



virtual
finance
director

The following report has been designed to provide you with insight into performance over the past 12 months. We have analysed every transaction within your accounts to identify areas of both opportunity and risk that exist within your business.

Should you wish to discuss any of the content further, please do contact us
on
t: 0123 456 7890 or visit www.vfd-pro.com

Performance Summary for A Fictional Software Company

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Performance Summary for A Fictional Software Company

IF YOU WERE ONLY TO READ ONE THING...

Page 3

The points below provide an overview of the performance of your business over the past 12 months, compared to the previous 12 months. The aim is to provide you with the key focus areas for your business going forward.

What worked well

Your total transactions have increased by 5.3% compared to last year. Up from 4,141 to 4,360

Your gross profit margin as a % of revenue has increased over the past 12 months (up 1.0%pts vs the previous year)

Your top 3 cost lines as a % of revenue (61.4%) has decreased by .3% over the past 12 months

Overheads as a % of revenue have reduced compared to last year (down 1.0%pts vs the previous year)

Performance over the past 6 months when extrapolated forward suggests profit for the next 12 months will increase

What didn't work so well

Your total revenue has decreased by (.2%) compared to last year. Down from £1,002,982 to £1,001,218

Your average value per transaction has decreased by (5.2%) compared to last year. Down from £242 to £230

You have generated 79 new customers over the past 12 months, (19.4% worse than in the previous 12 months)

51.1% of your customers last year also bought from you this year, a 4.2%pts drop on the % retained in the previous year

Revenue exposure has increased over the past 12 months, your top 10 customers generated 57.3% of total revenue (up 6.6% vs the previous year)

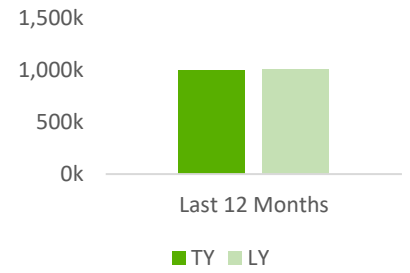
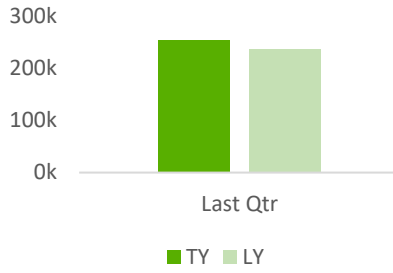
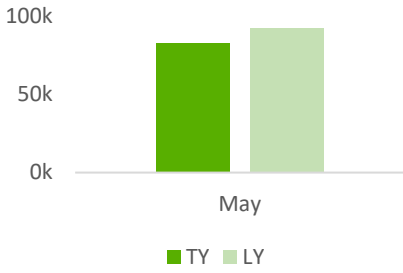
You made a profit in 7 of the past 12 months, a decrease of 2 compared to the previous year

The net worth of your business has decreased by 24.6% (£10,920) compared to this time last year

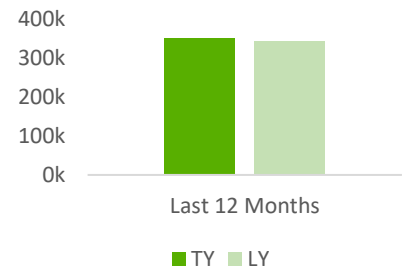
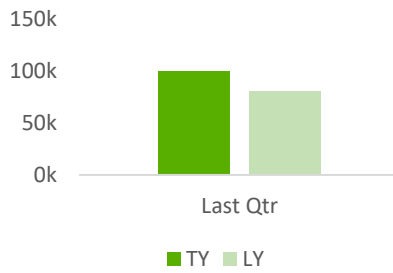
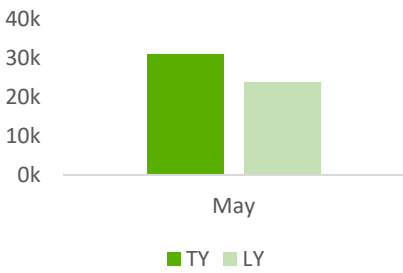
The current ratio of your business (current assets / current liabilities) is 1.03, a decrease of (.16) compared to this time last year

Performance Summary for A Fictional Software Company

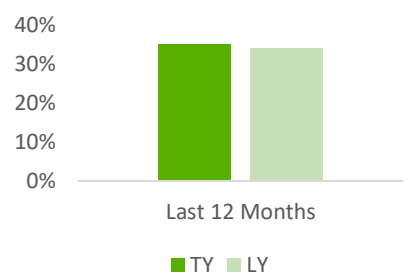
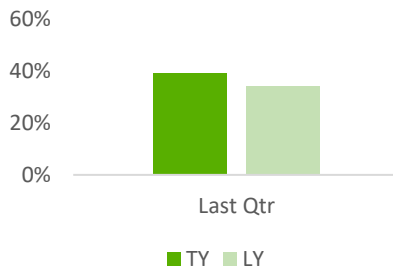
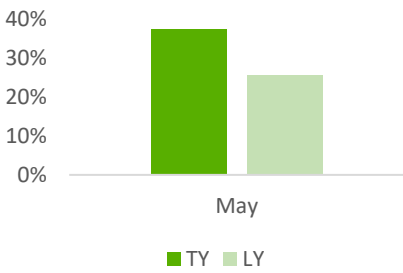
Revenue Performance



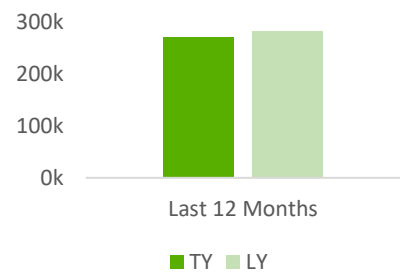
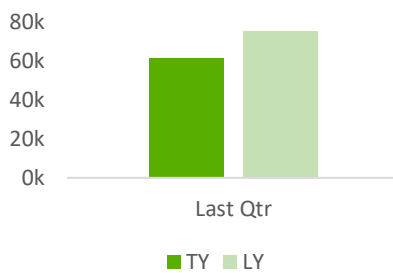
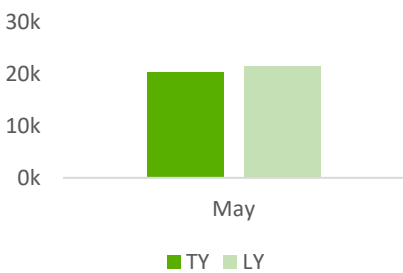
Gross Margin Performance



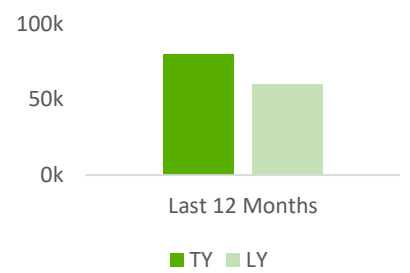
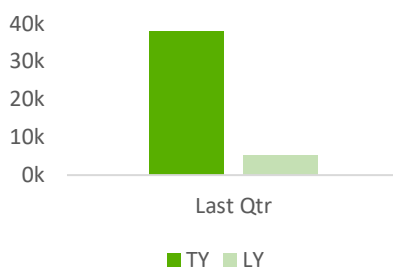
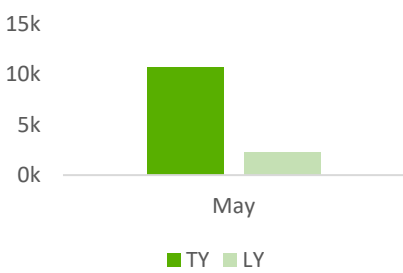
Gross Margin% Performance



