

# Due Diligence Report for Growing Your Numbers



This report has been designed to provide a detailed review of the performance of Growing Your Numbers over the past 3 years.

Should you wish to discuss any of the content further, please do contact us on  
or visit

Report created on - 13/02/2024

Accounts complete to - May 2022

# Due Diligence Report for Growing Your Numbers

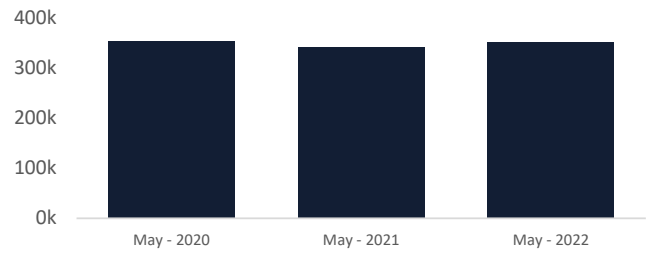
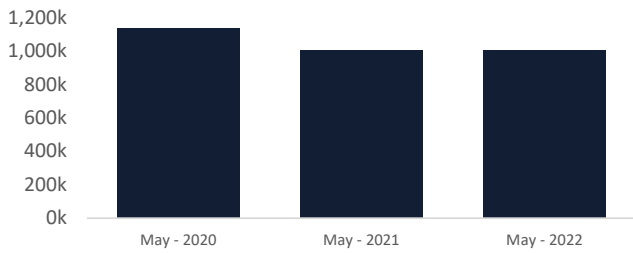
## Contents Page

Page 1	Title Page
Page 2	Contents Page
Page 3	Business Overview (12 Months To May)
Page 4	Revenue Analysis
Page 5	Customer Analysis
Page 6	Margin Analysis
Page 7	Overheads Analysis
Page 8	Net Profit Analysis
Page 9	Fixed Asset Analysis
Page 10	Net Current Asset Analysis
Page 11	Cash & Stock Analysis
Page 12	Balance Sheet Detailed Analysis
Page 13	Detailed Customer Analysis
Page 14	Detailed Supplier Analysis
Page 15	Detailed Channel Analysis
Appendices	Supporting Information

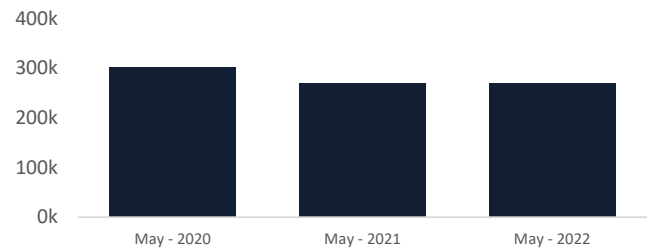
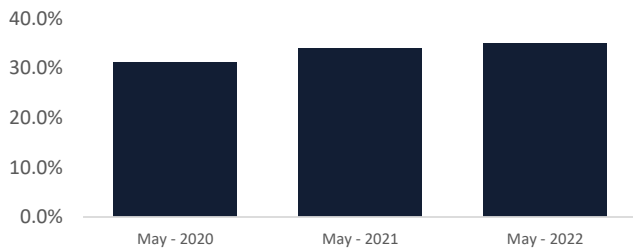
# Due Diligence Report for Growing Your Numbers

## BUSINESS OVERVIEW (12 MONTHS TO MAY)

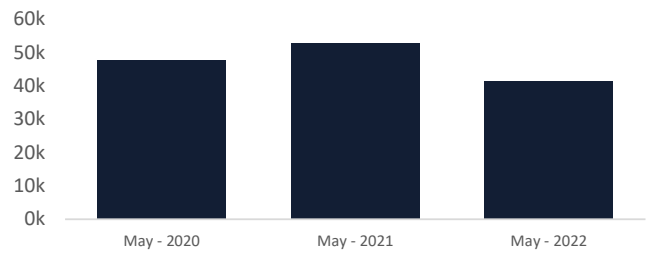
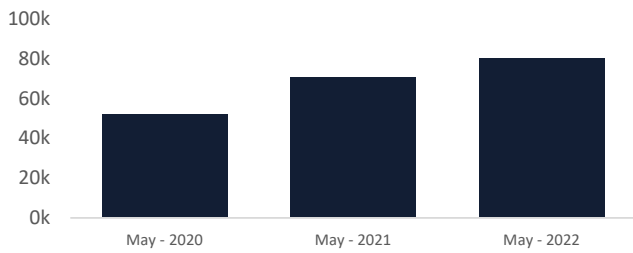
Revenue	Gross Margin
---------	--------------



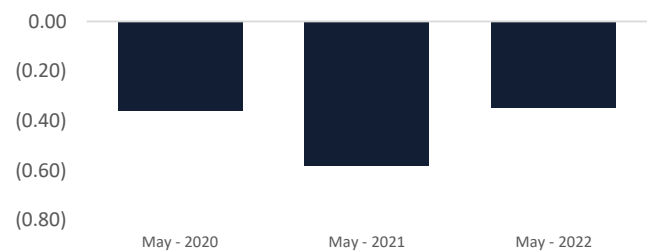
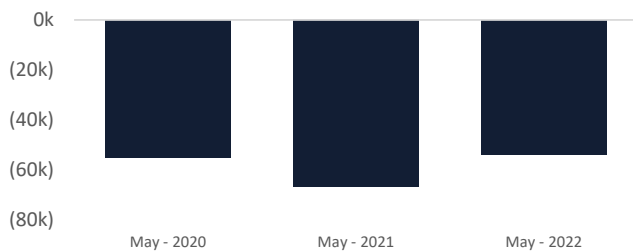
Gross Margin %	Overheads
----------------	-----------



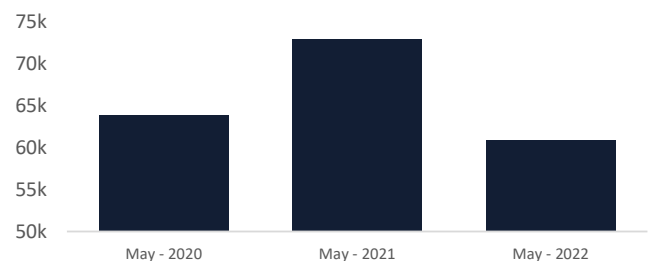
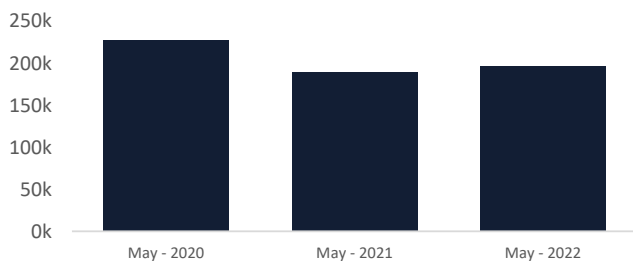
Net Profit	Net Worth
------------	-----------



Cash Balance	Cash Ratio
--------------	------------

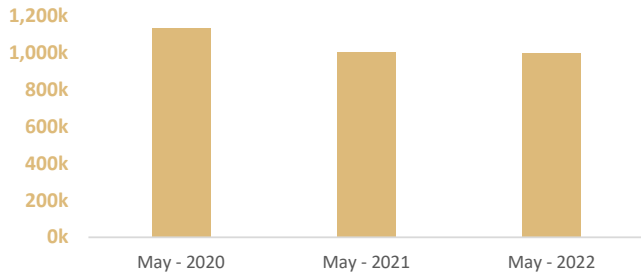


Accounts Receivable	Accounts Payable
---------------------	------------------



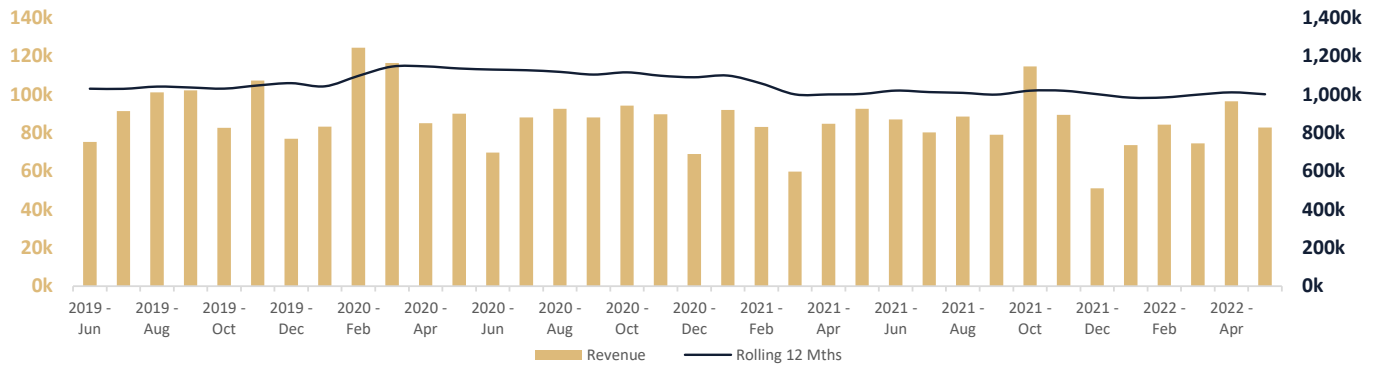
# Due Diligence Report for Growing Your Numbers

## REVENUE ANALYSIS

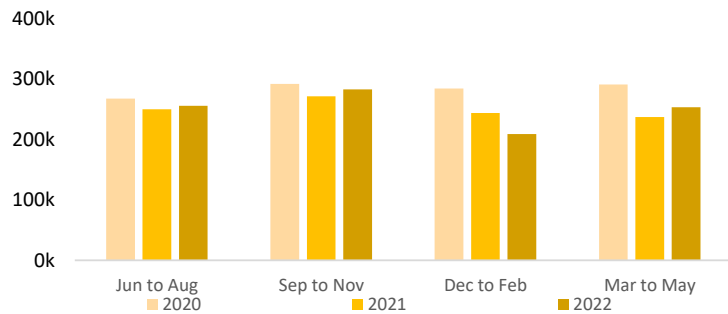


The business has achieved a compound annual growth rate of (6.1%) over the past 3 years.

There is material seasonality experienced across the year (over the past 3 years), with as much as a 32.5% variance between the highest (Feb) and lowest (Dec) revenue generating months.

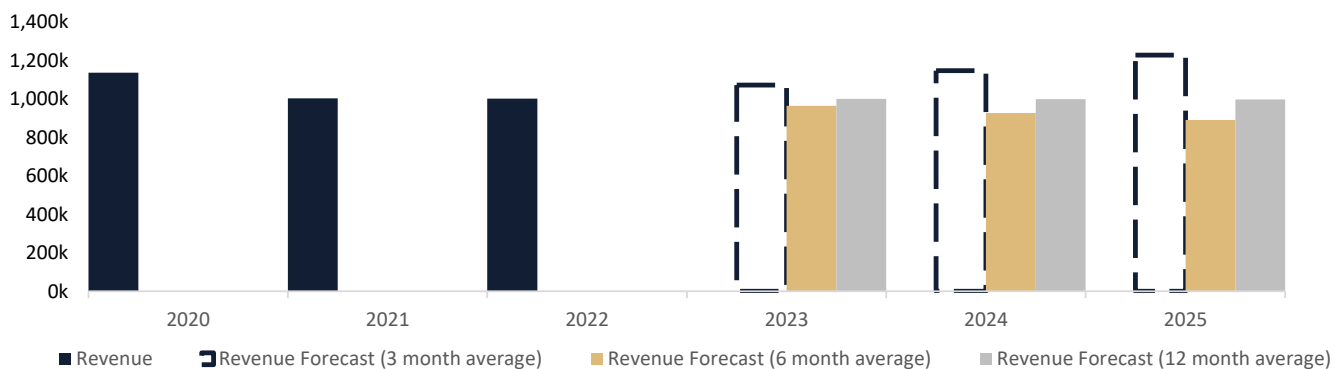


Revenue by Quarter (Over the past 12 months)			
Jun to Aug		Sep to Nov	
£255.7k	✓	£283.0k	✓
Dec to Feb		Mar to May	
£208.9k	✗	£253.7k	✓



## Revenue Projections

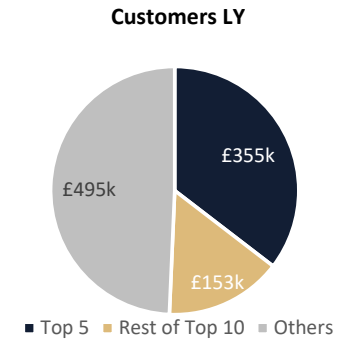
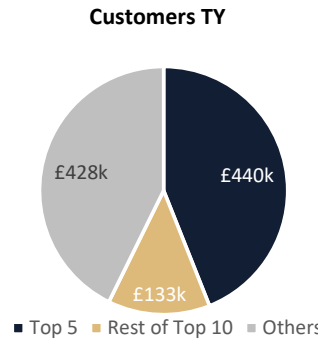
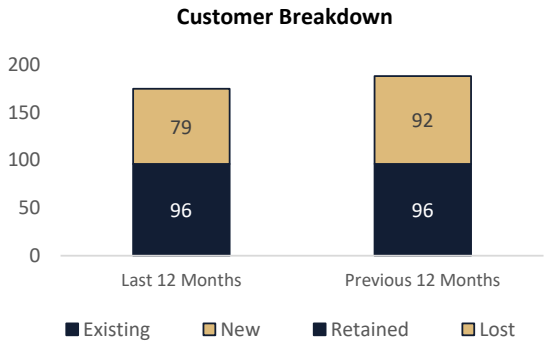
Revenue over the past 3 months has increased by 7.0%. If this trend were to continue over the next 3 years, revenue in 2025 would be £1,226.5k. If the trend over the past 6 months were to continue over the next 3 years (a reduction of 3.8%), revenue in 2025 would be £890.9k. Applying the revenue trend over the past 12 months to the next 3 years (a reduction of 0.2%), revenue in 2025 would be £995.9k.



