



CREATIVE DESIGN LTD

SPOTLIGHT REPORT - JUNE 2016

Prepared 12 July 2016

3. Executive Summary

4. Profit and Loss Analysis

5. Balance Sheet Analysis

6. Aged Receivables Report

7. Sales Pipeline

Highlights

1. General Overview

The business maintains a steady pace each month.

2. Particular Highlight

To address staff efficiency and output quality concerns, management have invested in new design software. Maximising ROI is crucial to maintain competitive in your market.

3. Revenue

The Revenue for Jun 2016 was \$97,669, compared to \$92,453 last month. This represents an increase of \$5,216, or 5.64%.

4. Gross Profit

The Gross Profit for Jun 2016 was \$64,571, compared to \$54,566 last month. This represents an increase of \$10,005, or 18.34%.

5. Profit

The Net Profit for the year to date is \$39,581, compared to \$748 in the Budget. This represents an increase of \$38,833, or 5,191.58%.

This isn't to be taken for granted - demand is expected to decrease over the holiday period.

6. Bank

The Bank for Jun 2016 was \$200,677, compared to \$174,060 last month. This represents an increase of \$26,617, or 15.29%.

Well done on maintaining a solid cash position in time for the holiday period. The current cash position is enough to cover direct and overhead expenses until demand picks up again.

Observations

1. Market Conditions

Market has remained stable this past month - and throughout the last year. The upcoming holiday season will negatively affect demand for creative services.

2. Projections

New software will increase staff efficiency and quality of output. Therefore, it's imperative you start discussing sales and marketing strategies to increase demand and therefore, contracts to assign staff to.

3. CAPEX

Main focus being the investment in Creative Design Software this month.

Recommendations for Action

1. Revenue

Usual steady revenue will be affected by the holiday season. It's recommended the sales team focus on closing any warm contracts to keep revenue above budget.

2. Profit

Profits maintain a lead on budget.

To increase profit margins, it's crucial that staff engagement in migrating to the new Creative Design Software is monitored. Managers please take responsibility for supporting staff and scheduling relevant training.

3. People

Expected efficiencies minimise the need for any new staff.

4. Strategic

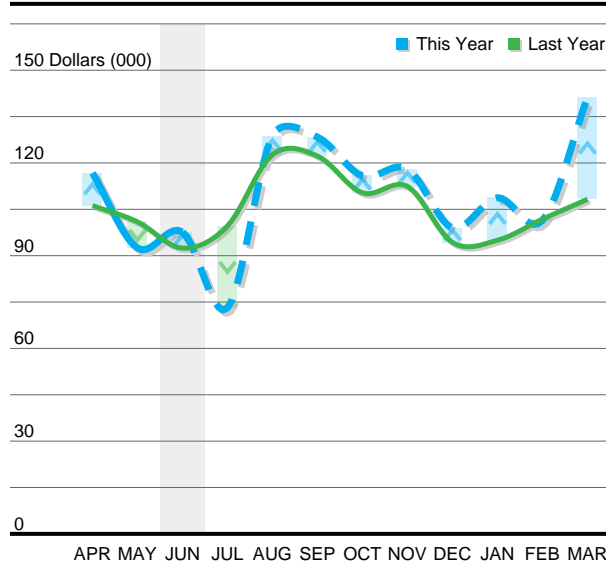
Franchise discussions are underway. To maximise franchise sale price - it's recommended that new processes are cemented and efficiency measured before launching franchisee opportunity.

5. Systems

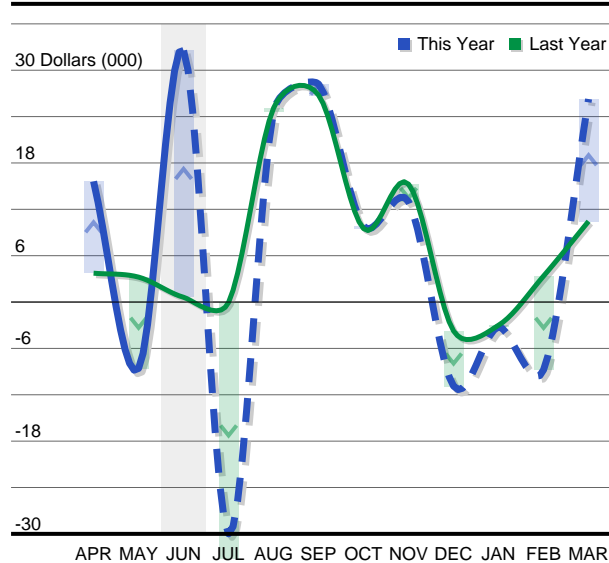
Training and engagement is vital to maximising ROI on new software investment. It's recommended that management staff take responsibility of ensuring all staff complete relevant training and successfully migrate existing client base to the new software by next quarter.