Overheads Performance



Net Profit Performance



Performance Summary for A Fictional Software Company

EXECUTIVE SUMMARY

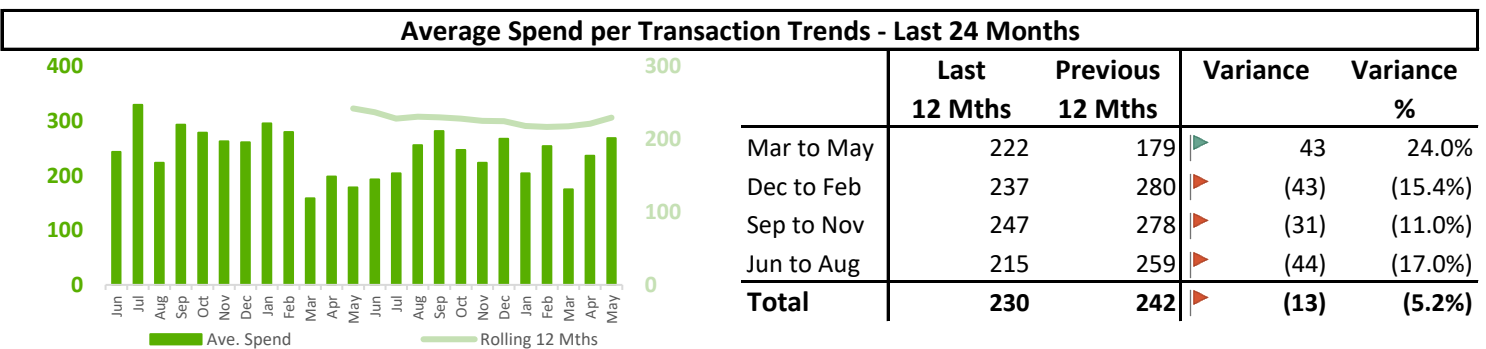
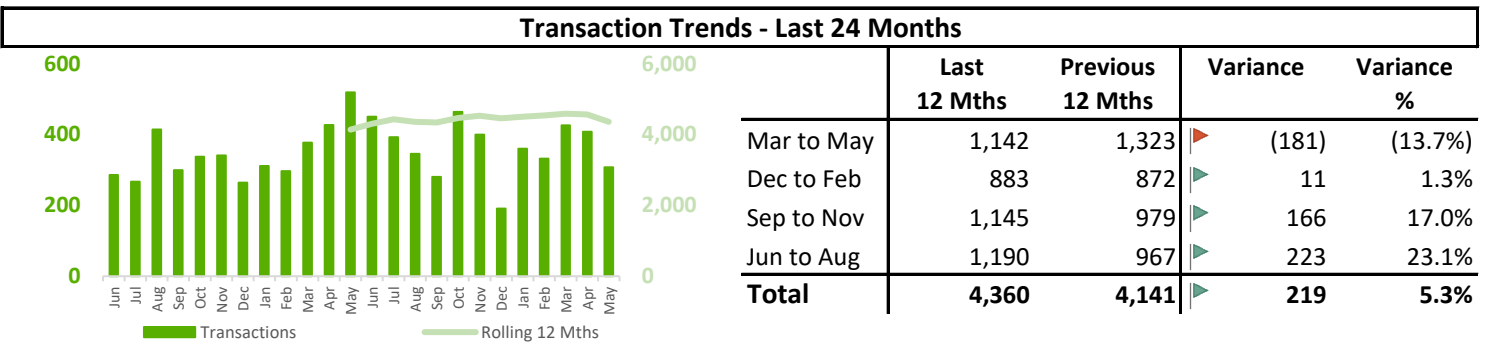
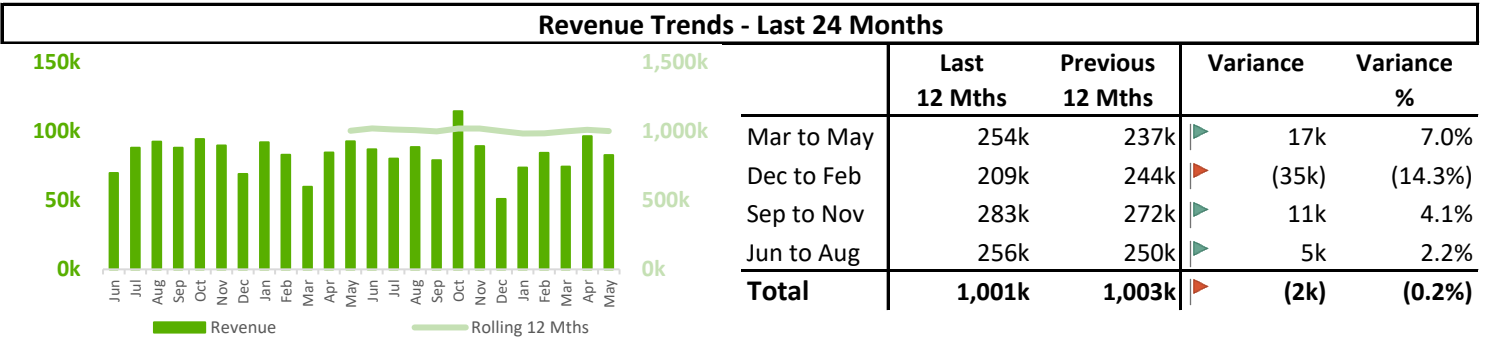
		Last 12 Months	Mvmt	Mvmt %		
Revenue	Revenue movement (past 12 months)	1,001k	(1.8k)	(0.2%)	Profit Impact	(0.6k)
	Transactions movement * (past 12 months)	4,360	219	5.3%		
	Revenue Impact		50.3k			
Revenue	Average Spend movement (past 12 months)	0.23k	(0.01k)	(5.2%)		
	Revenue Impact		(52.1k)			
Gross Margin	Gross Margin movement (past 12 months)	350k	9.3k	2.7%	Profit Impact	9.9k
	Gross Margin % sales movement (past 12 months)	35.0%		1.0%		
Overheads	Overheads movement (past 12 months)	271k	(10.4k)	(3.7%)	Profit Impact	10.4k
	Overheads % sales movement (past 12 months)			(1.0%)		
Net Profit	Net Profit movement (past 12 months)	80k	19.7k	32.8%		
	Net Profit % sales movement (past 12 months)			2.0%		

* excludes Manual Journals, Credit Notes and Overpayments

Performance Summary for A Fictional Software Company

REVENUE ANALYSIS

Revenue over the last 12 months totalled £1,001,218 which was a (.2%) movement on the previous 12 months. Revenue over the last 3 months totalled £253,693 which was a +7.0% movement on the same quarter last year. Revenue in the best performing quarter over the past 12 months (Mar to May) totalled £253,693, a +£16,595 movement on the same quarter last year. Revenue was better than the equivalent period in the previous year in 3 of the 4 quarters over the past 12 months.



Total transactions within the accounts for the past 12 months were 4,360, this was 5.3% compared to the previous 12 months and generated +£50,291 revenue. Average spend within the accounts for the past 12 months was £230, this was (5.2%) compared to the previous 12 months and drove (£52,054) revenue.