# Due Diligence Report for Growing Your Numbers

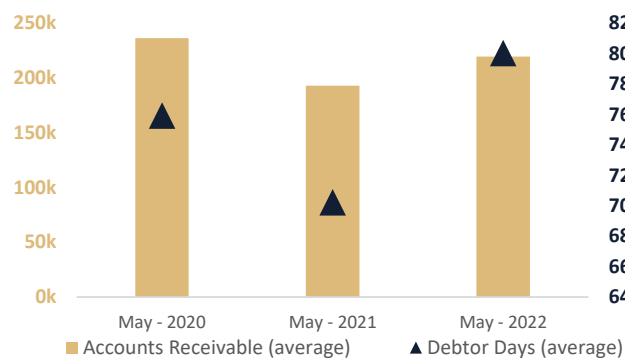
## CUSTOMER ANALYSIS

Revenue over the past 12 months was generated from 175 customers, 79 of these 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 (£483.2k) whose revenue has increased by 18.8% year on year and 1 of them (£90.4k) were new customers.

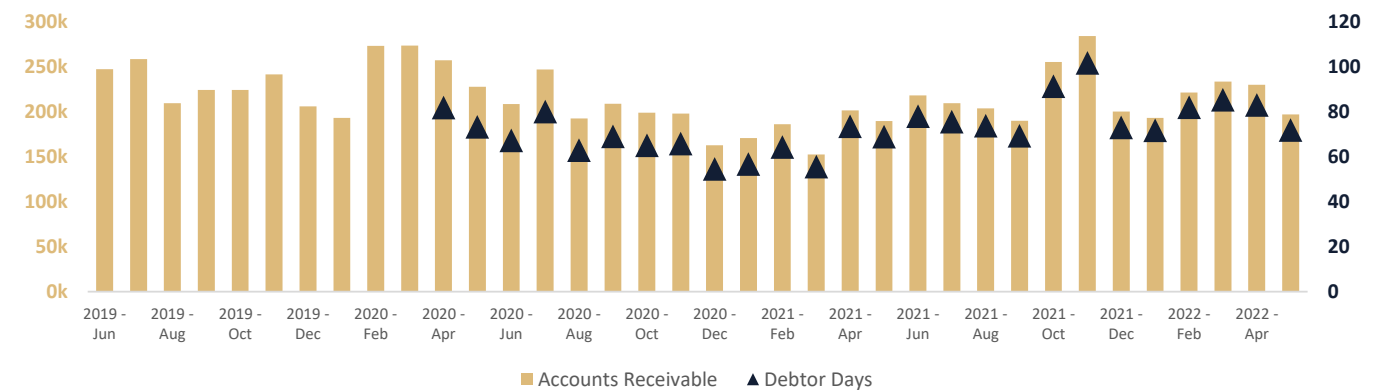
## ACCOUNTS RECEIVABLE ANALYSIS



The average value of outstanding accounts receivables has reduced at an average rate of 3.6% per annum over the past 3 years.

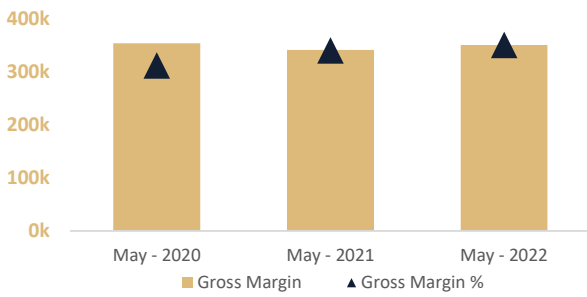
Revenue has reduced over the same time period by 6.1% with debtor days now at 80.

There is material seasonality experienced across the year (over the past 3 years), with as much as a 21.4% variance between the highest (Nov) and lowest (Dec) outstanding receivables months.



# Due Diligence Report for Growing Your Numbers

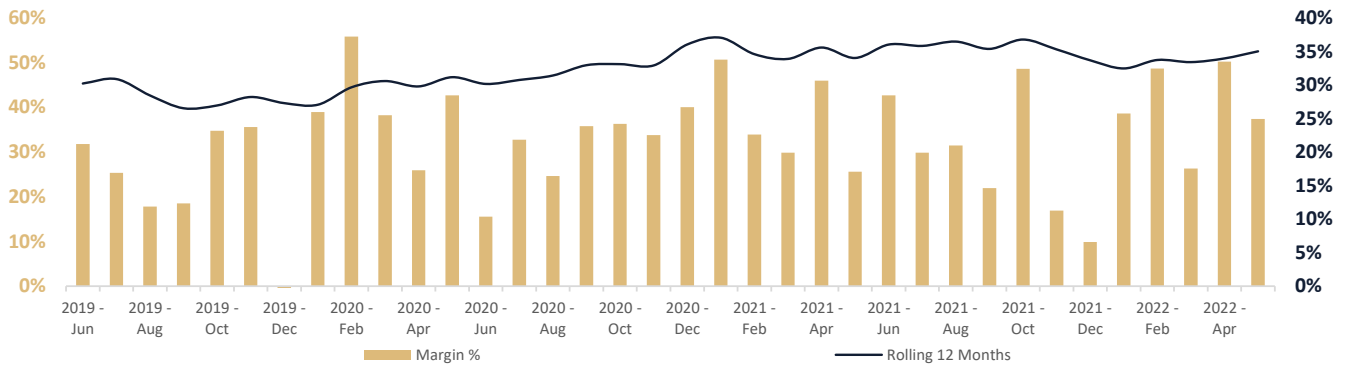
## MARGIN ANALYSIS



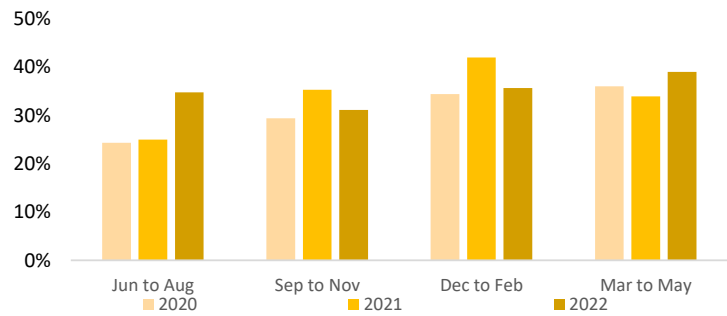
40%  
30%  
20%  
10%  
0%

Gross margin % generated in the business over the past 12 months was 35.0% (an increase of 1.0% on the previous 12 months).

Average gross margin % achieved over the past 3 years is 33.3%, with a high of 35.0% in May - 2022 and a low of 31.1% in May - 2020.

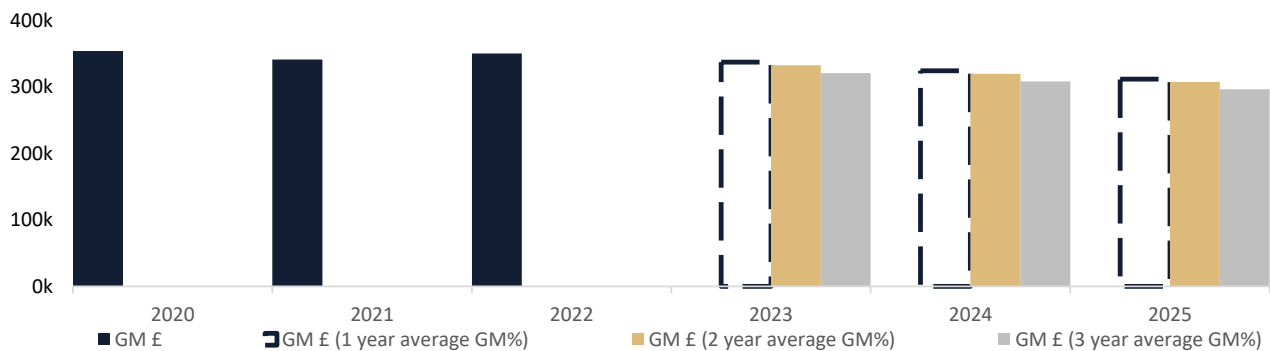


Gross Margin % by Quarter (Over the past 12 months)			
Jun to Aug		Sep to Nov	
34.8%	✓	31.1%	✗
Dec to Feb		Mar to May	
35.6%	✗	39.0%	✓



## Gross Margin Projections

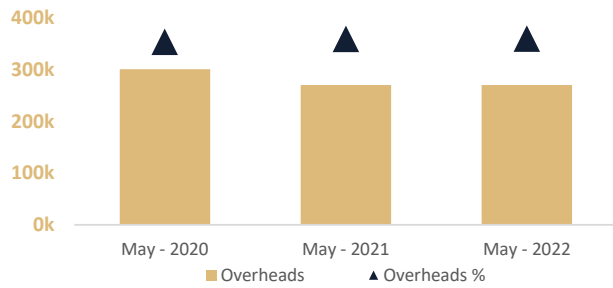
If we apply the average gross margin % over the past 12 months to the 6 month average revenue forecast calculated above, gross margin in 2025 is anticipated to reach £311.9k. If we apply the average gross margin % over the past 2 years to the same revenue forecast, gross margin in 2025 is anticipated to reach £307.4k. Applying the average gross margin % over the past 3 years results in a gross margin in 2025 of £296.6k.



\* Gross margin projections use the revenue projections calculation based on the most recent 6 months performance vs the previous year

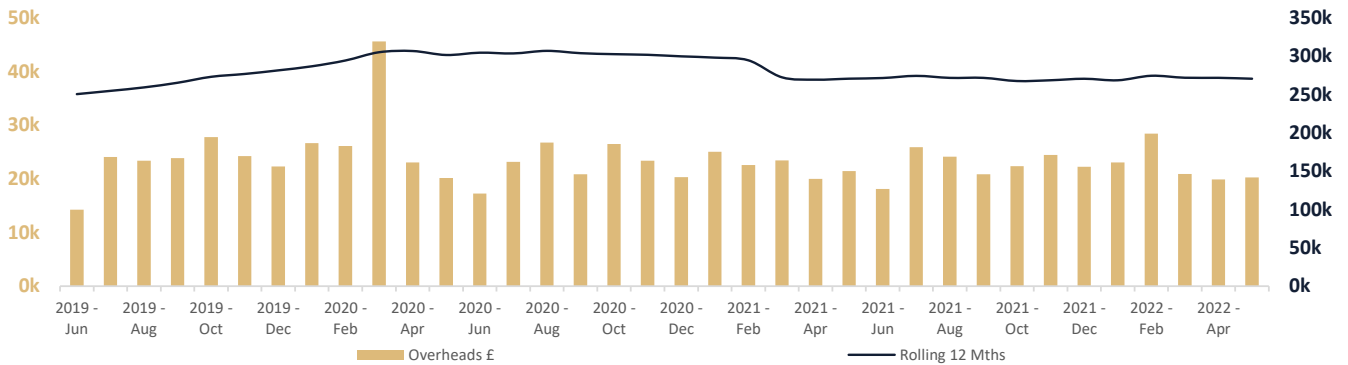
# Due Diligence Report for Growing Your Numbers

## OVERHEADS ANALYSIS

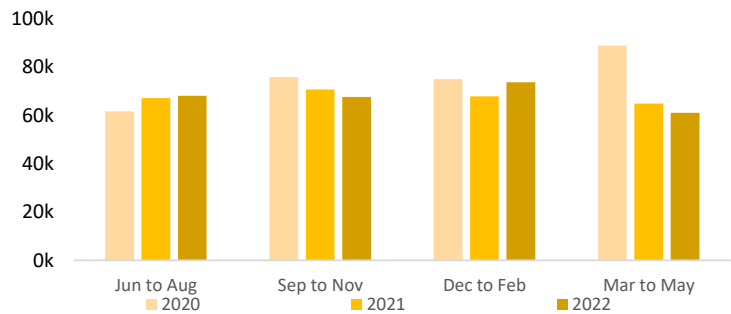


30% Overhead expenditure over the past 12 months was £270.5k (a decrease of 0.0% on the previous 12 months), accounting for 27.0% of sales.

10% Average annual overhead expenditure over the past 3 years is £280.9k, with a high of £301.5k in May - 2020 and a low of £270.5k in May - 2022.

