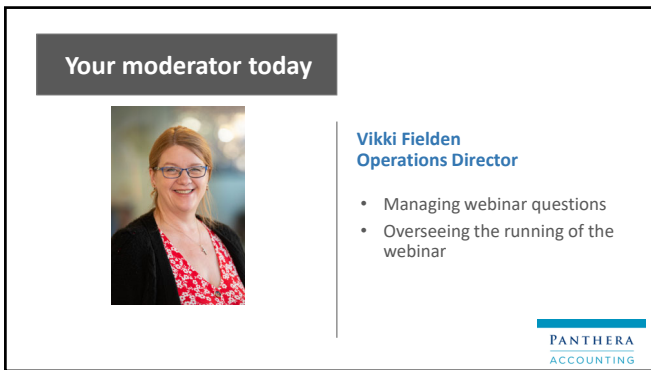
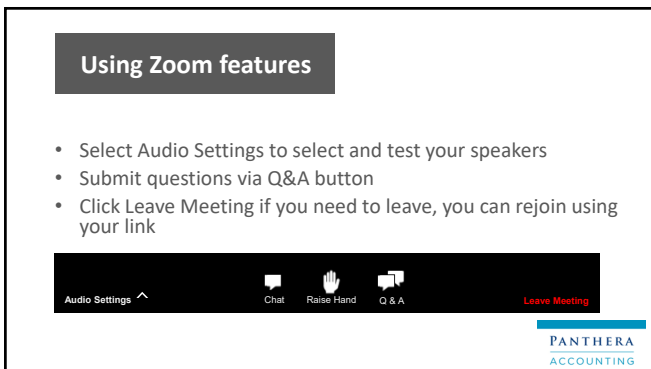




1



2



3

Today's panellist

Tory Wagg
Director

01235 768561
tory@pantheraaccounting.co.uk



Disclaimer:
The information in this webinar is intended for educational purposes and is of a general nature only. It does not constitute legal or professional advice specific to your particular circumstances. We don't make any warranty, express or implied, and don't accept legal liability or responsibility for the accuracy, completeness, or usefulness of any information presented. We recommend contacting us or other suitable professionals for advice specific to your circumstances.

PANTHERA
ACCOUNTING

4

Thought for the session

"The budget is not just a collection of numbers, but an expression of our values and aspirations."