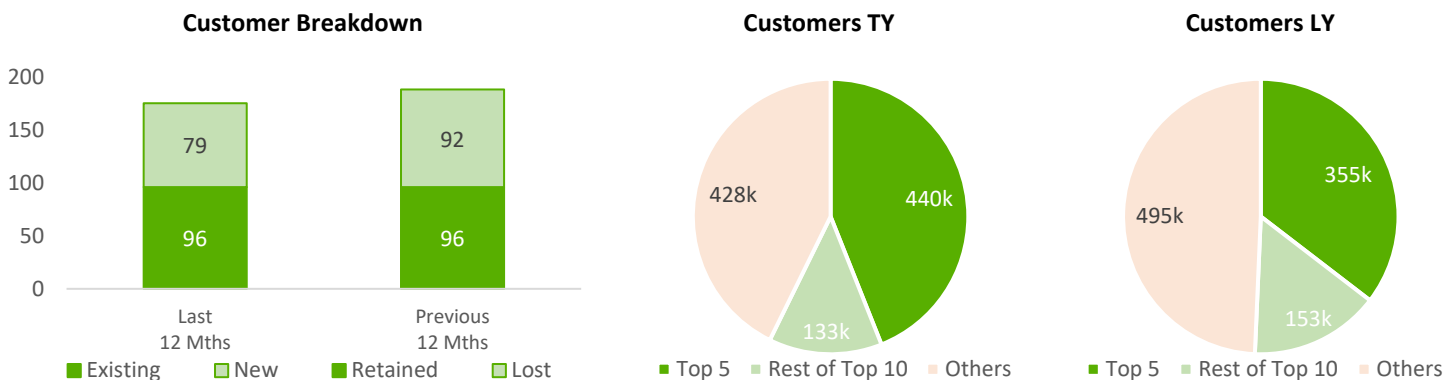
Impact of Transactions & Average Spend Movements				
	Trans Impact	Spend Impact	Variance	Variance %
Mar to May	(40.2k)	56.8k	17k	7.0%
Dec to Feb	2.6k	(37.5k)	(35k)	(14.3%)
Sep to Nov	41.0k	(29.9k)	11k	4.1%
Jun to Aug	47.9k	(42.5k)	5k	2.2%
Total	50k	(52k)	(2k)	(0.2%)

Performance Summary for A Fictional Software Company

CUSTOMER ANALYSIS

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Revenue over the past 12 months was generated from 175 customers, of these, 79 were new customers (transactions were not present in the previous 12 months) and 96 were existing (transactions were present in the previous 12 months). Of the 188 customers recorded in the previous 12 months, 92 of them did not record any sales in the most recent 12 month period.



57.3% of sales in the last 12 months have come from the top 10 customers (increasing from 50.7% last year), 9 of them were existing customers (£483,181) whose revenue has increased by 18.8% year on year and 1 of them (£90,363) were new customers.

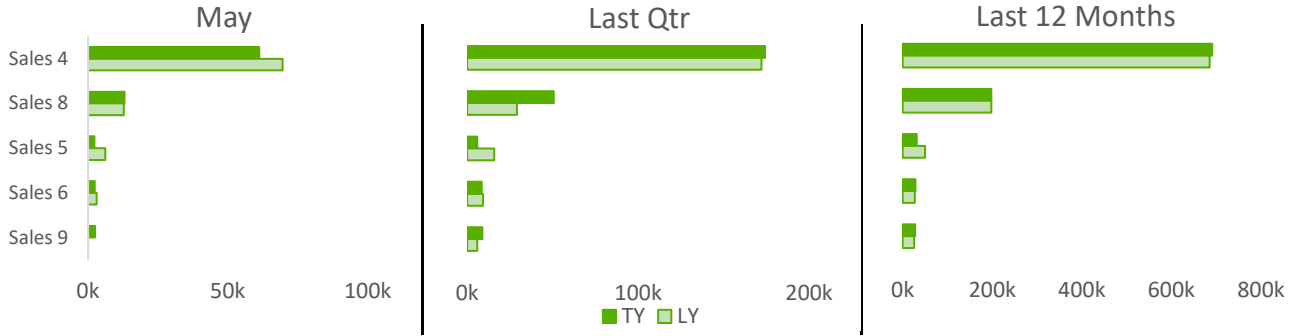
<i>Top 10 Customers Last 12 Mths</i>	TY	% Rev	LY	% Rev	Var £	Var %
Company 00772	219.9k	22.0%	130.3k	13.0%	89.6k	68.8%
Company 00396	90.4k	9.0%				
Company 00372	44.8k	4.5%	57.5k	5.7%	(12.7k)	(22.1%)
Company 00472	42.8k	4.3%	33.7k	3.4%	9.1k	26.9%
Company 00932	42.4k	4.2%	11.0k	1.1%	31.4k	286.1%
Company 00555	37.3k	3.7%	43.8k	4.4%	(6.4k)	(14.7%)
Company 00663	37.1k	3.7%	66.0k	6.6%	(29.0k)	(43.9%)
Company 00717	22.7k	2.3%	18.1k	1.8%	4.6k	25.5%
Company 00970	18.2k	1.8%	12.5k	1.2%	5.8k	46.2%
Company 00841	17.9k	1.8%	33.7k	3.4%	(15.7k)	(46.7%)
Top 10 Customers	574k	57%	407k	41%	167k	41%
The Rest	428k	43%	596k	59%	(169k)	(28%)
Total	1,001k	100%	1,003k	100%	(2k)	(0%)

<i>Customers Largest Decrease in Revenue</i>	TY	% Rev	LY	% Rev	Var £	Var %
Company 00663	37.1k	3.7%	66.0k	6.6%	(29k)	(44%)
Company 00530	2.8k	0.3%	28.4k	2.8%	(26k)	(90%)
Company 00537	3.1k	0.3%	27.4k	2.7%	(24k)	(89%)
Company 00626	9.9k	1.0%	29.1k	2.9%	(19k)	(66%)
Company 00729	9.4k	0.9%	28.1k	2.8%	(19k)	(67%)
Company 00841	17.9k	1.8%	33.7k	3.4%	(16k)	(47%)
Company 00691	0.5k	0.1%	14.5k	1.4%	(14k)	(96%)
Company 00372	44.8k	4.5%	57.5k	5.7%	(13k)	(22%)
Company 00716	7.0k	0.7%	18.8k	1.9%	(12k)	(62%)
Company 00449	0.4k	0.0%	9.6k	1.0%	(9k)	(96%)
Total	133k	13%	313k	31%	(180k)	(58%)

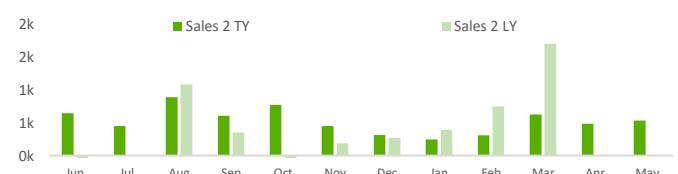
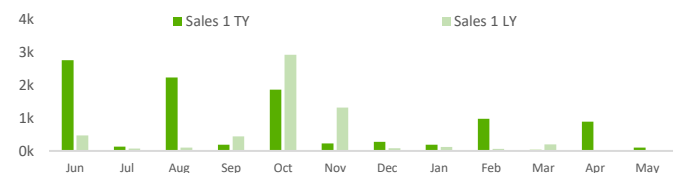
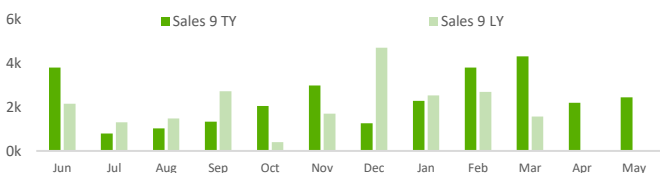
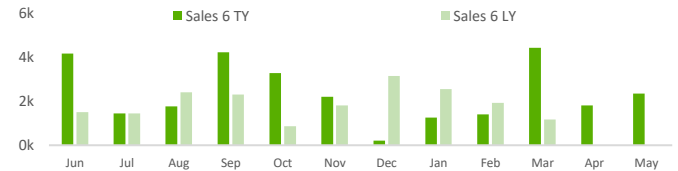
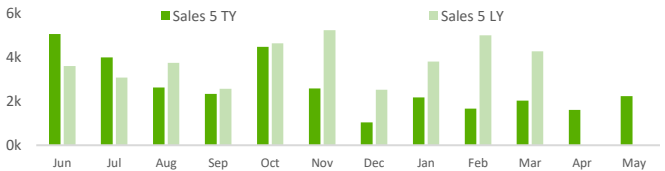
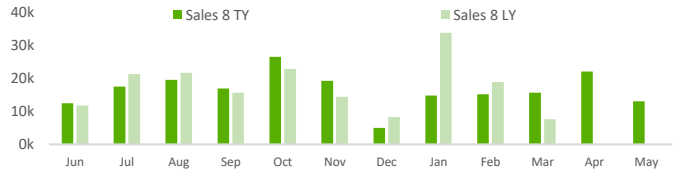
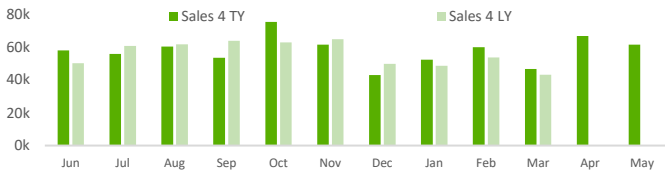
Performance Summary for A Fictional Software Company