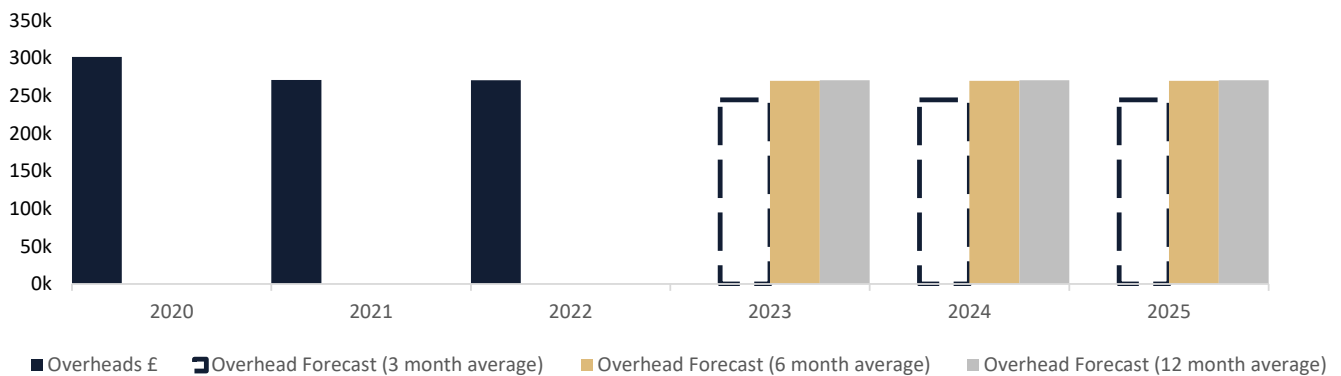


Overheads by Quarter (Over the past 12 months)			
Jun to Aug		Sep to Nov	
£68.2k	✗	£67.6k	✓
Dec to Feb		Mar to May	
£73.7k	✗	£61.1k	✓



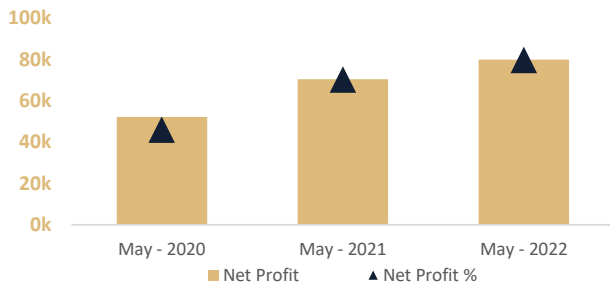
## Overhead Projections

If we assume overhead expenditure can be maintained at the current level for the next 3 years, overheads in 2025 will be maintained at £270.5k. If we extrapolate the average monthly expenditure over the past 6 months, overheads in 2025 are anticipated to reach £269.5k. Applying the average monthly expenditure over the past 3 months results in an overhead expenditure in 2025 of £244.2k.



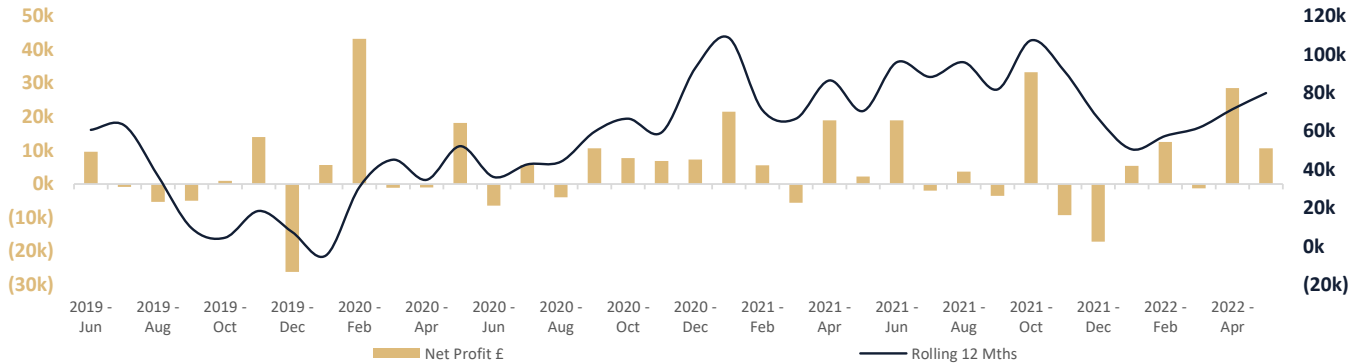
# Due Diligence Report for Growing Your Numbers

## NET PROFIT ANALYSIS

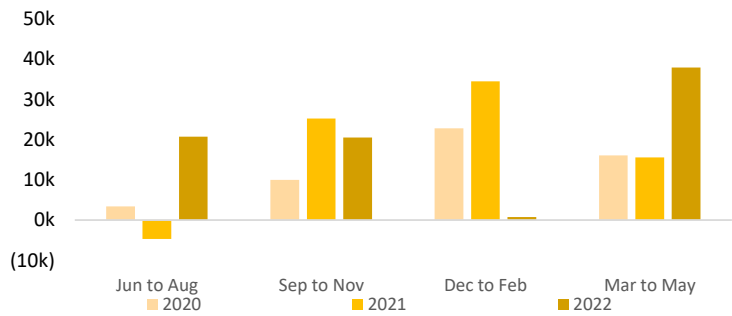


Net profit generated in the business over the past 12 months was £79.9k (an increase of £9.4k on the previous 12 months). Net profit % has increased from 7.0% to 8.0%.

Average net profit achieved over the past 3 years is £67.6k, with a high of £79.9k in May - 2022 and a low of £52.2k in May - 2020.

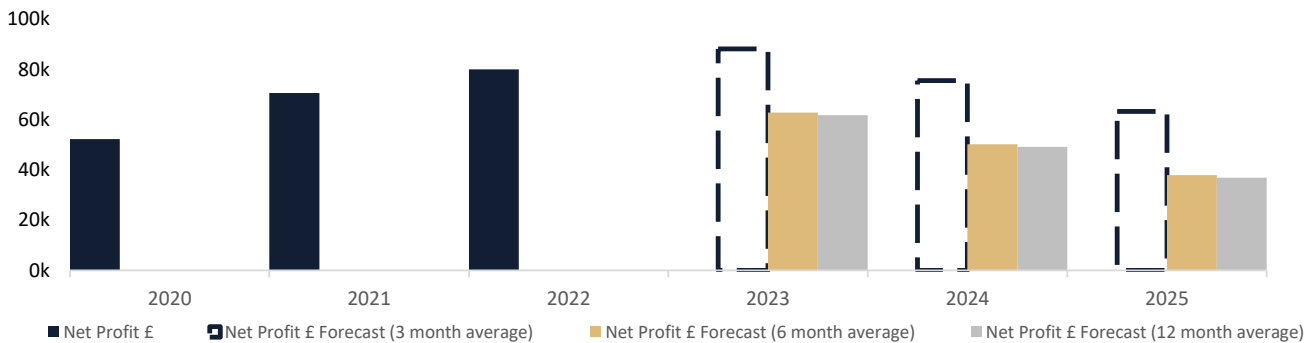


Net Profit by Quarter (Over the past 12 months)			
Jun to Aug		Sep to Nov	
£20.7k	✓	£20.5k	✗
Dec to Feb		Mar to May	
£0.8k	✗	£37.9k	✓



## Net Profit Projections

If we assume overhead expenditure can be maintained at the current level for the next 3 years and apply this to the 2 year average gross margin forecast above, net profit in 2025 will be £36.9k. If we extrapolate the average monthly expenditure over the past 6 months and apply to the same gross margin forecast, net profit in 2025 is anticipated to reach £37.9k. Applying the average monthly expenditure over the past 3 months results in a net profit in 2025 of £63.2k.

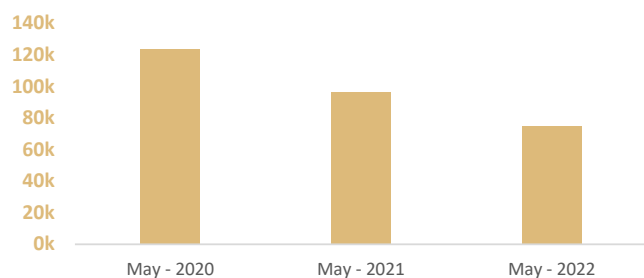


\* Net profit calculation applies the average monthly overheads over the past 3/6/12 months to the 2 year average gross margin forecast above



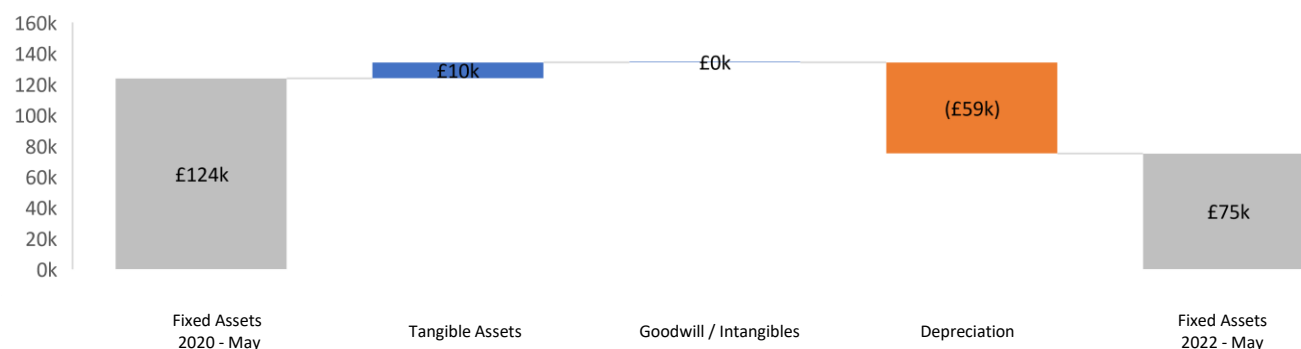
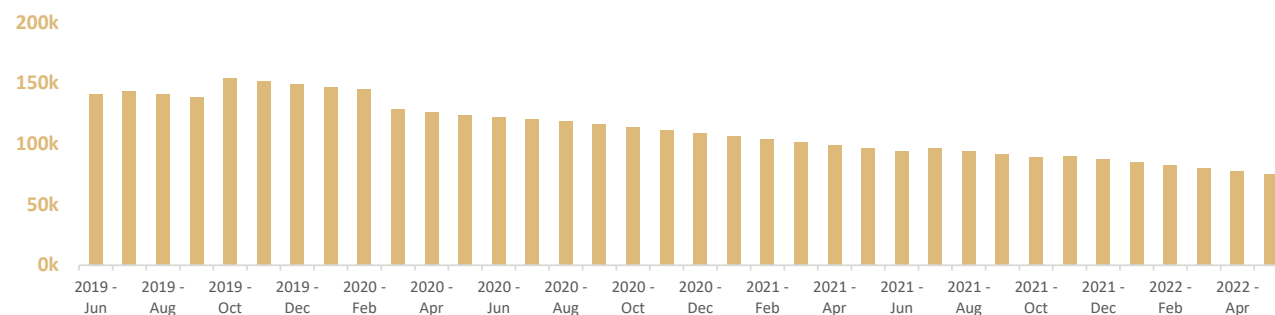
# Due Diligence Report for Growing Your Numbers

## FIXED ASSET ANALYSIS



The business' fixed asset base has reduced by 22.1% over the past 3 years. The fixed asset value currently stands at £75.0k.

Tangible Assets have increased by £10.3k, Goodwill / Intangibles have decreased by £0.0k and Depreciation has decreased by £59.0k.

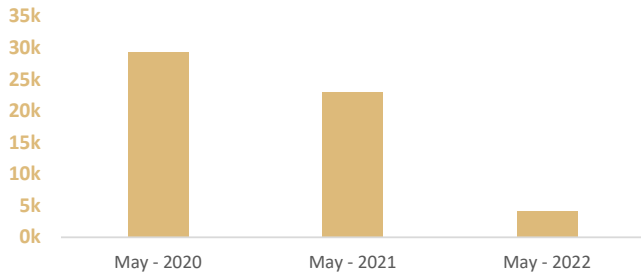


### Fixed Assets

	2022 - May	2020 - May	Var	Var %
Fixed assets 11	£199.9k	£199.9k	£0k	0.0%
Fixed assets 15	£62.4k	£54.4k	£8.0k	14.7%
Fixed assets 13	£25.9k	£23.6k	£2.3k	9.7%
Goodwill	£9.1k	£9.1k	£0k	0.0%
Fixed assets 13 Depreciation	(£24.8k)	(£23.2k)	(£1.6k)	6.8%
Fixed assets 15 Depreciation	(£53.5k)	(£50.4k)	(£3.1k)	6.2%
Fixed assets 11 Depreciation	(£143.9k)	(£89.6k)	(£54.3k)	60.6%
Other	£0.0k	£0k	£0.0k	n/a
<b>Total Fixed Assets</b>	<b>£75.0k</b>	<b>£123.8k</b>	<b>(£48.7k)</b>	<b>(39.4%)</b>

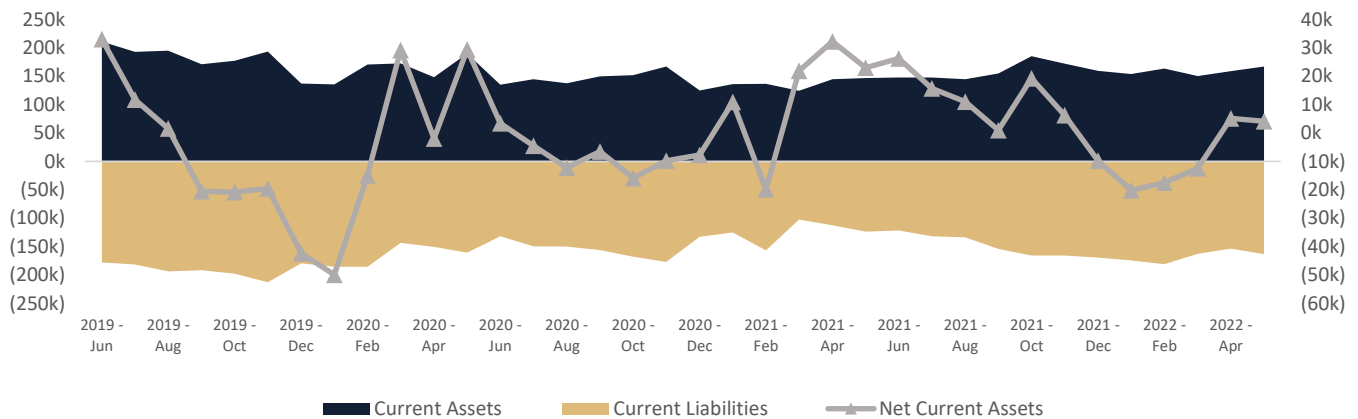
# Due Diligence Report for Growing Your Numbers

## NET CURRENT ASSET ANALYSIS

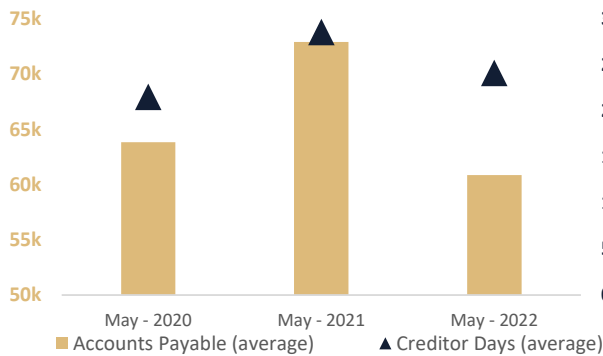


The business' net current asset base has reduced by £25.3k over the past 3 years. The net current asset value currently stands at £4.1k.