- Jack Lew

5

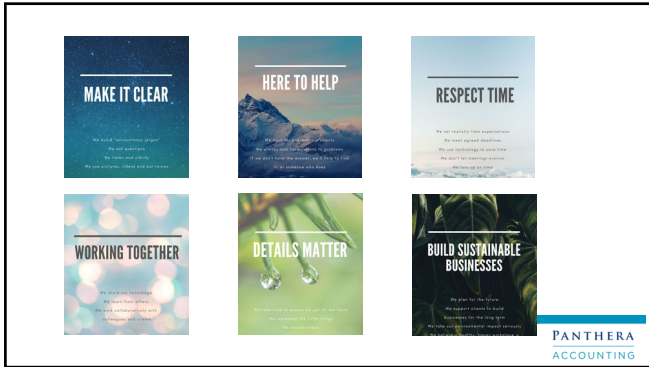
OUR PURPOSE

To help our clients to THRIVE
so that they can ACHIEVE their goals

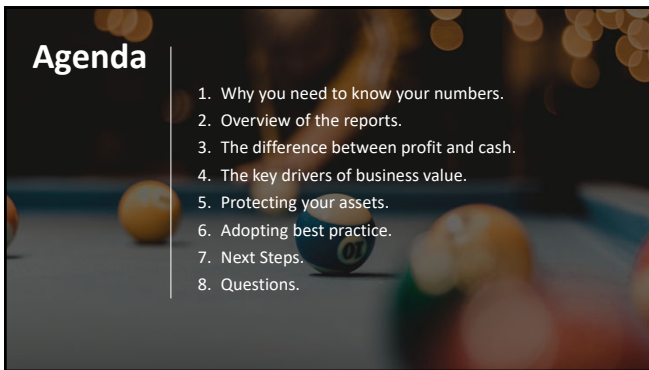


PANTHERA
ACCOUNTING

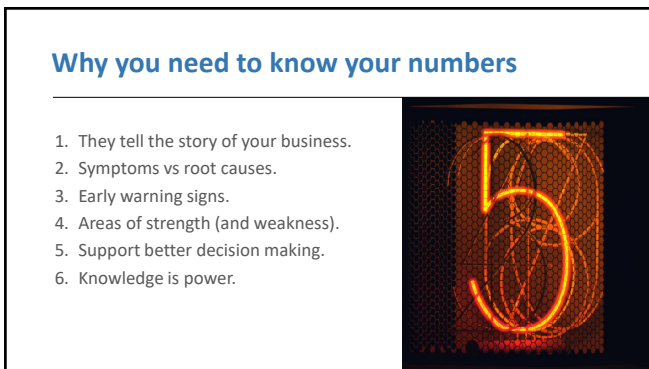
6



7



8



9

Overview of key reports

- Trading Account
- Profit & Loss
- Balance Sheet
- Statement of Changes in Equity
- Depreciation Schedule
- Director Current Account

10

Trading Account

...es, variable costs and gross profit
... when your margins are improving

Use multiple Trading Accounts to track results for different divisions or product lines.

- Small adjustments have a huge impact on all results

11

Account	2020	Adjustment	New	Difference
Operating Revenue				
Sales	1,017,925	10%	1,119,717	101,792
Total Operating Revenue	1,017,925		1,119,717	101,792
Cost of Sales				
Opening Stock	56,880			
Purchases	326,835			
Closing Stock	(64,953)			
Total Cost of Sales	318,762	-5%	302,824	15,938
Direct Costs				
Delivery Costs	109,255			
Direct Wages	253,288			
Development Expenses	1,500			
Packing Material	65,768			
Sales Commissions	20,468			
Shopify Fees	133			
Total Direct Costs	450,413	-5%	427,892	22,521
Gross Profit	248,749		389,001	140,251
Gross Profit %	24%		35%	

12

Profit & Loss Account

- Tracks overall performance of the business
- Matches income and expenses for a given period
- Provides a framework to benchmark results
- A fundamental driver of business value

13

Profit & Loss Account - The Amazing Birthday Cake Co.

Account	2020	Adjustment	New	Improvement
Gross Profit	248,749		389,001	140,251
Expenses				
Accountancy Fees	4,488		10,000	(5,512)
Advertising & Marketing	2,720		2,720	0
Bad debts	2,500		2,500	0
Bank Charges	1,804		1,804	0
Depreciation	57,534		57,534	0
Directors' Remuneration	63,269		63,269	0
Loss on Disposal of Fixed Assets	35		35	0
Food Health & Safety Hygiene	1,970		1,970	0
Heat Light & Power	21,891		21,891	0
Insurance	11,949	-5%	11,351	597
Interest - Bank Overdraft	1,483		1,483	0
Interest Paid - Loans	29,220		29,220	0
Laundry & Dry Cleaning	8,559		8,559	0
Legal Fees	1,211		1,211	0
Loan Fees	7,350		7,350	0
Motor Vehicle Expenses	5,213		5,213	0
Other Expenses	33,033		33,033	0
Pension Contributions	7,830		7,830	0
Rates	5,340		5,340	0
Rent	57,366	-5%	54,498	2,868
Repairs & Maintenance	13,096		13,096	0
Staff Training	911		911	0
Subscriptions	3,653		3,653	0
Sundry Kitchen Equipment	744		744	0
Telephone	8,040		8,040	0
Travel and Accommodation	11,399		11,399	0
Total Expenses	382,808		364,654	(2,047)
Net Profit (Loss)	(113,858)		24,346	138,295

14

Balance Sheet

- Measures the 'net worth' of the business at a point in time
- Shows if your business is solvent
- Comparisons between periods possible
- Useful for tracking 'strength' of the business
- A basis for calculating key ratios

15

Balance Sheet – The Amazing Birthday Cake Co.