REVENUE CHANNEL PERFORMANCE

Total revenue in May (£82,758) was (£9,820) or (10.6%) lower than the same month last year. When added to the previous two months, revenue in the quarter was higher than the same quarter last year. The largest increase over the past quarter has come from Sales 8, with the largest decrease experienced in Sales 5.



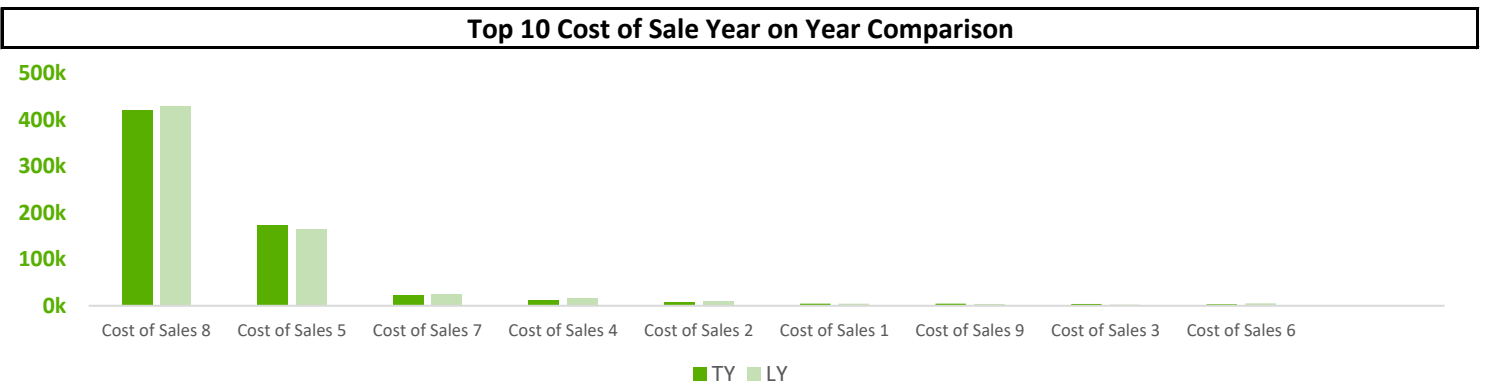
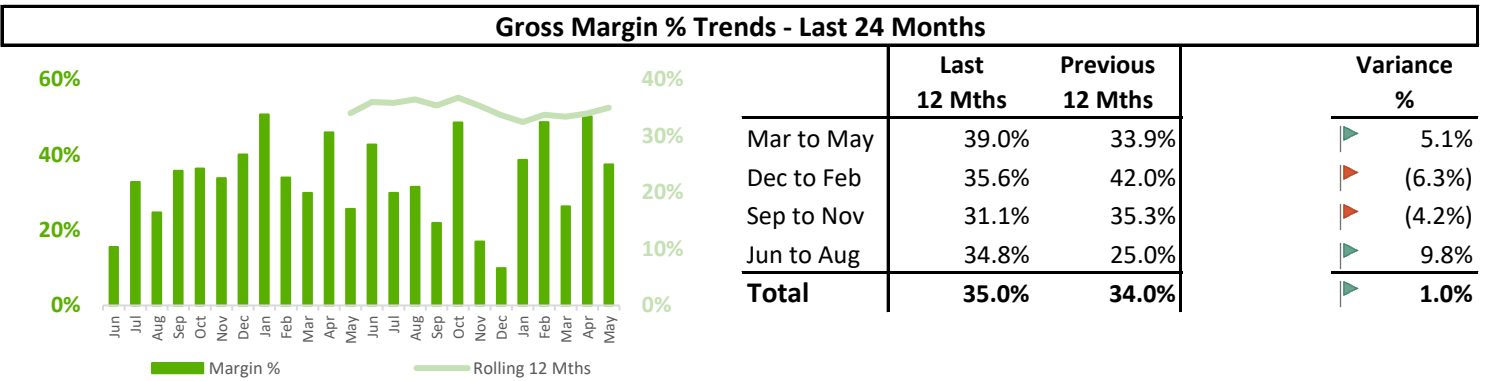
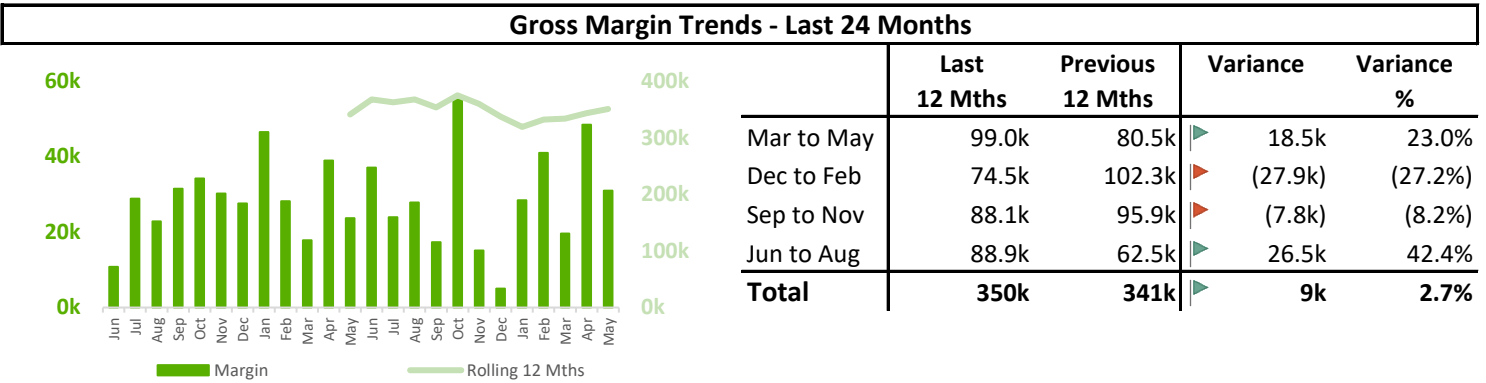
	May		Last Qtr		Last 12 Months	
	TY	Var %	TY	Var %	TY	Var %
Sales 4	61.2k	(12.1%)	174.2k	1.2%	691.3k	0.8%
Sales 8	13.1k	2.0%	50.8k	74.2%	198.0k	0.0%
Sales 5	2.2k	(64.0%)	5.9k	(62.9%)	31.8k	(36.4%)
Sales 6	2.4k	(24.0%)	8.6k	(7.0%)	28.5k	5.0%
Sales 9	2.4k		8.9k	49.6%	28.2k	10.1%
Sales 1	0.1k	(51.4%)	1.0k	(59.6%)	9.8k	91.4%
Sales 10	0.8k	254.1%	2.3k	308.9%	6.9k	12.6%
Sales 2	0.5k	(34.5%)	1.6k	(4.3%)	6.3k	13.3%
Sales 7			0.4k		0.4k	
Sales 3			0.0k	3,445.5%	0.0k	5,827.3%
Others						
Total	82.8k	(10.6%)	253.7k	7.0%	1,001.2k	(0.2%)