Current Assets have decreased by £22.7k and Current Liabilities have increased by £2.5k.

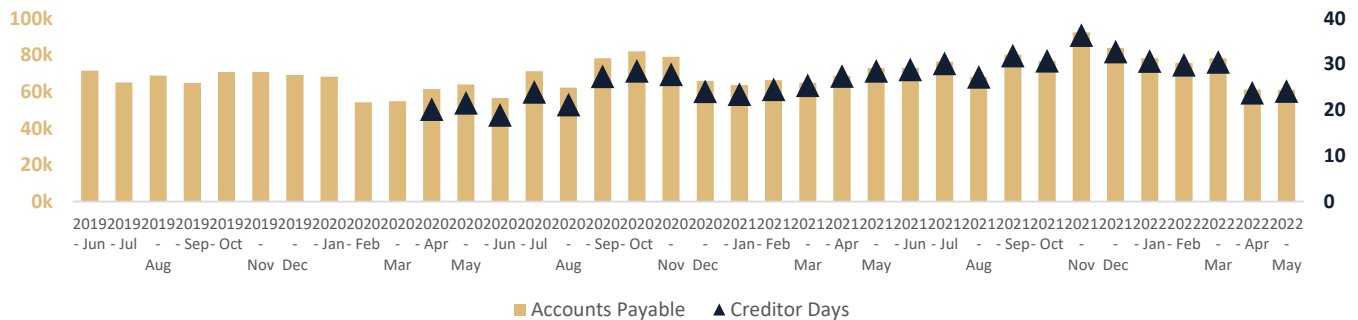


## ACCOUNTS PAYABLE ANALYSIS



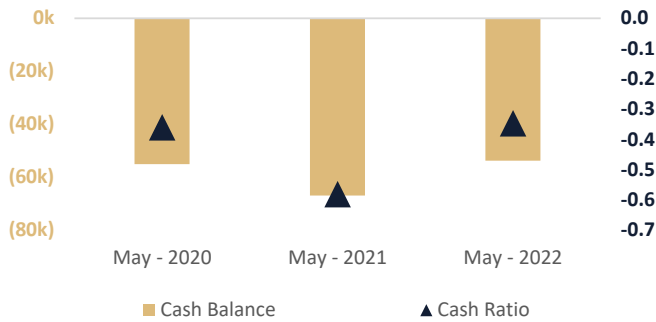
The average value of outstanding accounts payable has reduced at an average rate of 2.4% per annum over the past 3 years with creditor days now at 24.1.

There is material seasonality experienced across the year (over the past 3 years), with as much as a 21.1% variance between the highest (Nov) and lowest (Apr) outstanding payables months.



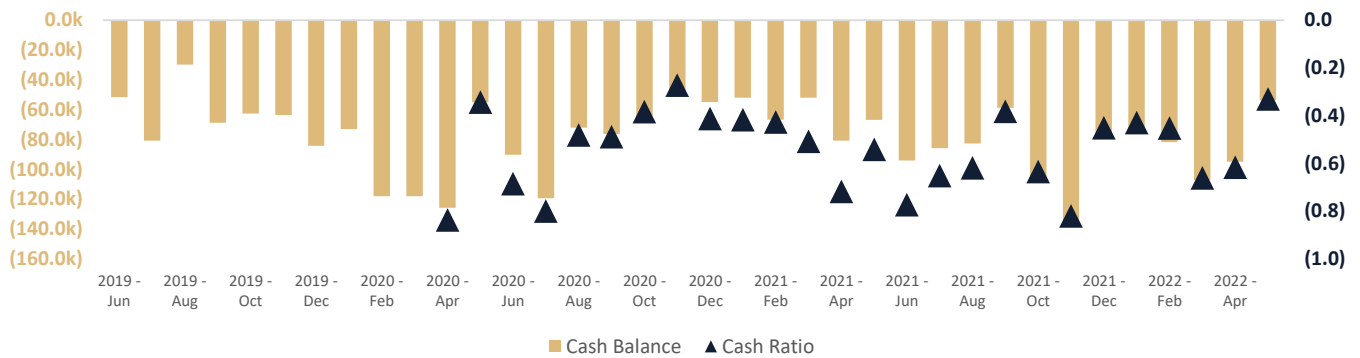
# Due Diligence Report for Growing Your Numbers

## CASH ANALYSIS

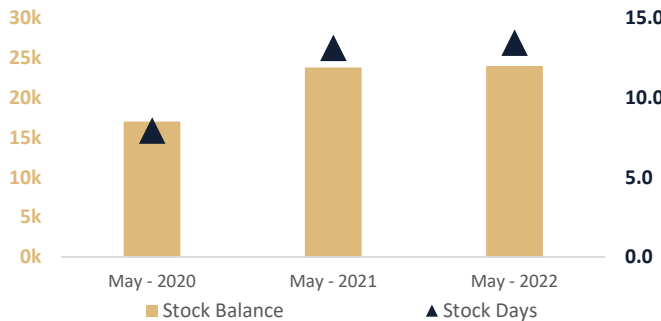


The cash balance at the end of the year has reduced by an average rate of 1.2% per annum over the past 3 years with the cash ratio now at (0.3).

There is material seasonality experienced across the year (over the past 3 years), with as much as a 41.7% variance between the highest (Apr) and lowest (May) cash balance months.

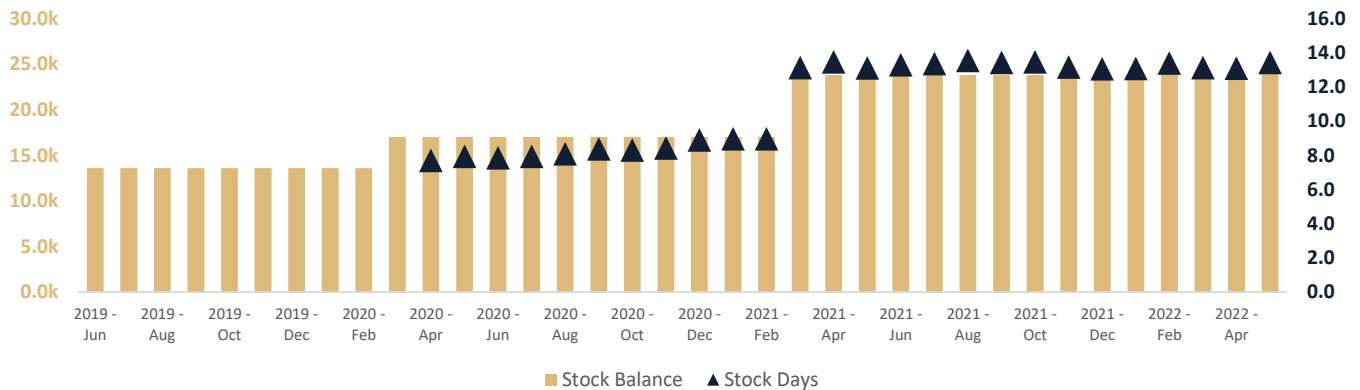


## STOCK ANALYSIS



The stock balance at the end of the year has increased by an average rate of 18.7% per annum over the past 3 years with stock days now at 13.4.

There is material seasonality experienced across the year (over the past 3 years), with as much as a 10.7% variance between the highest (Mar) and lowest (Jan) stock balance months.



# Due Diligence Report for Growing Your Numbers

## BALANCE SHEET DETAILED ANALYSIS

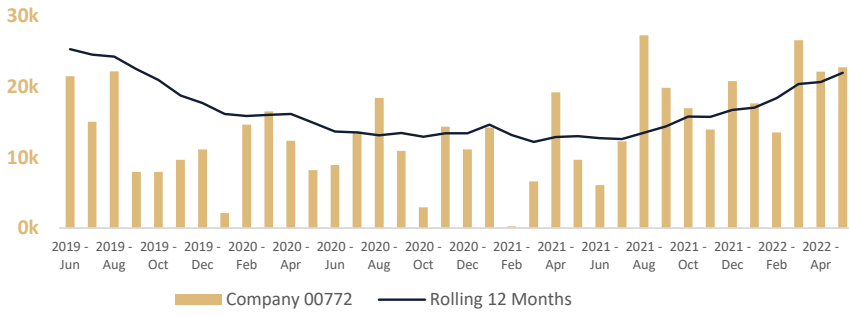
<b>Current Assets</b>	2022 - May	2020 - May	Var	Var %
Accounts Receivable	£196.9k	£227.7k	(£30.8k)	(13.5%)
Stock	£24.0k	£17.0k	£7.0k	40.9%
Current assets 4	£0.0k	£0.2k	(£0.2k)	(93.8%)
Bank Account	(£53.7k)	(£55.0k)	£1.3k	(2.3%)
<b>Total Current Assets</b>	<b>£167.2k</b>	<b>£189.9k</b>	<b>(£22.7k)</b>	<b>(12.0%)</b>

<b>Current Liabilities</b>	2022 - May	2020 - May	Var	Var %
Accounts Payable	£60.9k	£63.8k	(£3.0k)	(4.7%)
Current liabilities 13	£57.2k	£68.1k	(£10.8k)	(15.9%)
VAT	£35.7k	£6.2k	£29.5k	474.4%
Corporation Tax	£7.9k	£7.6k	£0.3k	4.1%
Current liabilities 2	£1.4k	£1.4k	£0k	0.0%
Current liabilities 9	(£0.0k)	(£0.0k)	£0.0k	(89.1%)
<b>Total Current Liabilities</b>	<b>£163.0k</b>	<b>£160.5k</b>	<b>£2.5k</b>	<b>1.6%</b>

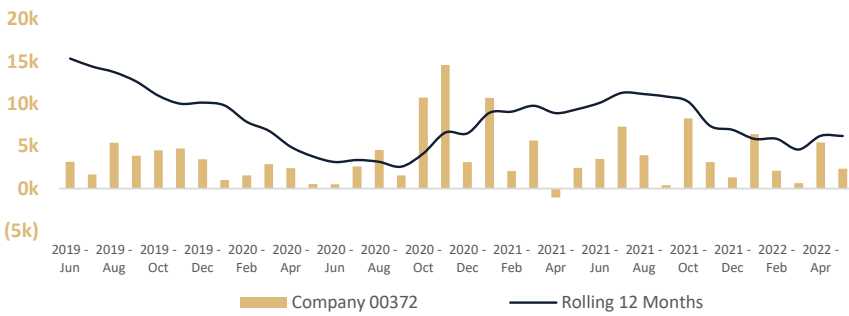
<b>Long Term Liabilities</b>	2022 - May	2020 - May	Var	Var %
Long term liabilities 3	£29.4k	(£161.3k)	£190.8k	n/a
Long term liabilities 2	£16.2k	(£16.8k)	£33.0k	n/a
<b>Total Long Term Liabilities</b>	<b>£45.7k</b>	<b>(£181.8k)</b>	<b>£227.4k</b>	<b>n/a</b>

# Due Diligence Report for Growing Your Numbers

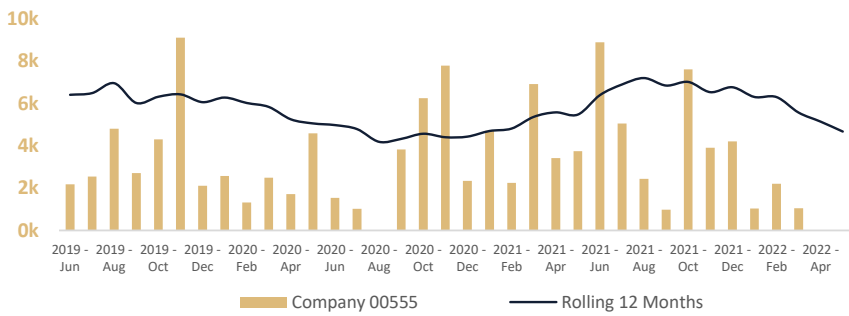
## DETAILED CUSTOMER ANALYSIS



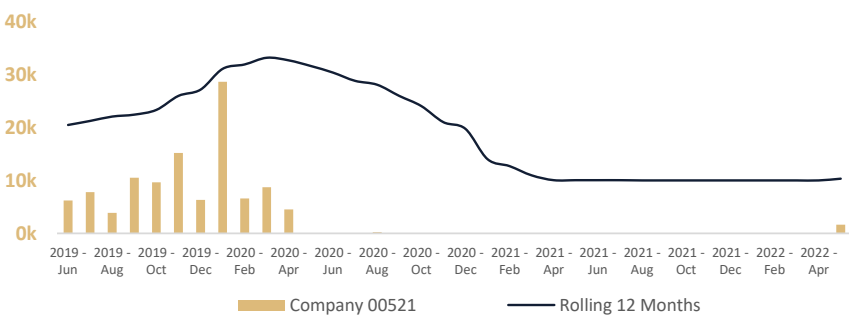
	Annual Revenue	% of Total
2022 - May	£219.9k	22.0%
2021 - May	£130.3k	13.0%
2020 - May	£149.2k	14.9%