	YTD	Actual vs Orig Budget		Actual vs Last Year		Jun 16 Plus Last 3 Months				Forward Projection Full Year		
	Actual	Budget	Variance	Last Year	Variance %	Jun 16	May 16	Apr 16	Mar 16	YTD	Budget	Total 16/17
Product Revenue	31,416	34,267	-2,851	32,635	-3.7%	10,147	10,342	10,927	10,416	31,416	110,156	141,572
Project Revenue	264,984	268,041	-3,057	255,278	3.8%	84,370	78,471	102,143	94,205	264,984	857,440	1,122,424
Support Revenue	10,480	11,918	-1,438	11,681	-10.3%	3,152	3,640	3,688	3,625	10,480	46,874	57,354
Total Revenue	306,880	314,226	-7,346	299,594	2.4%	97,669	92,453	116,758	108,246	306,880	1,014,470	1,321,350
Total Cost of Sales	108,509	113,033	-4,524	107,649	0.8%	33,098	37,887	37,524	37,348	108,509	397,694	506,203
Gross Profit	198,371	201,193	-2,822	191,945	3.3%	64,571	54,566	79,234	70,898	198,371	616,776	815,147
GP%	64.6%	64.0%		64.1%	0.6%	66.1%	59.0%	67.9%	65.5%	64.6%	60.8%	61.7%
OPEX	33,864	42,575	-8,711	35,370	-4.3%	10,409	11,873	11,582	13,173	33,864	124,855	158,719
Wages	124,926	155,409	-30,483	149,000	-16.2%	21,609	51,282	52,035	47,277	124,926	446,019	570,945
Total OPEX	158,790	197,984	-39,194	184,370	-13.9%	32,018	63,155	63,617	60,450	158,790	570,874	729,664
Net Profit	39,581	3,209	36,372	7,575	422.5%	32,553	-8,589	15,617	10,448	39,581	45,902	85,483

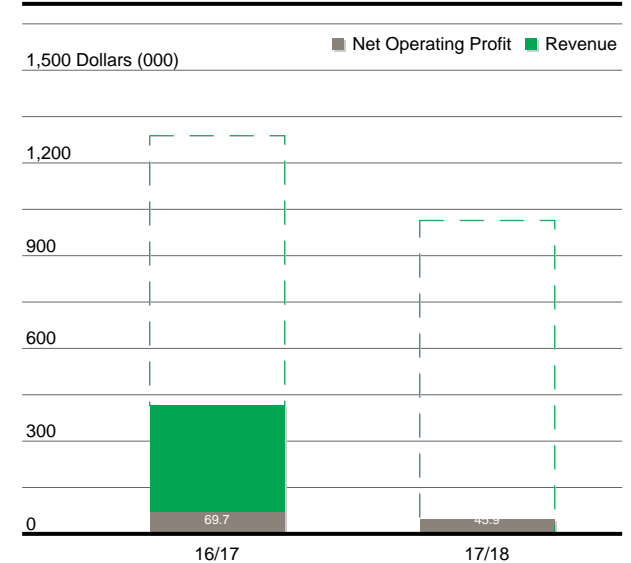
REVENUE - This Year vs Last Year



NET OPERATING PROFIT - This Year vs Last Year



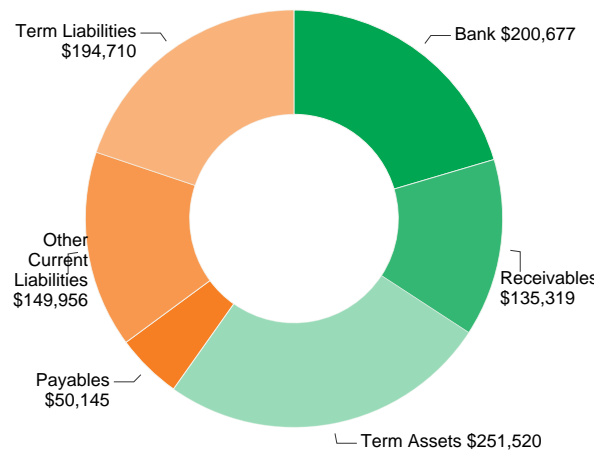
REVENUE AND NET OPERATING PROFIT - Last Year and Current Year