Performance Summary for A Fictional Software Company

MARGIN ANALYSIS

Margin over the last 12 months totalled £350,466, which was a +£9,313 movement on the previous 12 months. Margin over the last 3 months totalled £98,972, which was a +£18,517 movement on the same quarter last year. Margin was better in 2 of the 4 quarters over the past 12 months. Margin % over the last 12 months totalled 35.0% , which was a +1.0% pts movement on the previous 12 months.

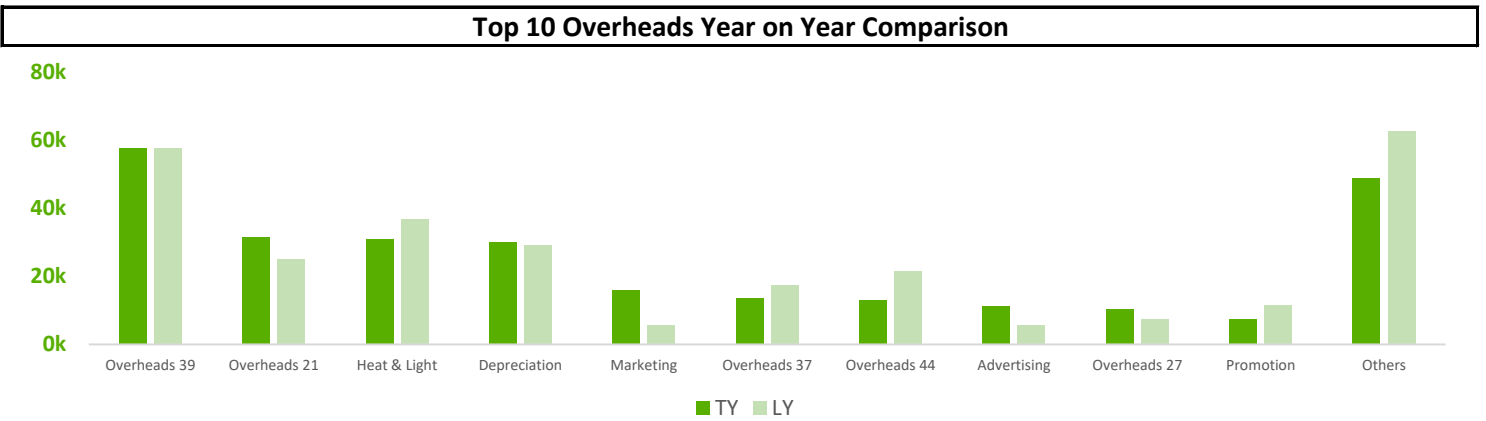
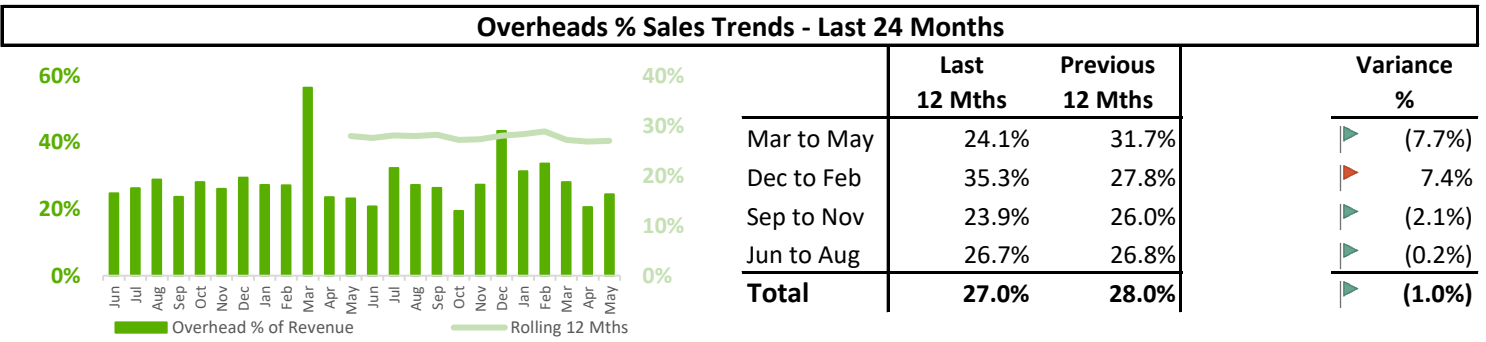
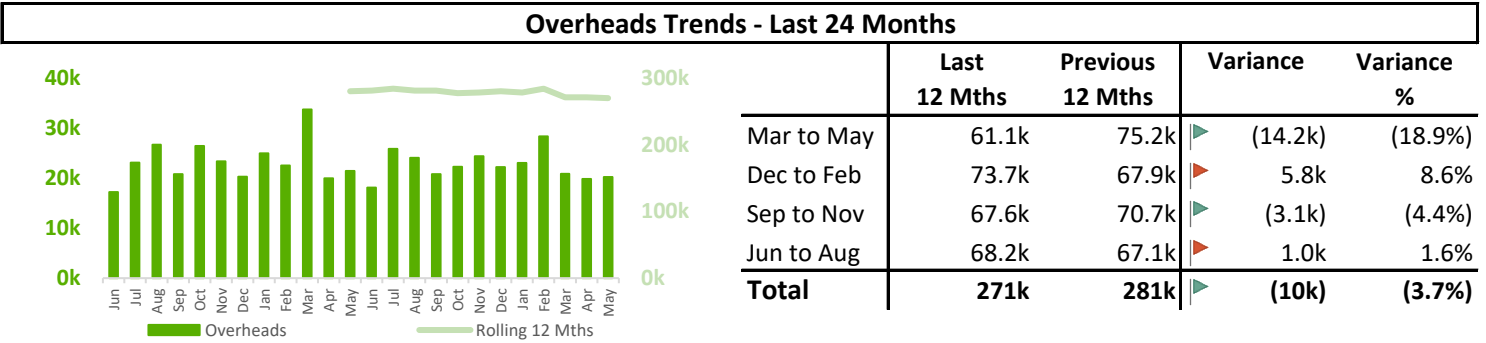


Top 10 Cost of Sales Spend Last 12 Mths	TY	% Rev	LY	% Rev	Var £	Var % Rev
Cost of Sales 8	419.6k	41.9%	429.8k	42.9%	10.2k	(0.9%)
Cost of Sales 5	173.6k	17.3%	163.7k	16.3%	(9.8k)	1.0%
Cost of Sales 7	21.6k	2.2%	24.8k	2.5%	3.3k	(0.3%)
Cost of Sales 4	11.2k	1.1%	17.2k	1.7%	5.9k	(0.6%)
Cost of Sales 2	8.1k	0.8%	10.0k	1.0%	1.9k	(0.2%)
Cost of Sales 1	4.7k	0.5%	4.6k	0.5%	(0.1k)	0.0%
Cost of Sales 9	4.6k	0.5%	4.0k	0.4%	(0.7k)	0.1%
Cost of Sales 3	4.0k	0.4%	2.6k	0.3%	(1.4k)	0.1%
Cost of Sales 6	3.5k	0.3%	5.2k	0.5%	1.8k	(0.2%)
Others	0.0k	0.0%	0.0k	0.0%	0.0k	0.0%
Total Cost of Sales	651k	65.0%	662k	66.0%	11k	(1.0%)

Performance Summary for A Fictional Software Company

OVERHEADS ANALYSIS

Overheads over the last 12 months totalled £270,549, which was a (3.7%) movement on the previous 12 months. Overheads over the last 3 months totalled £61,053, which was a (18.9%) movement on the same quarter last year. Overheads as a proportion of revenue have increased over the past 12 months, moving from 28.0% to 27.0%.