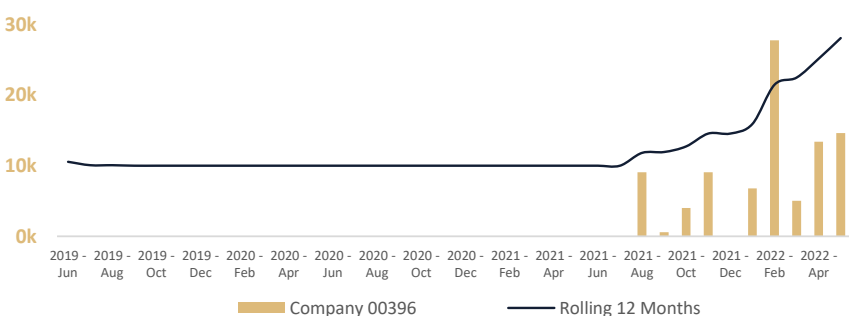
	Annual Revenue	% of Total
2022 - May	£44.8k	4.5%
2021 - May	£57.5k	5.7%
2020 - May	£35.2k	3.5%



	Annual Revenue	% of Total
2022 - May	£37.3k	3.7%
2021 - May	£43.8k	4.4%
2020 - May	£40.4k	4.0%



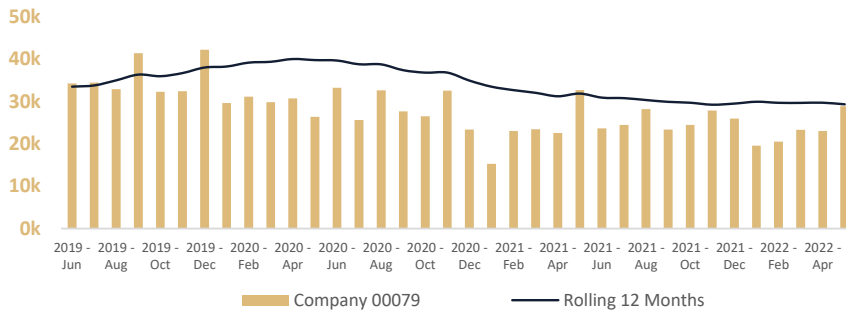
	Annual Revenue	% of Total
2022 - May	£1.6k	0.2%
2021 - May	£0.2k	0.0%
2020 - May	£108.0k	10.8%



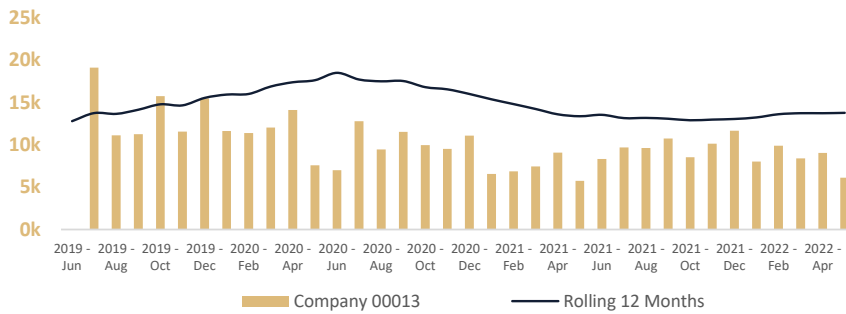
	Annual Revenue	% of Total
2022 - May	£90.4k	9.0%
2021 - May	£0k	0.0%
2020 - May	£0k	0.0%

# Due Diligence Report for Growing Your Numbers

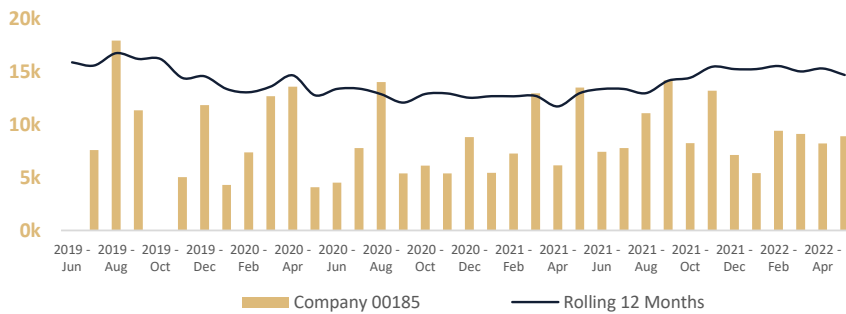
## DETAILED SUPPLIER ANALYSIS



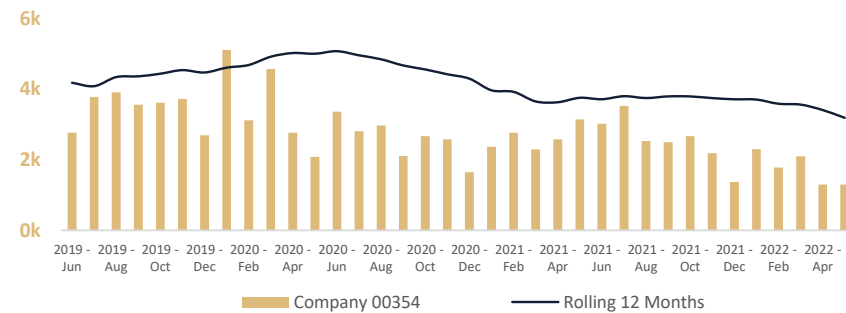
	Annual Revenue	% of Total
2022 - May	£293.2k	31.8%
2021 - May	£318.6k	34.6%
2020 - May	£397.6k	43.2%



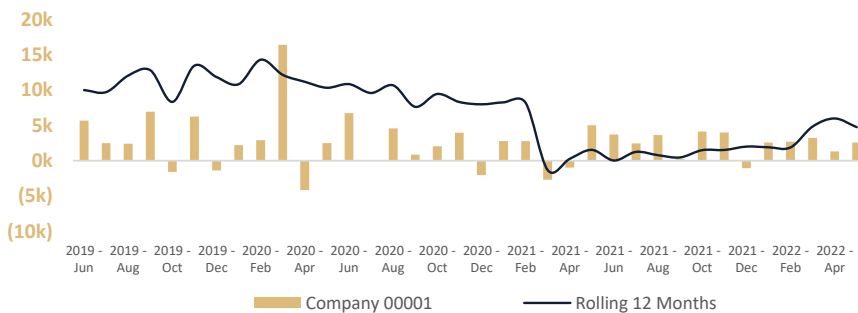
	Annual Revenue	% of Total
2022 - May	£110.1k	12.0%
2021 - May	£106.9k	11.6%
2020 - May	£140.9k	15.3%



	Annual Revenue	% of Total
2022 - May	£110.1k	11.9%
2021 - May	£97.2k	10.6%
2020 - May	£95.7k	10.4%



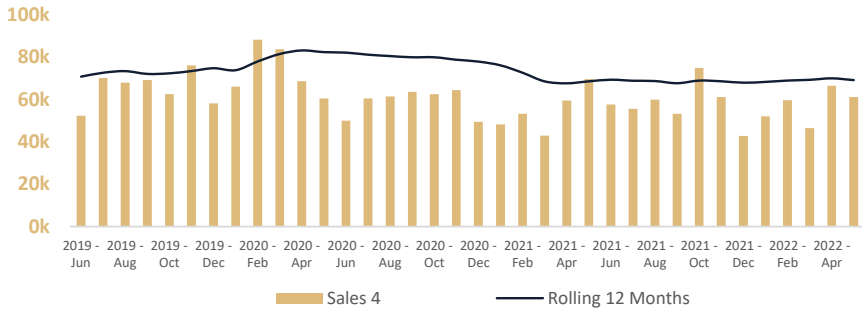
	Annual Revenue	% of Total
2022 - May	£26.6k	2.9%
2021 - May	£31.3k	3.4%
2020 - May	£41.7k	4.5%



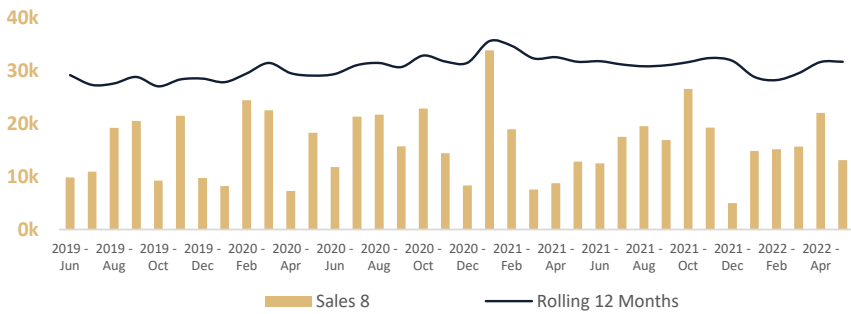
	Annual Revenue	% of Total
2022 - May	£29.5k	3.2%
2021 - May	£23.1k	2.5%
2020 - May	£40.7k	4.4%

# Due Diligence Report for Growing Your Numbers

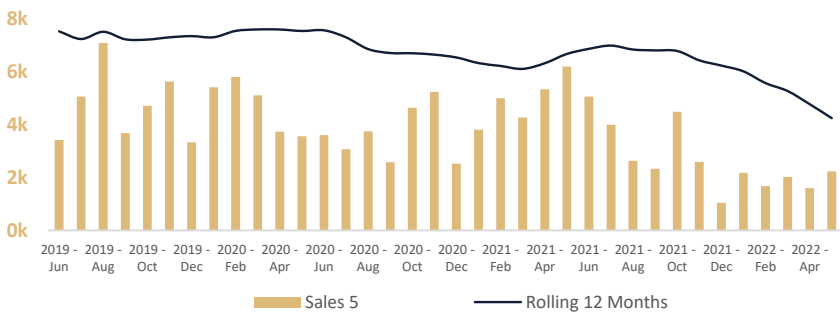
## DETAILED CHANNEL ANALYSIS



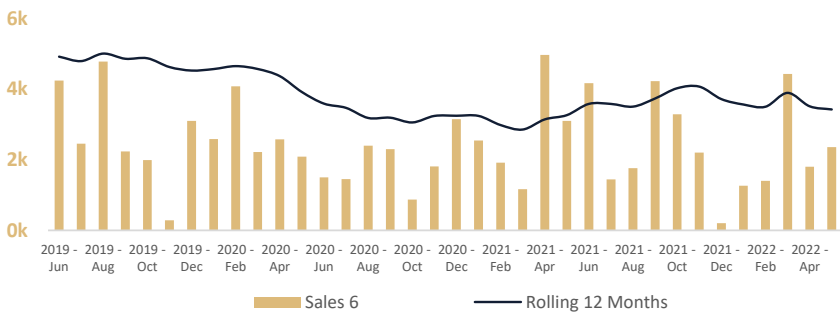
	Annual Revenue	% of Total
2022 - May	£691.3k	69.0%
2021 - May	£685.5k	68.5%
2020 - May	£823.4k	82.2%



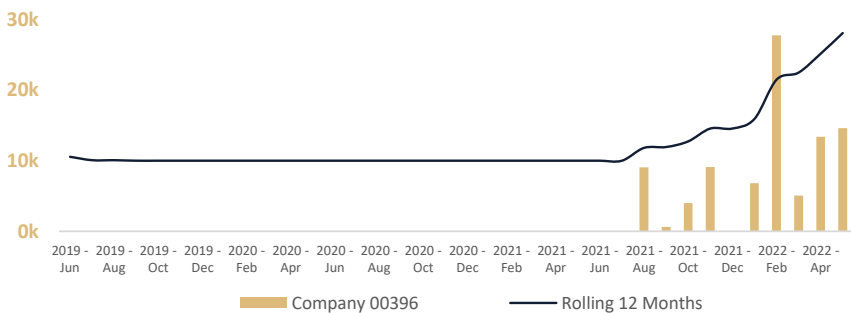
	Annual Revenue	% of Total
2022 - May	£198.0k	19.8%
2021 - May	£197.9k	19.8%
2020 - May	£181.6k	18.1%



	Annual Revenue	% of Total
2022 - May	£31.8k	3.2%
2021 - May	£50.0k	5.0%
2020 - May	£56.5k	5.6%



	Annual Revenue	% of Total
2022 - May	£28.5k	2.9%
2021 - May	£27.2k	2.7%
2020 - May	£32.7k	3.3%



	Annual Revenue	% of Total
2022 - May	£90.4k	9.0%
2021 - May	£0k	0.0%
2020 - May	£0k	0.0%

# Due Diligence Report for Growing Your Numbers

## Supporting Information



The following supporting information provides you with a detailed analysis of performance over the most recent 12 months.



