,637,574 | \$58,053 | 3.55% |
| Total Liabilities & Equity | \$3,204,665 | \$2,705,058 | \$499,607 | 18.47% |

Revenue Benchmark

Operating Profit Margin My Companies

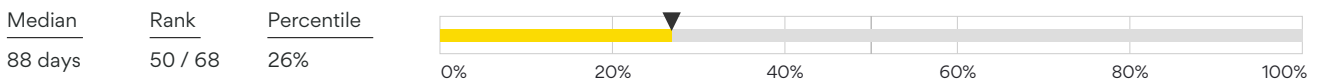


KPIs Explained (Appendix)

✗ Accounts Payable Days 50 days

A measure of how long it takes for the business to pay its creditors. A stable higher number of days is generally an indicator of good cash management. A longer time taken to pay creditors has a positive impact on Cash Flow. But an excessive lengthening in this ratio could indicate a problem with sufficiency of working capital to pay creditors. For this period, accounts payable days are below the target of 225 days.

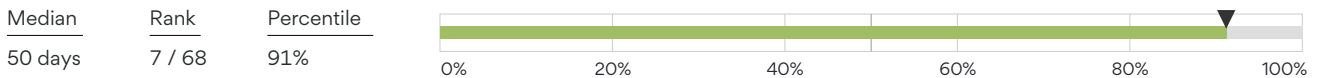
$$\text{Accounts Payable Days} = \text{Accounts Payable} * \text{Period Length} / \text{Cost of Sales}$$



✓ Accounts Receivable Days 8 days

A measure of how long it takes for the business to collect the amounts due from customers. A lower number indicates that it takes the business fewer days to collect its accounts receivable. A shorter time to collect debtors has a positive impact on Cash Flow. A higher number indicates that it takes longer to collect its accounts receivable. For this period, accounts receivable days are below the maximum target of 40 days.

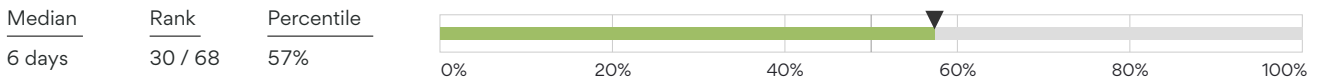
$$\text{Accounts Receivable Days} = \text{Accounts Receivable} * \text{Period Length} / \text{Revenue}$$



✓ Cash Conversion Cycle 0 days

A measure of the length of time between purchase of raw materials and the collection of accounts receivable from customers. The Cash Conversion Cycle measures the time between outlay of cash and cash recovery. A shorter cycle minimises the time that working capital is tied up in the operating cycle of the business. For this period, the cash conversion cycle is less than the target length of 25 days.

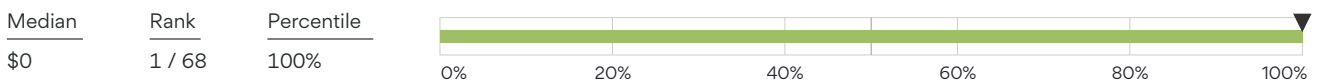
$$\text{Cash Conversion Cycle} = \text{Inventory Days} + \text{Accounts Receivable Days} + \text{Work in Progress Days} - \text{Accounts Payable Days}$$



✓ Cash on Hand \$1,907,964

A measure of the cash and cash equivalents in actual possession by the company at a particular time. At the end of this period the company held \$1,907,964 of cash and cash equivalents. Cash on Hand is above the required target of \$10,000.

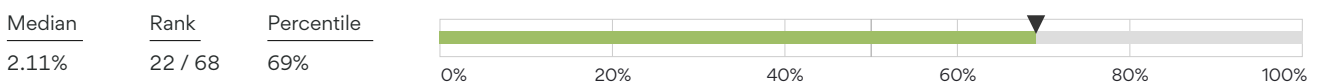
$$\text{Cash on Hand} = \text{Cash \& Equivalents}$$



✓ COS Change -3.77%

A measure of the percentage change in total cost of sales for the period. A significant increase in cost of sales may indicate the eroding of margins and should prompt action. While growing revenues, management need to monitor expense growth to ensure disciplined growth. For this period, expense growth of -3.77% was below the target of 0.25%.

$$\text{COS Change} = (\text{Cost of Sales} - \text{Prior Cost of Sales}) / \text{Prior Cost of Sales} * 100$$



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