

Financial reporting to monthly Board Members meetings

Social Business Wales
Busnes Cymdeithasol Cymru



Wales Co-operative Centre
Canolfan Cydweithredol Cymru

There are five areas to good periodic reporting: weekly, monthly, quarterly and annually

1. Income/Expense Statement or 'Profit & Loss Statement'

	Actual	Predicted	Variance	Reason
Income				
Sales	4,000.00	3,200.00	800.00	Sales greater than predicted, why?
Grants	3,000.00	8,000.00	- 5,000.00	Grant bid unsuccessful
Donations	500.00	-	500.00	Unexpected donation
Total Income	7,500.00	11,200.00	- 3,700.00	
Expenditure				
Materials	1,000.00	800.00	- 200.00	Materials required to meet demand.
Utilities	650.00	600.00	- 50.00	More electricity used on heating
Rent	700.00	700.00	-	Fixed rental agreement
Total Expenditure	2,350.00	2,100.00	- 250.00	
Surplus / Loss	5,150.00	9,100.00	- 3,950.00	

On the surface, the result looks negative, but when you remove the unsuccessful grant bid and the unexpected donation, the trading aspect is positive. They made £550 more on trading activities than expected.

Each organisation is different and there is no one size fits all template. However, the general rule is basic, compare **Actual** performance against **Predicted** performance, and then discuss why there is a variance and try to learn from it.

Predicted performance can be based on market research, on budgeted performance or a combination of historical data and market research.

2. Liquid Position and Inventory Levels

Simply put, you need to know your liquid position, what physical cash do you hold, what is in your bank account(s), and what do you hold on investment. Also, what stock do I hold that can be sold to turn into money?

3. Accounts Payable

Who do you owe money to and when does it have to be paid? Have you bought on credit? Do you have the cash available to pay this?

4. Accounts Receivable

Who owes you money? When (if at all) are you likely to receive it? Who do you need to chase?

5. Cash Flow Statement

Update your cash flow statement regularly, use it for financial planning – Cash is king for any organisation!

For those with a little more experience they should be looking at:

- Key Performance Indicators
- Metrics
- Targets
- Ratios
- Gross Profit Margin
- Net Profit Margin, etc.

Further guidance:

<https://businesswales.gov.wales/starting-up/managing-your-finances/cashflow-forecast>

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