# Due Diligence Report for Growing Your Numbers

## ANALYSIS OF THE LAST 12 MONTHS

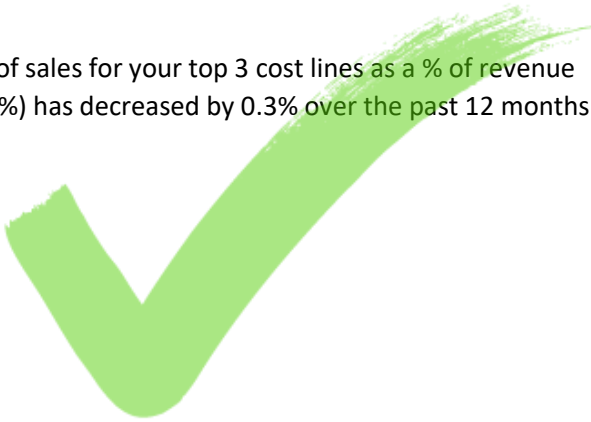
The points below provide an overview of the performance of your business over the past 12 months, compared to the previous 12 months. The aim is to provide you with the key focus areas for your business going forward.

### What worked well

Your total transactions have increased by 5.3% compared to last year. Up from £4.1k to £4.4k

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

Cost of sales for your top 3 cost lines as a % of revenue (61.4%) has decreased by 0.3% over the past 12 months



### What didn't work so well

Your total revenue has decreased by 0.2% compared to last year. Up from £1,003.0k to £1,001.2k

Your average value per transaction has decreased by 5.2% compared to last year. Down from £0.2k to £0.2k

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)

Overheads as a % of revenue have increased compared to last year (up 0.0%pts vs the previous year)

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

The net worth of your business has decreased by 24.6% (£10.9k) compared to this time last year

The current ratio of your business (current assets / current liabilities) is 1.03, a decrease of 0.16 compared to this time last year

# Due Diligence Report for Growing Your Numbers

## PROFITABILITY ANALYSIS (LAST 12 MONTHS)

Over the last 12 months profit has increased by £9.4k compared to the previous 12 months. An adverse sales variance decreased profit by £0.6k, margin % increased by 1.0% points which in turn increased profit by £9.9k, overheads have reduced compared to last year which has increased profit by £0.1k.

		Last 12 Months	Mvmt	Mvmt %	
<b>Revenue</b>	Revenue Movement (past 12 months)	£1,001.2k	(£1.8k)	(0.2%)	<b>Profit Impact</b> (€0.6k)
	Transactions movement * (past 12 months) <i>Revenue Impact</i>	4,360	219	5.3%	
	Average Spend movement (past 12 months) <i>Revenue Impact</i>	£0.2k	(€0.0k)	(5.2%)	
<b>Gross Margin</b>	Gross Margin £ movement (past 12 months)	£350.5k	€9.3k	2.7%	<b>Profit Impact</b> €9.9k
	Gross Margin % sales movement (past 12 months)	35.0%		1.0%	
<b>Overheads</b>	Overheads £ movement (past 12 months)	€270.5k	(€0.1k)	(0.0%)	<b>Profit Impact</b> €0.1k
	Overheads % sales movement (past 12 months)			0.0%	
<b>Net Profit</b>	Net Profit £ movement (past 12 months)	£79.9k	€9.4k	13.3%	
	Net Profit % sales movement (past 12 months)			0.9%	

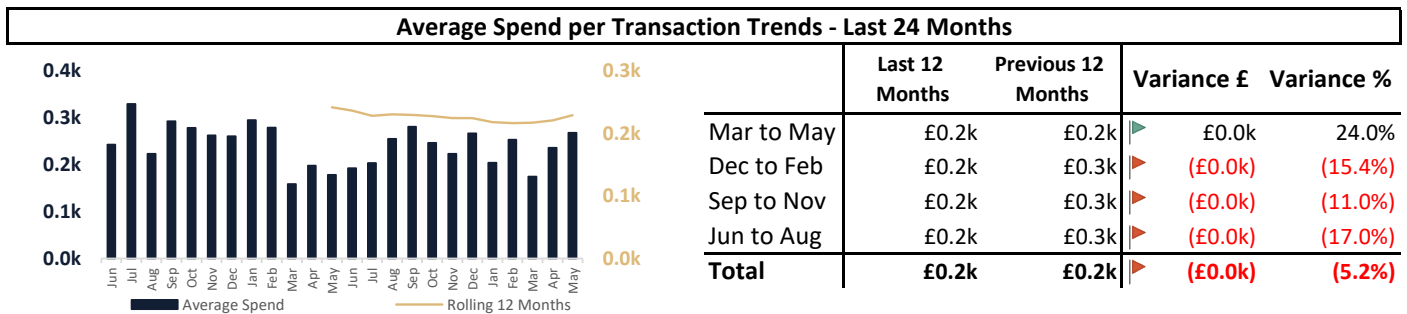
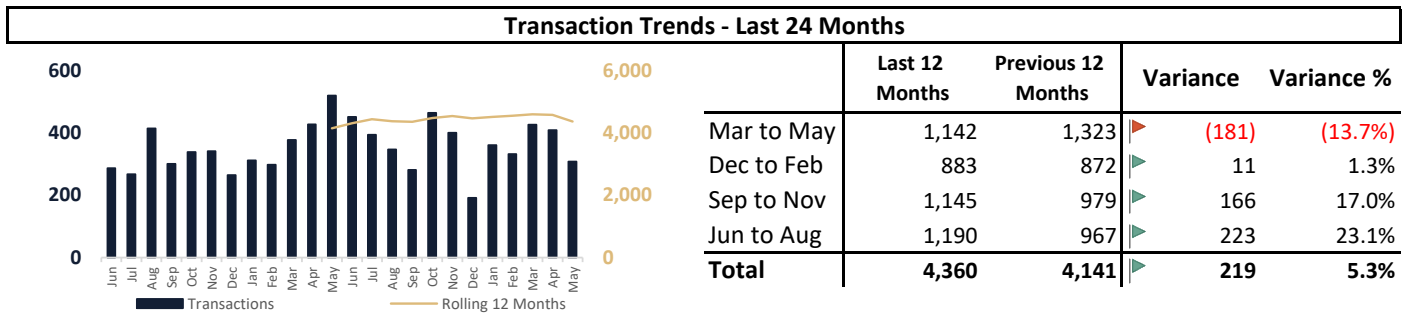
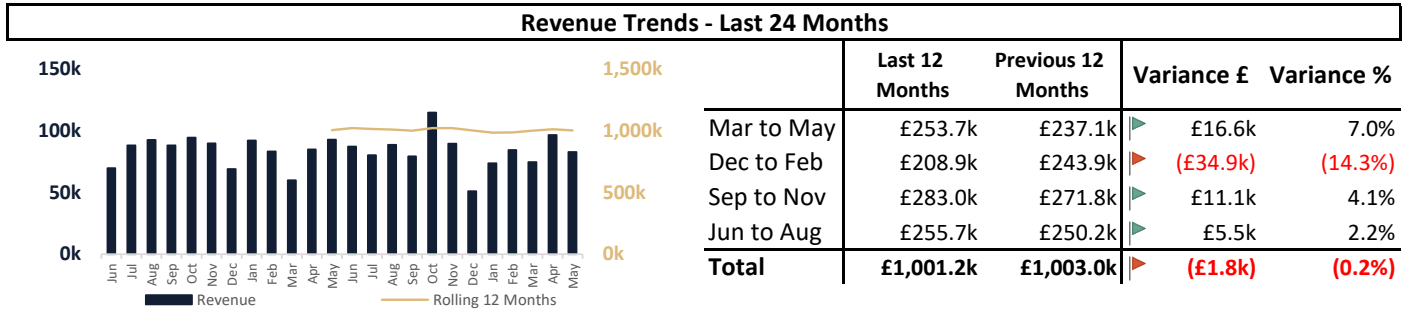
\* excludes Manual Journals, Credit Notes and Overpayments



# Due Diligence Report for Growing Your Numbers

## REVENUE ANALYSIS

Revenue over the last 12 months totalled £1,001k, which was a 0.2% movement down on the previous 12 months. Revenue over the last 3 months totalled £253.7k, which was a 7.0% improvement on the same quarter last year. Revenue in the best performing quarter over the past 12 months (Mar to May) totalled £253.7k, a £16.6k increase 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.



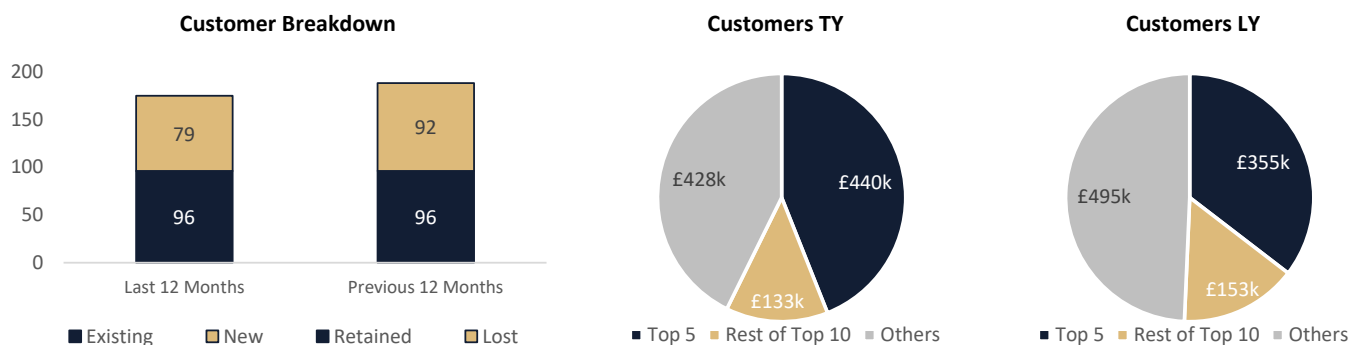
Total transactions within the accounts for the past 12 months was 4,360, this was up 5.3% compared to the previous 12 months and generated £50.3k additional revenue. Average spend within the accounts for the past 12 months was £0.2k, this was 5.2% lower compared to the previous 12 months and drove a decrease in revenue of £52.1k.

Impact of Transactions & Average Spend Movements					
	Trans Impact	Spend Impact	Variance £	Variance %	
Mar to May	(£40.2k)	£56.8k	▶ £16.6k	7.0%	
Dec to Feb	£2.6k	(£37.5k)	▶ (£34.9k)	(14.3%)	
Sep to Nov	£41.0k	(£29.9k)	▶ £11.1k	4.1%	
Jun to Aug	£47.9k	(£42.5k)	▶ £5.5k	2.2%	
<b>Total</b>	<b>£50.3k</b>	<b>(£52.1k)</b>	<b>▶ (£1.8k)</b>	<b>(0.2%)</b>	

# Due Diligence Report for Growing Your Numbers

## CUSTOMER ANALYSIS

Revenue over the past 12 months was generated from 175 customers, 79 of these 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 (£483.2k) whose revenue has increased by 18.8% year on year and 1 of them (£90.4k) were new customers.

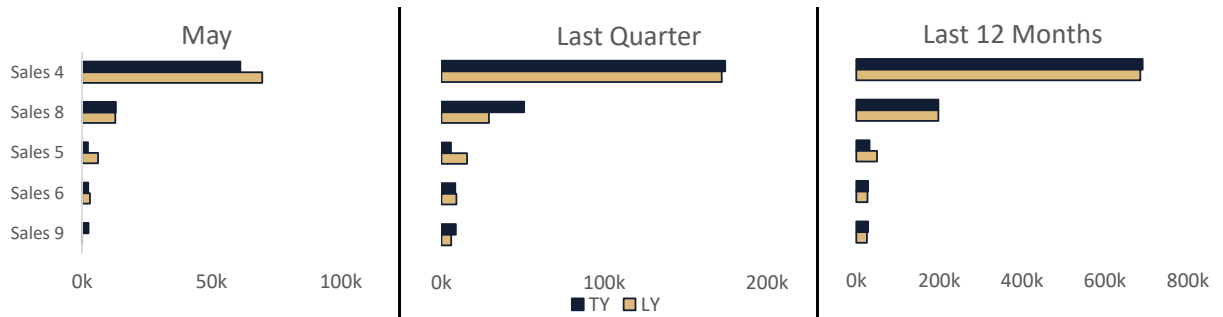
<i>Top 10 Customers Last 12 Months</i>	TY	% Rev	LY	% Rev	Var £	Var %
Company 00772	£219.9k	22.0%	£130.3k	13.0%	£89.6k	68.8%
Company 00396	£90.4k	9.0%				
Company 00372	£44.8k	4.5%	£57.5k	5.7%	(£12.7k)	(22.1%)
Company 00472	£42.8k	4.3%	£33.7k	3.4%	£9.1k	26.9%
Company 00932	£42.4k	4.2%	£11.0k	1.1%	£31.4k	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%)
<b>Top 10 Customers</b>	<b>£573.5k</b>	<b>57.3%</b>	<b>£406.6k</b>	<b>40.5%</b>	<b>£167.0k</b>	<b>41.1%</b>
<b>The Rest</b>	<b>£427.7k</b>	<b>42.7%</b>	<b>£596.4k</b>	<b>59.5%</b>	<b>(£168.8k)</b>	<b>(28.3%)</b>
<b>Total</b>	<b>£1,001.2k</b>	<b>100.0%</b>	<b>£1,003.0k</b>	<b>100.0%</b>	<b>(£1.8k)</b>	<b>(0.2%)</b>