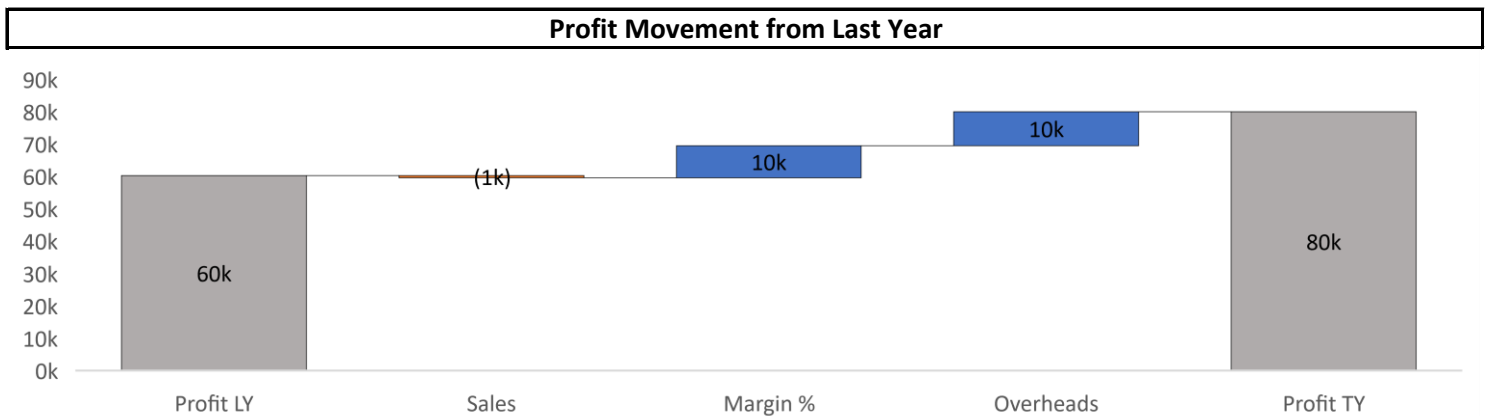
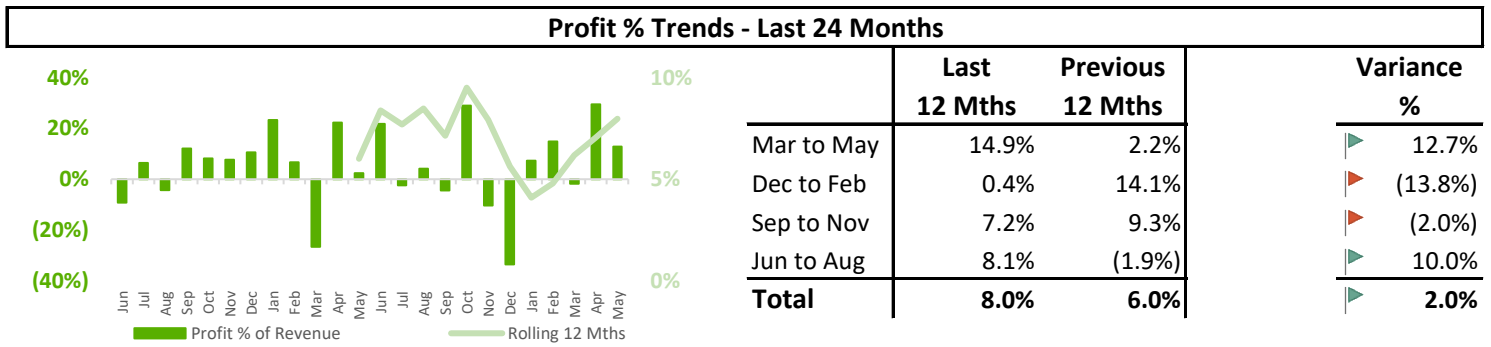
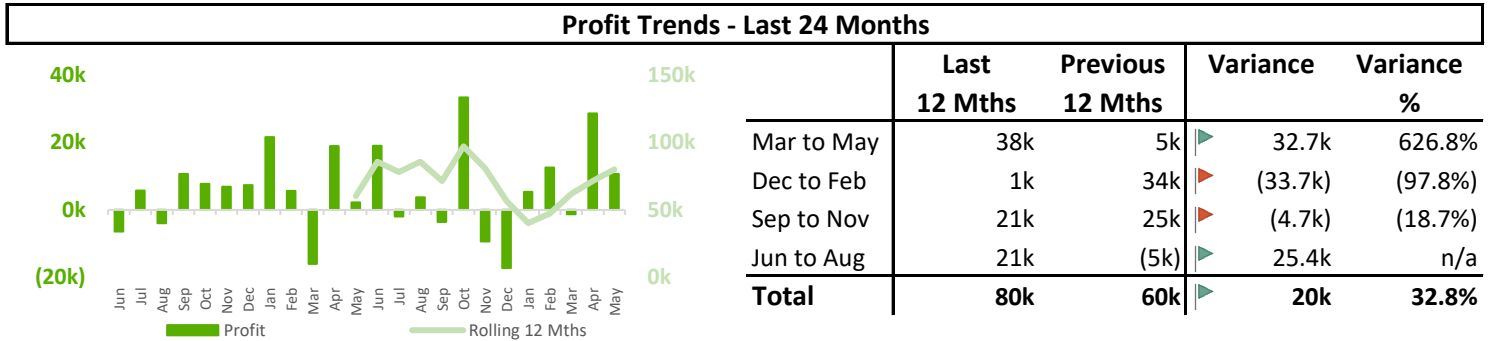


Top 10 Overheads	TY	% Rev	LY	% Rev	Var	Var % Rev
Overheads 39	57.8k	5.8%	57.8k	5.8%	0.0k ▶	0.0%
Overheads 21	31.6k	3.2%	25.1k	2.5%	6.5k ▶	0.7%
Heat & Light	31.1k	3.1%	37.0k	3.7%	(5.9k) ▶	(0.6%)
Depreciation	30.0k	3.0%	29.1k	2.9%	0.9k ▶	0.1%
Marketing	15.9k	1.6%	5.8k	0.6%	10.2k ▶	1.0%
Overheads 37	13.6k	1.4%	17.4k	1.7%	(3.8k) ▶	(0.4%)
Overheads 44	12.9k	1.3%	21.5k	2.1%	(8.6k) ▶	(0.9%)
Advertising	11.2k	1.1%	5.8k	0.6%	5.4k ▶	0.5%
Overheads 27	10.4k	1.0%	7.4k	0.7%	3.0k ▶	0.3%
Promotion	7.4k	0.7%	11.5k	1.1%	(4.1k) ▶	(0.4%)
Total	222k	22.2%	218k	21.8%	3k ▶	0.4%
Others	48.8k	4.9%	62.6k	6.2%	(13.9k) ▶	(1.4%)
Total Overheads	271k	27.0%	281k	28.0%	(10k) ▶	(1.0%)

Performance Summary for A Fictional Software Company

PROFIT ANALYSIS

Profit over the last 12 months totalled £79,916, which was a +£19,721 movement on the previous 12 months. Profit over the last 3 months was £37,919, which was a +£32,701 movement on the same quarter last year. Profit as a proportion of revenue has increased over the past 12 months, moving from 6.0% to 8.0%. 7 of the past 12 months have generated a profit, with the remainder generating a loss.