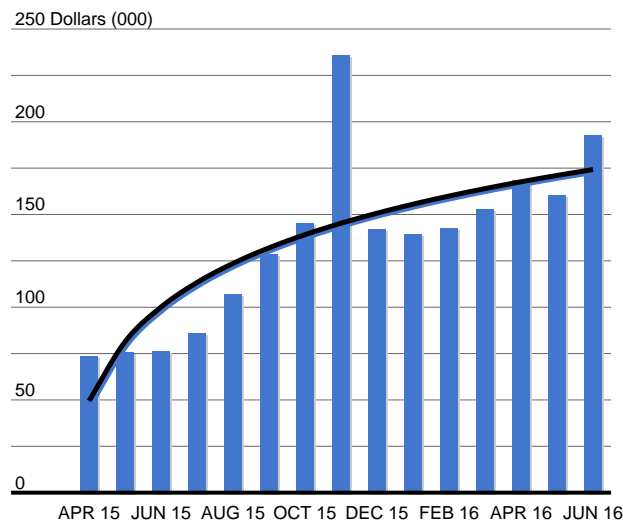
	Now	Actual vs Last Year to Date			Last 3 Months		
	As at Jun 16	Last Year	Variance	Variance %	May 16	Apr 16	Mar 16
Accounts Receivable	135,319	106,303	29,016	27.3%	129,625	157,265	147,483
Bank Accounts	200,677	5,610	195,067	3,477.1%	174,060	151,041	137,721
Total Current Assets	335,996	111,913	224,083	200.2%	303,685	308,306	285,204
Fittings	26,979	26,979	0	0.0%	26,979	26,979	26,979
Term Assets	224,541	172,172	52,369	30.4%	224,541	224,541	224,541
Total Assets	587,516	311,064	276,452	88.9%	555,205	559,826	536,724
Accounts Payable	38,063	36,487	1,576	4.3%	43,570	43,153	42,950
Other Current Liabilities	162,038	43,675	118,363	271.0%	153,871	147,421	137,237
Total Current Liabilities	200,101	80,162	119,939	149.6%	197,441	190,574	180,187
Term Liabilities	194,710	154,760	39,950	25.8%	197,610	200,510	203,410
Total Liabilities	394,811	234,922	159,889	68.1%	395,051	391,084	383,597
Equity	192,705	76,142	116,563	153.1%	160,154	168,742	153,127

Monitors	
CAPEX Monitor	YTD
Total CAPEX	0
Debt Monitor	
As at Jun 16	
Term Loans	194,710
Taxes	146,256
Accounts Payable	50,145
Other	3,700
Total Debt	394,811

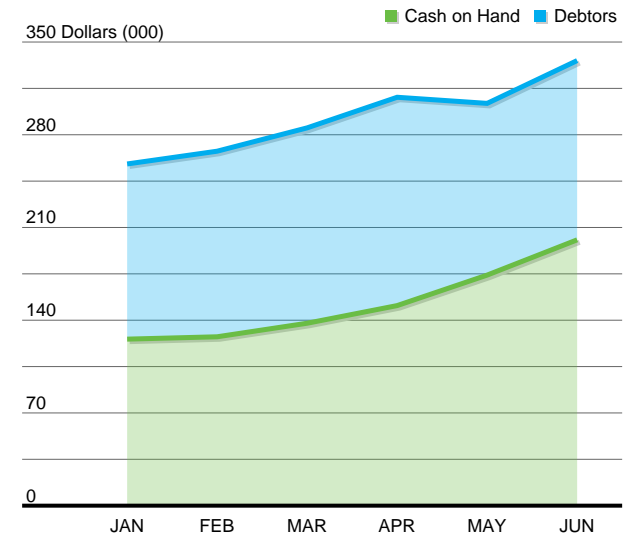
BALANCE SHEET COMPONENTS



EQUITY TREND



LIQUIDITY - (Cash + Debtors)



Aged Receivables

Demo Company (NZ) June 2016

	Invoice Number	Reference	Current	May	April	March	Older	Total
Basket Case								
	2 Jun 2016	INV-0036	915					
Total Basket Case			915	-	-	-	-	915
City Limousines								
	23 Apr 2016	INV-0017			250			
	23 May 2016	INV-0023		250				
	30 May 2016	INV-0028		20				
	15 Jun 2016	INV-0034	650					
Total City Limousines			650	270	250	-	-	1,170
DIISR - Small Business Services								
	25 May 2016	INV-0027		271				
Total DIISR - Small Business Services			-	271	-	-	-	271
Ridgeway University								
	24 Jun 2016	INV-0035	6,188					
Total Ridgeway University			6,188	-	-	-	-	6,188
Total Receivables			7,752	541	250	-	-	8,543
			90.7%	6.3%	2.9%	0.0%	0.0%	

	Win Rate	Average Days to Win	Raw Pipeline	Weighted Pipeline	30-Day	60-Day	90-Day	120-Day
Stage 1	22%	110	\$200,000	\$44,000				\$44,000
Stage 2	45%	80	\$150,000	\$67,500			\$67,500	\$67,500
Stage 3	55%	54	\$160,000	\$88,000		\$88,000	\$88,000	\$88,000
Stage 4	67%	28	\$190,000	\$127,300		\$127,300	\$127,300	\$127,300
Stage 5	90%	15	\$150,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
			\$850,000	\$461,800	\$135,000	\$350,300	\$417,800	\$461,800
				Sales Target	\$150,000	\$300,000	\$450,000	\$600,000
				Coverage Gap	-\$15,000	\$50,300	-\$32,200	-\$138,200