Account	2020
Equity	
Fid Up Share Capital	100
Retained Earnings	(305,518)
Total Equity	(305,418)
Assets	
Current Assets	
Cash and Bank	
Bank - Current Account	1,335
Free Cash	20
Total Cash and Bank	1,355
Trade and Other Debtors	72,153
Inventories	64,953
Total Current Assets	138,479
Non-Current Assets	
Property, Plant and Equipment	375,436
Goodwill	2,500
Branding	13,816
Total Non-Current Assets	409,752
Total Assets	548,227
Liabilities	
Current Liabilities	
Bank	
Current Account	13,790
Revolving Credit Account	12,847
Total Bank	26,637
Trade and Other Creditors	96,960
VAT Payable	3,993
Employee Entitlements	11,660
Director's Loan Accounts	21,873
Finance Lease Liabilities (Current)	3,186
Total Current Liabilities	142,209
Non-Current Liabilities	
Loans	693,376
Finance Lease Liabilities (Non-Current)	0
Total Non-Current Liabilities	693,376
Total Liabilities	835,585
Net Assets	(305,418)

Debtor Days: Debtors / Sales * 365
 $72,167 / £1,017,925 * 365 = 26$

Improvement (5 days): Sales / 365 * No. Days Improvement
 $£1,017,925 / 365 * 5 = £13,944$

Inventory Days: Inventories / Cost of Sales * 365
 $£64,953 / £318,762 * 365 = 74$

Improvement (9 days): Cost of Sales / 365 * No. Days Improvement
 $£318,762 / 365 * 9 = £7,860$

16

Statement of Changes in Equity

Shows if profits are paid out as dividends or retained


Captures the value of the business - assets less liabilities

Shows if the company is solvent

17

Statement of Changes in Equity – The Amazing Birthday Cake Co.

Account	2020	2019
Equity		
Opening Balance	(191,560)	(139,096)
Increases		
Profit for period	-	-
Total increases	-	-
Decreases		
Loss for the period	113,858	52,463
Dividends paid	-	-
Total decreases	113,858	52,463
Total Equity	(305,418)	(191,560)



18




Director Current Account

- A running record of funds introduced and taken from the business by directors
- A way of monitoring personal expenditure made from the business
- Ensures a record of different balances for each director is maintained
- Shows what's owed to each director by the business (or if overdrawn, how much the shareholder owes the Company)

PANTHERA
ACCOUNTING

19



Director Current Account

Account	2020	2019
Mr J Doe		
Opening Balance	29,474	32,724
Increases		
Funds Introduced	2,078	5,791
Total Increases	2,078	5,791
Decreases		
Loans Repaid	8,003	8,587
Personal Expenses	1,676	525
Total Decreases	9,679	9,042
Total Mr J Doe	21,873	29,474
Total Director Current Account	21,873	29,474

20

Fixed Asset Register

- Records fixed assets, e.g. vehicles, plant & equipment
- Facilitates the spread of the cost of assets over their useful lives
- Basis for keeping track of business assets
- A useful guide as to an annual asset replacement budget
- Helpful when selling the business

21

Fixed Asset Register – The Amazing Birthday Cake Co.

Asset	Cost	Opening NBV	Purchases	Disposals	Rate	Method	Depreciation	Closing Accum Dep	Closing NBV
Motor Vehicles									
Van	22,887	7,846	0	0	30.0%	RB	2,354	16,595	5,492
Car	7,626	5,970	0	0	20.0%	RB	1,701	3,717	4,109
Total Motor Vehicles	28,913	13,716	0	0			4,115	20,312	9,601
Office Equipment									
Software	1,921	1	0	1	60.0%	RB	0	0	0
Computer	1,303	9	0	9	50.0%	RB	0	0	0
Isaf	556	7	0	7	50.0%	RB	0	0	0
Computer & Printer	3,858	81	0	0	50.0%	RB	40	3,818	40
Website	8,555	0	8,555	0	50.0%	RB	1,426	1,426	7,129
Total Office Equipment	15,893	97	8,555	17			1,466	6,043	7,169
Plant & Equipment									
Plant	39,341	10,129	0	0	15.0%	RB	1,580	30,792	8,549
Generator	1,037	116	0	0	24.0%	RB	28	949	88
Oven	4,152	1,999	0	0	15.0%	RB	187	3,206	802
Freezers	8,777	2,880	0	0	13.0%	RB	374	6,271	2,506
Food Processors/Equipment	2,367	397	0	0	20.0%	RB	79	2,049	318
Signage	718	309	0	0	10.0%	RB	31	441	278
Kitchen Equipment (Poaked)	35,850	18,257	0	0	10.0%	RB	1,826	19,418	16,432
Bm Washer	25,784	10,939	0	0	13.0%	RB	1,422	16,287	9,517
Trays	2,951	3	0	3	67.0%	RB	0	0	0
Tins	6,770	1,644	0	0	40.0%	RB	617	5,844	926
Chiller	19,430	7,974	0	0	50.0%	RB	787	3,923	6,907
Flow Wrapper	110,916	74,857	0	0	13.0%	RB	9,711	45,790	65,126
Fancy Machine	125,777	81,636	0	0	13.0%	RB	11,583	50,053	79,724
Double Oven	42,065	31,509	0	0	13.0%	RB	4,096	14,672	27,413
Freezer Room	30,823	25,945	0	0	8.0%	RB	2,148	6,126	24,697
Security Camera System	19,106	0	10,106	0	50.0%	RB	2,156	2,156	8,001
Total Plant & Equipment	467,885	278,166	10,106	3			36,886	213,551	251,333
Total	513,891	281,879	18,661	20	0	0	42,466	238,997	268,133