Over the last 12 months, profit has increased compared to the previous 12 months by £19,721. An adverse sales variance decreased profit by (£600), margin % increased by 1.0% points which in turn increased profit by £9,913, overheads have reduced compared to last year which has increased profit by £10,408.

Performance Summary for A Fictional Software Company

FORECAST EXTRAPOLATION

If recent trends continue, revenue over the next 12 months will decrease from £1,001,218 to £964,712, recent margin % trends suggest 37.5% is achievable and applying the average monthly overhead spend over the past 6 months of £22,461 to the next 12 months, delivers an expected net profit for the next 12 months of £92,153.

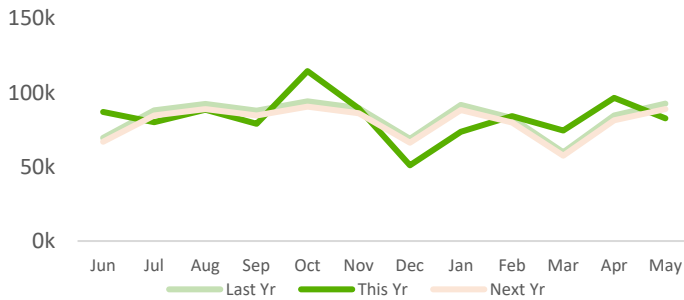
	Last Year	This Year	Next Year
Revenue	1,003.0k	1,001.2k	964.7k
YoY%		(0.2%)	(3.6%)
Cost of Sales	661.8k	650.8k	603.0k
Gross Margin	341.2k	350.5k	361.7k
Gross Margin %	34.0%	35.0%	37.5%
Total Overheads	281.0k	270.5k	269.5k
Net Profit	60.2k	79.9k	92.2k
Net Profit %	6.0%	8.0%	9.6%

Average sales over the past 6 months adjusted for seasonality

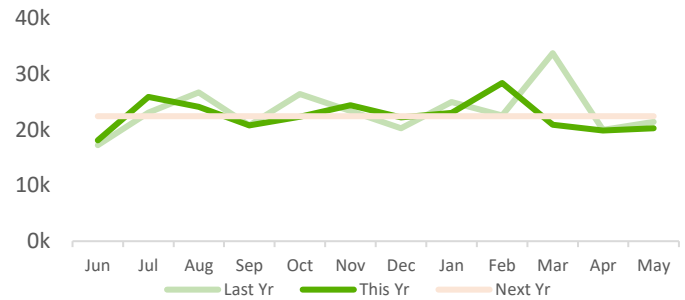
Average margin % achieved over the past 6 months applied

Average spend over the past 6 months applied

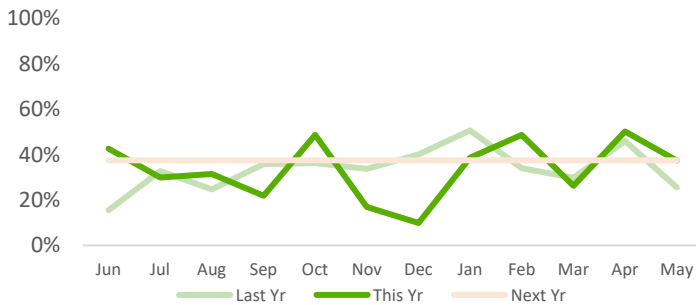
Revenue Forecast



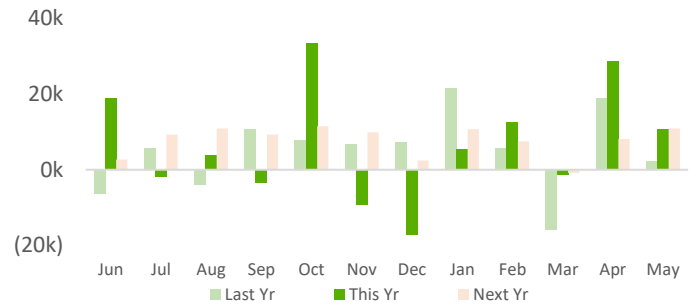
Overhead Forecast



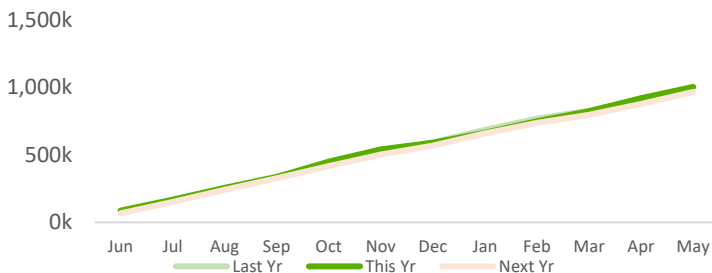
Gross Margin % Forecast



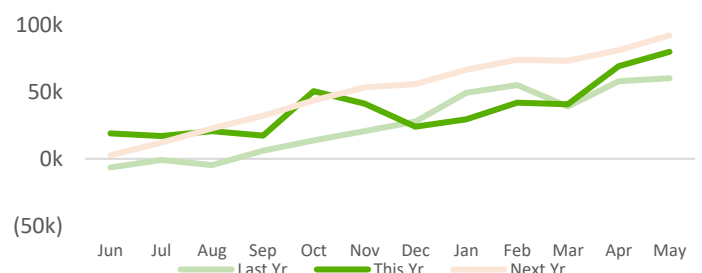
Net Profit Forecast



Cumulative Revenue Forecast



Cumulative Net Profit Forecast



Performance Summary for A Fictional Software Company

BALANCE SHEET ANALYSIS

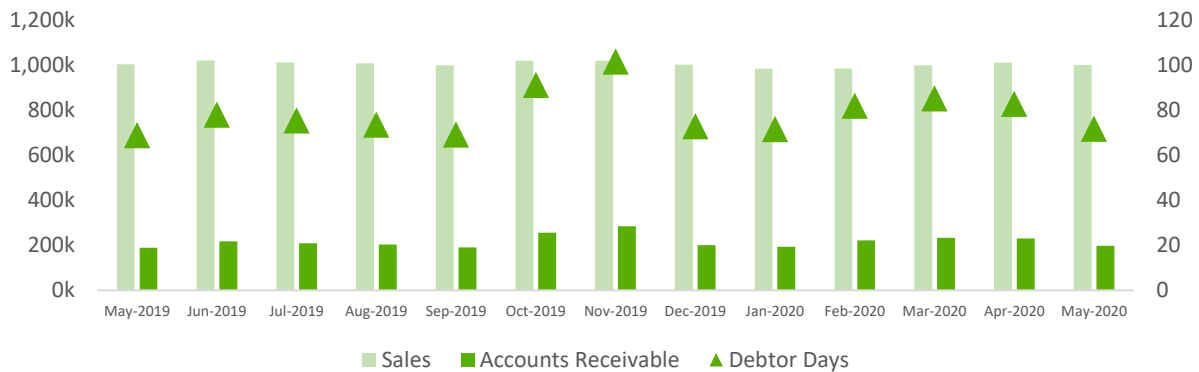
The company's Net Worth has decreased over the past 12 months by (£10,920) (from £44,409 to £33,489). This has been driven by a (£21,593) reduction in Fixed Assets, a £20,566 increase in Current Assets, a £39,458 increase in Current Liabilities and a (£29,565) reduction in Long Term Liabilities. The Current Ratio (the number of times current assets covers short term obligations) has decreased from 1.19 to 1.03, the minimum we would expect a business to operate at is 1. The Cash Ratio represents the company's immediate ability to cover its' short term obligations, this has improved from (.54) to (.33). The Total Debt to Equity ratio measures the degree to which operations are funded by borrowed money or unpaid debt, a high ratio means a greater risk of bankruptcy if business declines. The company's Debt to Equity ratio has increased from 4.48 to 6.23.