<i>Customers Largest Decrease in Revenue</i>	TY	% Rev	LY	% Rev	Var £	Var %
Company 00437	£0k	0.0%	£57.6k	5.7%	(£57.6k)	(100.0%)
Company 00663	£37.1k	3.7%	£66.0k	6.6%	(£29.0k)	(43.9%)
Company 00530	£2.8k	0.3%	£28.4k	2.8%	(£25.6k)	(90.1%)
Company 00537	£3.1k	0.3%	£27.4k	2.7%	(£24.3k)	(88.7%)
Company 00613	£0k	0.0%	£22.5k	2.2%	(£22.5k)	(100.0%)
Company 00626	£9.9k	1.0%	£29.1k	2.9%	(£19.2k)	(66.0%)
Company 00729	£9.4k	0.9%	£28.1k	2.8%	(£18.8k)	(66.8%)
Company 00841	£17.9k	1.8%	£33.7k	3.4%	(£15.7k)	(46.7%)
Company 00691	£0.5k	0.1%	£14.5k	1.4%	(£14.0k)	(96.4%)
Company 00372	£44.8k	4.5%	£57.5k	5.7%	(£12.7k)	(22.1%)
<b>Total</b>	<b>£125.5k</b>	<b>12.5%</b>	<b>£365.0k</b>	<b>36.4%</b>	<b>(£239.5k)</b>	<b>(65.6%)</b>

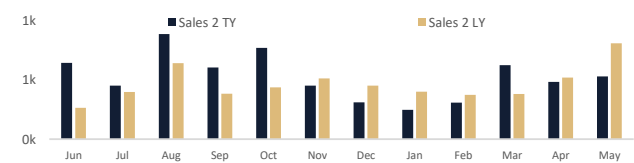
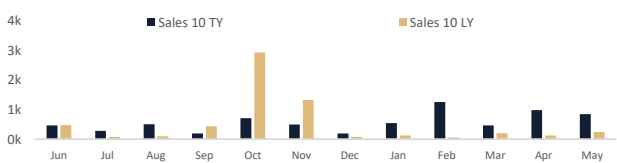
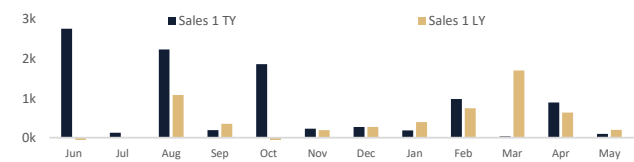
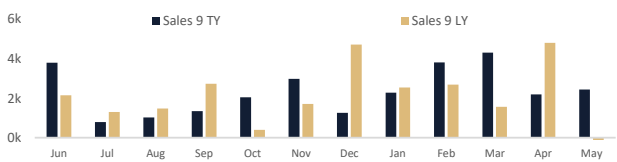
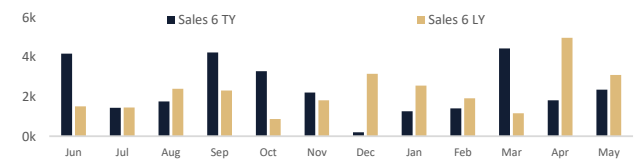
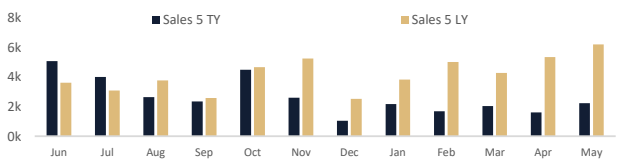
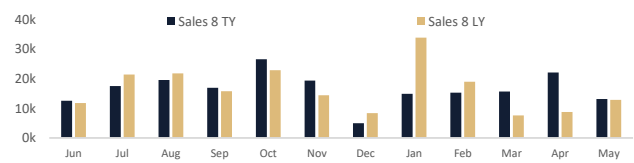
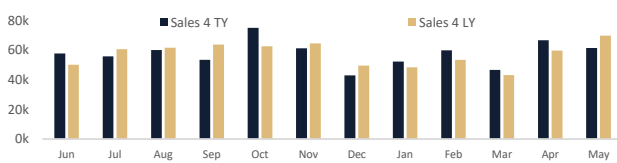
# Due Diligence Report for Growing Your Numbers

## REVENUE CHANNEL PERFORMANCE

Total revenue over the past 12 months of £1,001.2k was broadly similar to the previous year ((£1.8k) or (0.2%)). Revenue in the latest quarter was higher than the same quarter last year. The largest increase over the past 12 months has come from Sales 4, 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%
Other						
<b>Total Sales</b>	<b>£82.8k</b>	<b>(10.6%)</b>	<b>£253.7k</b>	<b>7.0%</b>	<b>£1,001.2k</b>	<b>(0.2%)</b>

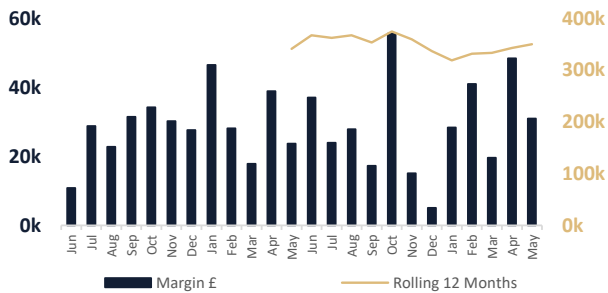


# Due Diligence Report for Growing Your Numbers

## MARGIN ANALYSIS

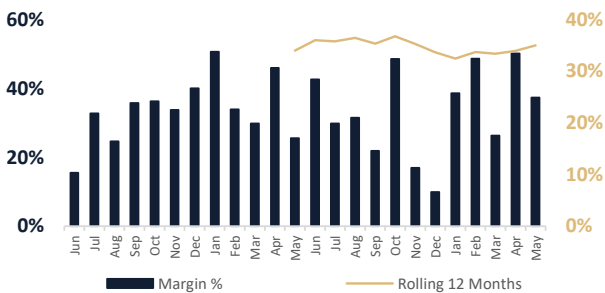
Margin over the last 12 months totalled £350.5k which was a £9.3k improvement on the previous 12 months. Margin over the last 3 months (Mar to May) totalled £99.0k which was an increase of £18.5k on the same quarter last year. Margin was better than the equivalent period in the previous year in 2 of the 4 quarters over the past 12 months. Margin % over the last 12 months totalled 35.0%, which was a 1.0% increase on the previous 12 months.

### Gross Margin £ Trends - Last 24 Months

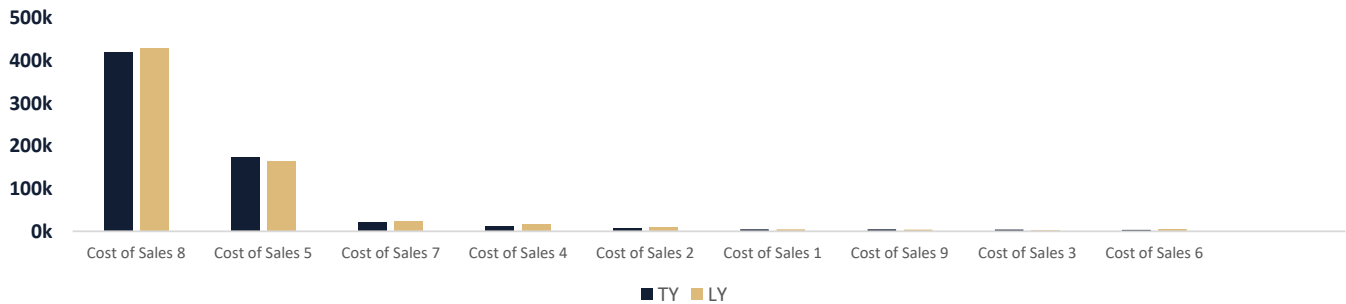


	Last 12 Months	Previous 12 Months	Variance £	Variance %
Mar to May	£99.0k	£80.5k	£18.5k	23.0%
Dec to Feb	£74.5k	£102.3k	(£27.9k)	(27.2%)
Sep to Nov	£88.1k	£95.9k	(£7.8k)	(8.2%)
Jun to Aug	£88.9k	£62.5k	£26.5k	42.4%
<b>Total</b>	<b>£350.5k</b>	<b>£341.2k</b>	<b>£9.3k</b>	<b>2.7%</b>

### Gross Margin % Trends - Last 24 Months



	Last 12 Months	Previous 12 Months	Variance %
Mar to May	39.0%	33.9%	5.1%
Dec to Feb	35.6%	42.0%	(6.3%)
Sep to Nov	31.1%	35.3%	(4.2%)
Jun to Aug	34.8%	25.0%	9.8%
<b>Total</b>	<b>35.0%</b>	<b>34.0%</b>	<b>1.0%</b>

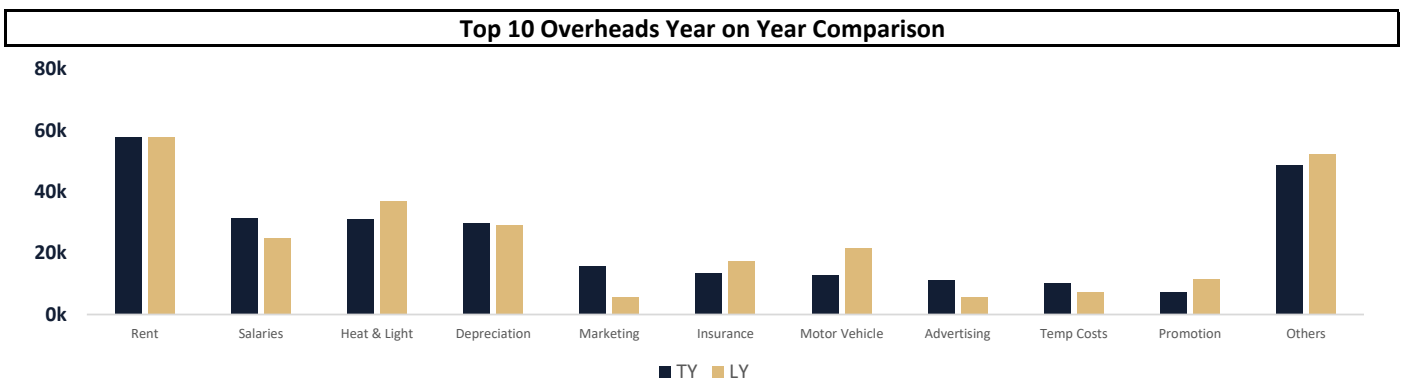
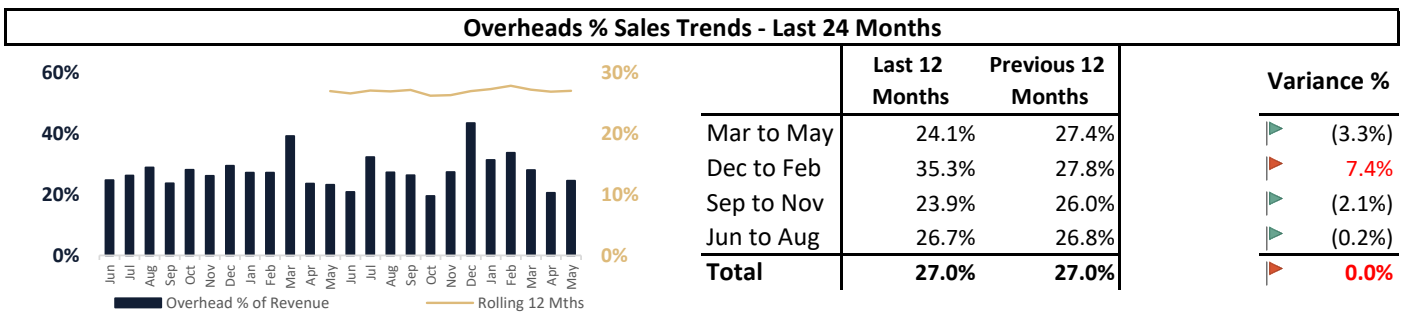
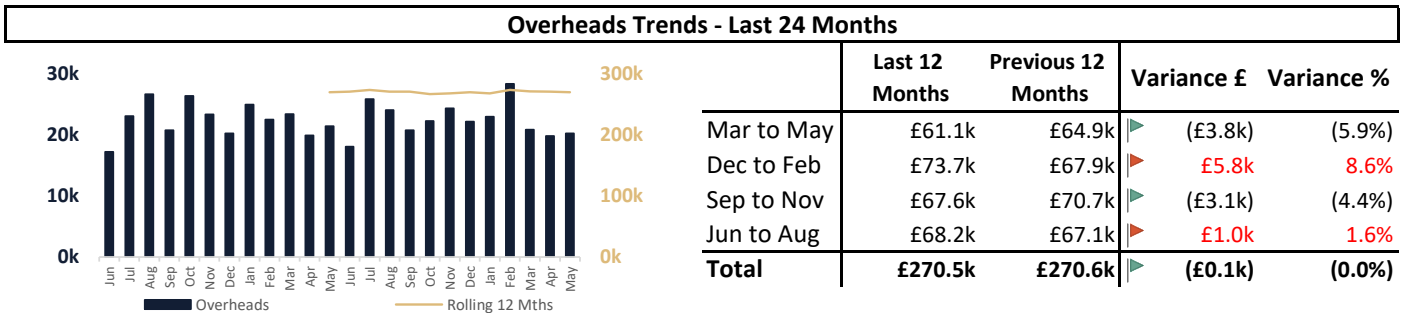


Top 10 Cost of Sales Spend Last 12 Mths	TY	% Rev	LY	% Rev	Var £	Var %
Cost of Sales 8	£419.6k	41.9%	£429.8k	42.9%	£10.2k	(0.9%)
Cost of Sales 5	£173.6k	17.3%	£163.7k	16.3%	(£9.8k)	1.0%
Cost of Sales 7	£21.6k	2.2%	£24.8k	2.5%	£3.3k	(0.3%)
Cost of Sales 4	£11.2k	1.1%	£17.2k	1.7%	£5.9k	(0.6%)
Cost of Sales 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%)
Other	£0k	0.0%	£0k	0.0%	£0k	0.0%
<b>Total</b>	<b>£650.8k</b>	<b>65.0%</b>	<b>£661.8k</b>	<b>66.0%</b>	<b>£11.1k</b>	<b>(1.0%)</b>

# Due Diligence Report for Growing Your Numbers

## OVERHEADS ANALYSIS

Overheads over the last 12 months totalled £270.5k, which was a 0.0% decrease on the previous 12 months. Overheads over the last 3 months totalled £61.1k, which was a 5.9% reduction on the same quarter last year. Overheads as a proportion of revenue have increased over the past 12 months months, moving from 27.0% to 27.0%.