22

The difference between profit & cash



1. Turnover is vanity.
2. Profit is sanity.
3. Cashflow is reality.



23

Profit

Cash

Interest on loans

Depreciation

Interest on loans

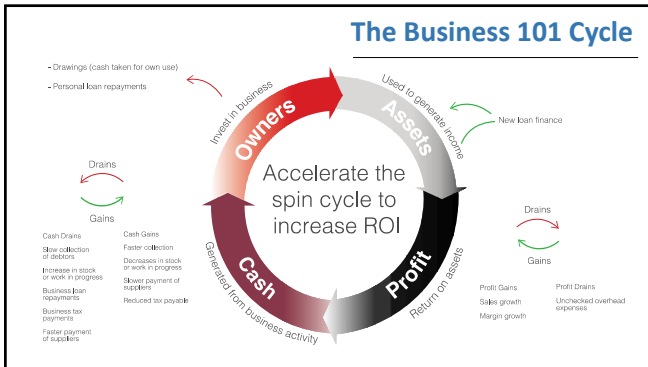
Asset purchases

Asset sales

Interest on loans

Asset sales

24



25

The key drivers of business value

- Different for every business
- Knowing yours is essential
- Examples:
 - Monthly recurring revenue
 - Revenue growth
 - Revenue per client
 - Sales
 - Profit

26

Enhancing Business Value

- Implement a clear plan
- Document organisation structure and roles
- Establish cloud-based, real-time reporting
- Review and document systems and processes
- Reduce reliance on owners
- Identify and manage risks

27

Protecting your assets

1. Limitation of liability.
2. Directorships.
3. Security for loans provided.
4. Ownership options for high value assets.
5. Terms of Trade and credit policies.
6. Insurances.
7. Financial planning.
8. Estate planning.




28

Adopting best practice

1. The 3 essential tools:
 - Annual Business Plan
 - Annual forecast
 - Ongoing reporting & accountability
2. Knowing your numbers is just the beginning!



29



Your next steps

Get started now!

- Write down three actions or projects that will add value to your business
- A problem is an opportunity to create a project
- Doing nothing should not be an option!

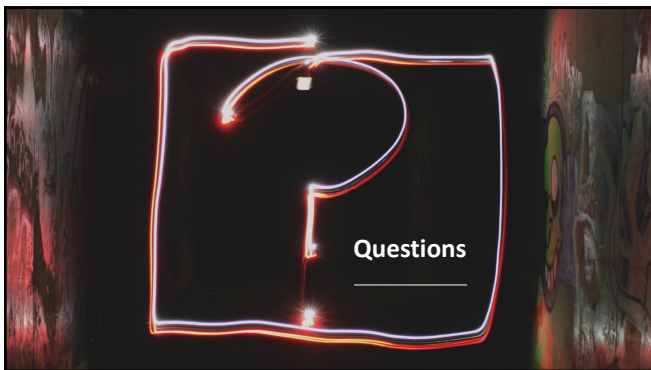
PANTHERA
ACCOUNTING

30

How we can help you

1. Ask for our free Guide to your Financial Reports
2. Complimentary Meeting - FREE
3. Create a business plan with us - £695 + VAT
4. Cashflow forecasting –from £995 + VAT
5. Monthly management reports – from £65+VAT

31



32



33