Net Worth		Current Ratio		Cash Ratio		Total Debt to Equity*	
33k	✗	1.0	✗	(0.3)	✓	6.2	✗

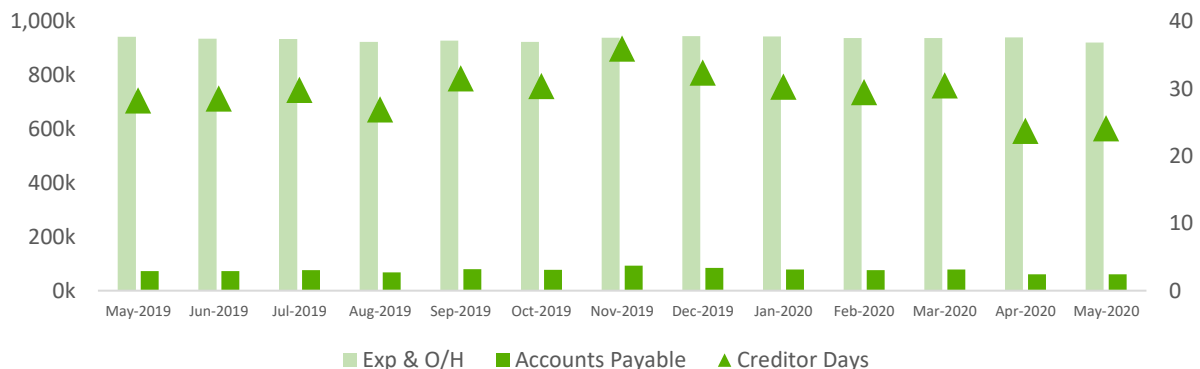
indicators display the movement compared to this time last year

Total Liabilities divided by Net Worth

	LY May	TY May	Var	Var %
Fixed Assets	96.6k	75.0k	(21.6k)	(22%)
Current Assets	146.6k	167.2k	20.6k	14%
Current Liabilities	123.6k	163.0k	39.5k	32%
Long Term Liabilities	75.2k	45.7k	(29.6k)	(39%)
Net Worth	44k	33k	(10.9k)	(25%)



Debtor Days = ((Accounts Receivable (£196,930) / Sales (£1,001,218)) x 365 Days) = 71.8 days. This represents an increase of 2.9 days compared to this time last year.



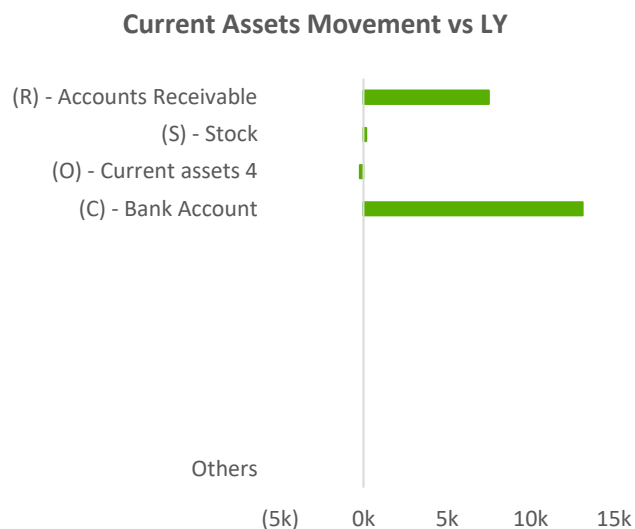
Creditor Days = (Accounts Payable (£60,859) / (Cost of Sales (£650,752) plus Expenses (£270,549)) x 365 Days) = 24.1 days. This represents a decrease of (4.1) days compared to this time last year.

Performance Summary for A Fictional Software Company

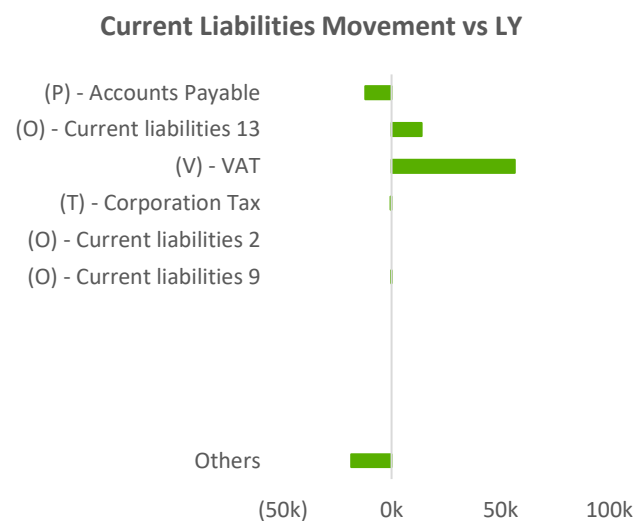
BALANCE SHEET MOVEMENT

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Key Current Assets	LY May	TY May
(R) - Accounts Receivable	189.4k	196.9k
(S) - Stock	23.8k	24.0k
(O) - Current assets 4	0.2k	0.0k
(C) - Bank Account	(66.9k)	(53.7k)
Others	0.0k	0.0k
Current Assets	147k	167k



Key Current Liabilities	LY May	TY May
(P) - Accounts Payable	72.9k	60.9k
(O) - Current liabilities 13	43.4k	57.2k
(V) - VAT	(21.0k)	35.7k
(T) - Corporation Tax	8.3k	7.9k
(O) - Current liabilities 2	1.4k	1.4k
(O) - Current liabilities 9	0.0k	(0.0k)
Others	18.5k	(0.0k)
Current Liabilities	124k	163k



Classification

In order to prepare some of the ratio analysis above, we have used certain assumptions to categorise your assets and liabilities, these are displayed in brackets before each line. A key to each of these is displayed below.

(C) - Cash, (D) - Debt, (O) - Other, (P) - Payables, (R) - Receivables, (S) - Stock / W.I.P, (T) - Corp Tax, (V) - VAT

Performance Summary for A Fictional Software Company

DETAILED BALANCE SHEET ANALYSIS

In order to prepare some of the ratio analysis above, we have used certain assumptions to categorise your assets and liabilities, these are displayed in brackets before each line. A key to each of these is displayed below.

<i>Current Assets</i>	<i>LY</i>	<i>TY</i>	<i>Current Liabilities</i>	<i>LY</i>	<i>TY</i>
(R) - Accounts Receivable	189.4k	196.9k	(P) - Accounts Payable	72.9k	60.9k
(S) - Stock	23.8k	24.0k	(O) - Current liabilities 13	43.4k	57.2k
(O) - Current assets 4	0.2k	0.0k	(V) - VAT	(21.0k)	35.7k
(C) - Bank Account	(66.9k)	(53.7k)	(T) - Corporation Tax	8.3k	7.9k
			(O) - Current liabilities 2	1.4k	1.4k
			(O) - Current liabilities 9	0.0k	(0.0k)