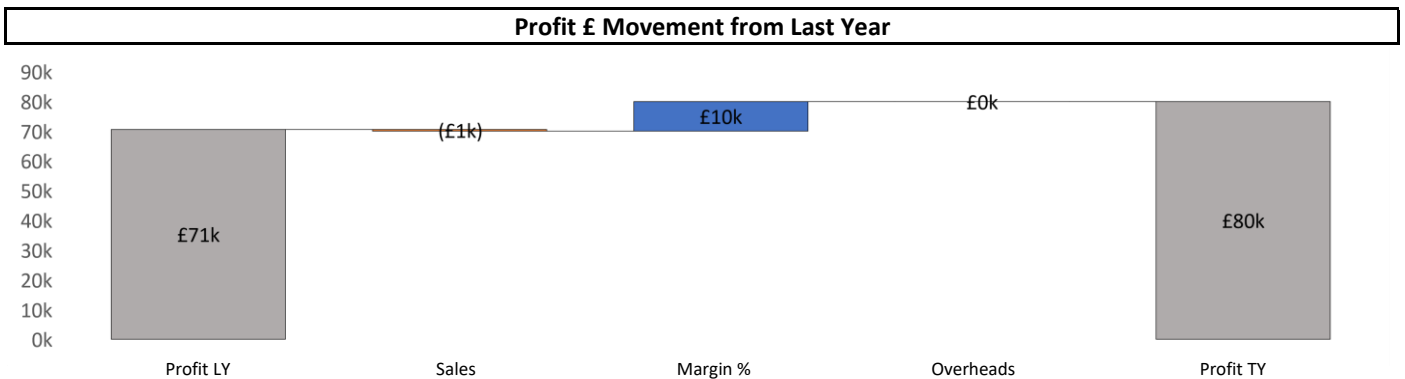
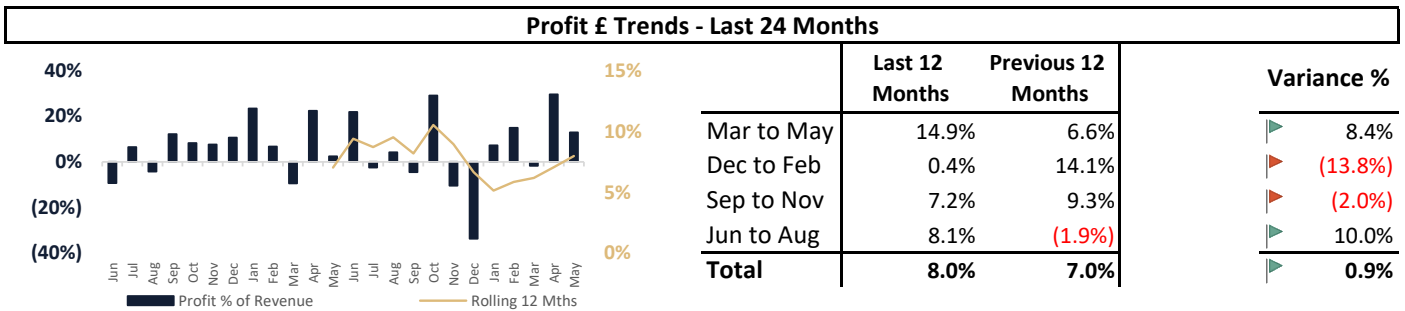
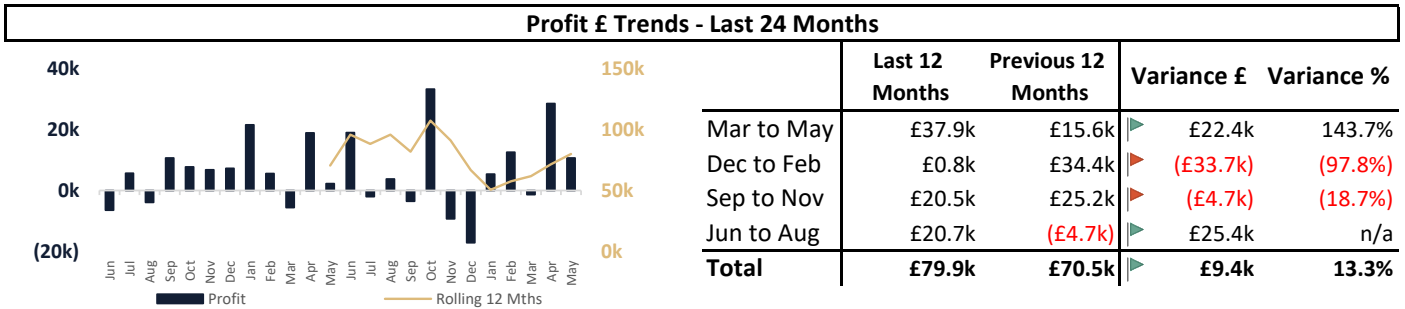


Top 10 Overheads	TY	% Rev	LY	% Rev	Var £	Var %
Rent	£57.8k	5.8%	£57.8k	5.8%	£0k	▶ 0.0%
Salaries	£31.6k	3.2%	£25.1k	2.5%	<b>£6.5k</b>	▶ <b>0.7%</b>
Heat & Light	£31.1k	3.1%	£37.0k	3.7%	(£5.9k)	▶ (0.6%)
Depreciation	£30.0k	3.0%	£29.1k	2.9%	<b>£0.9k</b>	▶ <b>0.1%</b>
Marketing	£15.9k	1.6%	£5.8k	0.6%	<b>£10.2k</b>	▶ <b>1.0%</b>
Insurance	£13.6k	1.4%	£17.4k	1.7%	(£3.8k)	▶ (0.4%)
Motor Vehicle	£12.9k	1.3%	£21.5k	2.1%	(£8.6k)	▶ (0.9%)
Advertising	£11.2k	1.1%	£5.8k	0.6%	<b>£5.4k</b>	▶ <b>0.5%</b>
Temp Costs	£10.4k	1.0%	£7.4k	0.7%	<b>£3.0k</b>	▶ <b>0.3%</b>
Promotion	£7.4k	0.7%	£11.5k	1.1%	(£4.1k)	▶ (0.4%)
<b>Top 10 Overheads</b>	<b>£221.8k</b>	<b>22.2%</b>	<b>£218.3k</b>	<b>21.8%</b>	<b>£3.5k</b>	▶ <b>0.4%</b>
Others	£48.8k	4.9%	£52.3k	5.2%	(£3.5k)	▶ (0.3%)
<b>Total Overheads</b>	<b>£270.5k</b>	<b>27.0%</b>	<b>£270.6k</b>	<b>27.0%</b>	<b>(£0.1k)</b>	▶ <b>0.0%</b>

# Due Diligence Report for Growing Your Numbers

## PROFIT ANALYSIS

Profit over the last 12 months totalled £79.9k, which was a £9.4k increase on the previous 12 months. Profit over the last 3 months totalled £37.9k which was an improvement of £22.4k on the same quarter last year. Profit as a proportion of revenue has increased over the past 12 months, moving from 7.0% 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 by £9.4k compared to the previous 12 months. An adverse sales variance decreased profit by £0.6k, margin % increased by 1.0% points which in turn increased profit by £9.9k, overheads have reduced compared to last year which has increased profit by £0.1k.



# Due Diligence Report for Growing Your Numbers

## BALANCE SHEET ANALYSIS

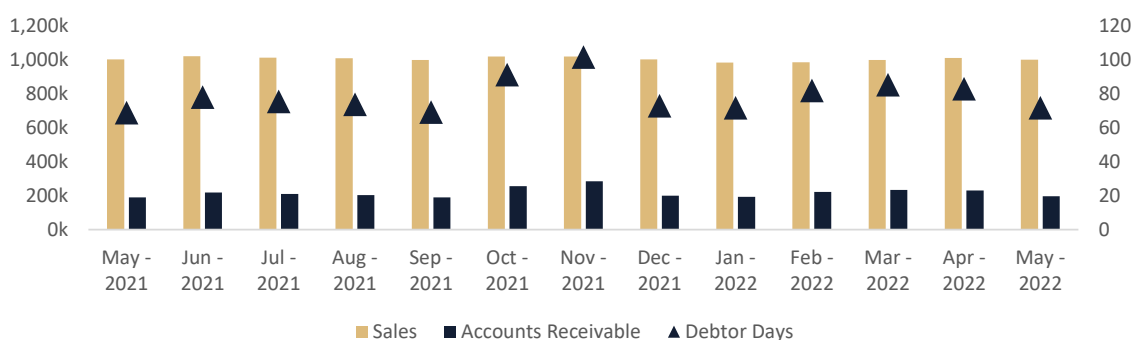
The company's Net Worth has decreased over the past 12 months by £10.9k (from £44.4k to £33.5k). This has been driven by a £21.6k reduction in Fixed Assets, a £20.6k increase in Current Assets, a £39.5k increase in Current Liabilities and a £29.6k reduction in Long Term Liabilities. The Current Ratio (the number of times current assets covers short term obligations) has reduced from 1.19 to 1.03, the minimum we would expect a business to operate at is 1.0. The Cash Ratio represents the company's immediate ability to cover its' short term obligations this has improved from (0.54) to (0.33). 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*	
£33.5k	✗	1.0	✗	(0.3)	✓	6.2	✗

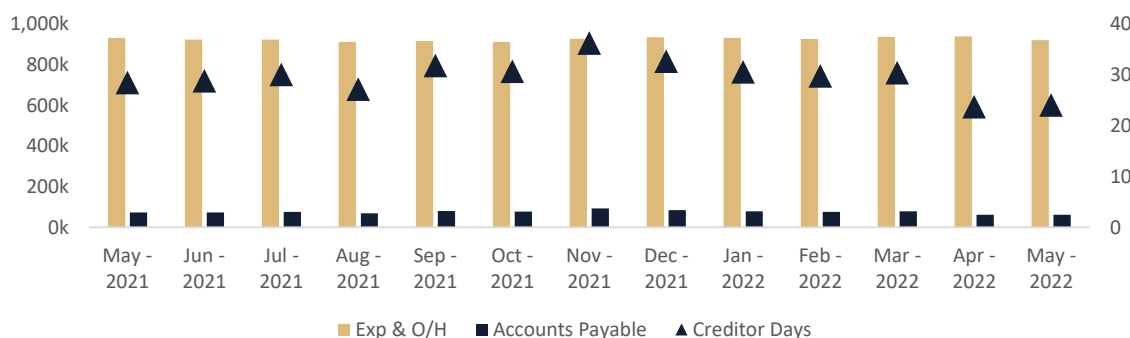
indicators display the movement compared to this time last year

Total Liabilities divided by Net Worth

	LY May	TY May	Vs LY £	Vs LY %
Fixed Assets	£96.6k	£75.0k	(£21.6k)	(22.3%)
Current Assets	£146.6k	£167.2k	£20.6k	14.0%
Current Liabilities	£123.6k	£163.0k	£39.5k	31.9%
Long Term Liabilities	£75.2k	£45.7k	(£29.6k)	(39.3%)
<b>Net Worth</b>	<b>£44.4k</b>	<b>£33.5k</b>	<b>(£10.9k)</b>	<b>(24.6%)</b>



Debtor Days = (Accounts Receivable (£196.9k) / Sales (£1,001.2k) x 365 Days) = 71.8 days. This represents an increase of 2.9 days compared to this time last year.



Creditor Days = (Accounts Payable (£60.9k) / (Cost of Sales (£650.8k) plus Expenses (£0.3k)) x 365 Days) = 24.1 days. This represents a decrease of 4.4 days compared to this time last year.

# Due Diligence Report for Growing Your Numbers

## 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.

<b>Current Assets</b>	<b>LY</b>	<b>TY</b>	<b>Current Liabilities</b>	<b>LY</b>	<b>TY</b>
(R) - Accounts Receivable	£267.7k	£196.9k	(P) - Accounts Payable	£109.2k	£60.9k
(S) - Stock	£9.1k	£24.0k	(O) - Current liabilities 13	£35.4k	£57.2k
(O) - Current assets 4	£0.0k	£0.0k	(V) - VAT	£82.3k	£35.7k
(O) - Current assets 3	(£7.6k)	£0k	(T) - Corporation Tax	£8.7k	£7.9k
			(O) - Current liabilities 2	£1.4k	£1.4k
			(O) - Current liabilities 10	£0.0k	£0.0k

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

This report has been produced using data within your accounting system and is provided for information purposes only to aid decision making. No liability can be accepted for loss or unforeseen impact incurred due to actions taken as a result of the information or comments displayed within it.