



# CASHFLOWSTORY

**Reccas Coffee 2018 Qtrly Historic**

**Prepared for Reccas Coffee  
26 June 2019**

## Data

**Reporting Period**

Period End	30-09-2017	31-12-2017	31-03-2018	30-06-2018
Period Length (months)	3	3	3	3

**Profit & Loss**

Revenue	2,100,000	3,000,000	5,000,000	5,800,000
Gross Margin (\$)	640,000	900,000	1,300,000	1,650,000
Net Profit (After Tax)	48,000	100,000	280,000	350,000

**Other Information**

Depreciation & Amortisation	50,000	100,000	100,000	100,000
Interest Paid	40,000	60,000	100,000	150,000
Tax Paid	-13,000	40,000	120,000	125,000
Extraordinary Income/Expenses	0	0	0	0
Distributions/Dividends	0	0	0	0

**Balance Sheet  
Assets**

Total Assets	2,000,000	2,500,000	3,600,000	4,450,000
Cash	75,000	50,000	0	0
Accounts Receivable	400,000	570,000	900,000	1,200,000
Inventory	400,000	600,000	920,000	1
Total Current Assets	1,000,000	1,500,000	2,100,000	2,500,000
Fixed Assets	800,000	1,000,000	1,500,000	1,900,000

**Liabilities**

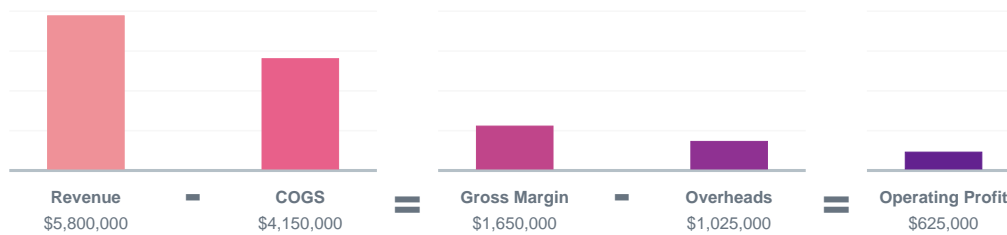
Total Liabilities	1,450,000	2,000,000	2,800,000	3,400,000
Accounts Payable	220,000	300,000	450,000	500,000
Total Current Liabilities	450,000	600,000	1,600,000	2,150,000

**Funding**

Bank Loans - Current	0	500,000	1,000,000	1,450,000
Bank Loans - Non Current	1,000,000	1,200,000	1,200,000	1,200,000

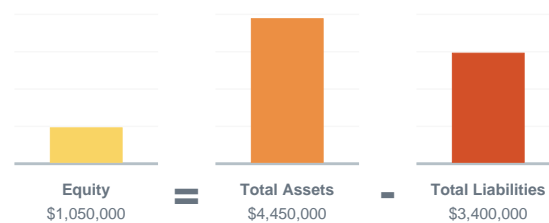
# Summary

## Your Profit Story



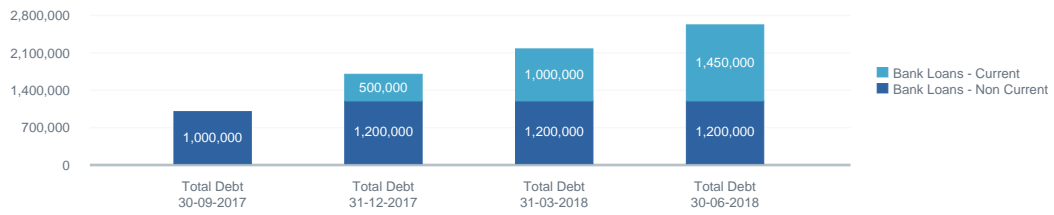
	Current Period	Movement
Revenue	5,800,000	+800,000
Gross Margin %	28.45	+2.45
Operating Profit %	10.78	+0.78
Net Profit %	6.03	+0.43

## Your Balance Sheet Story



	Current Period	Movement
Accounts Receivable Days	18.88	+2.45
Inventory Days	0.00	-22.69
Accounts Payable Days	10.99	-0.10
Working Capital Days	7.89	-20.13

## Your Cash Flow Story



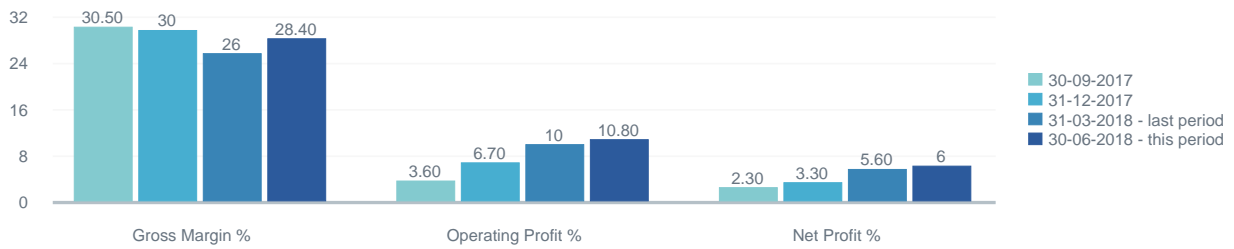
	Current Period	Movement
<b>Cash</b>	0	0
<b>Bank Loans - Current</b>	1,450,000	+450,000
<b>Bank Loans - Non Current</b>	1,200,000	0
<b>Net Cash Flow</b>	-450,000	-

# Chapter 1

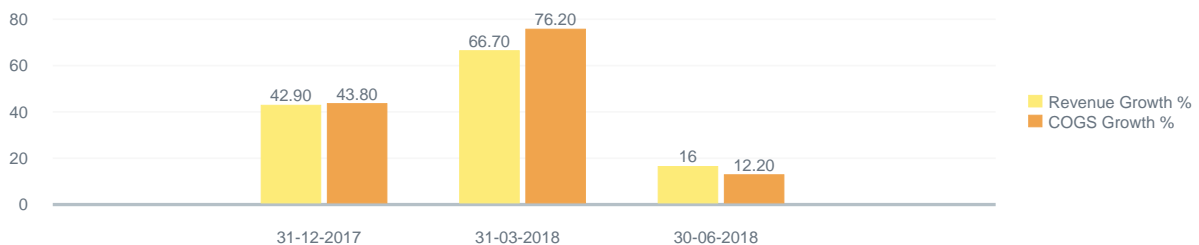
## Profitability

Revenue	Gross Margin	Operating Profit	Retained Profit
<b>5,800,000</b>	<b>1,650,000</b>	<b>625,000</b>	<b>350,000</b>
up by 800,000	up by 350,000	up by 125,000	up by 70,000

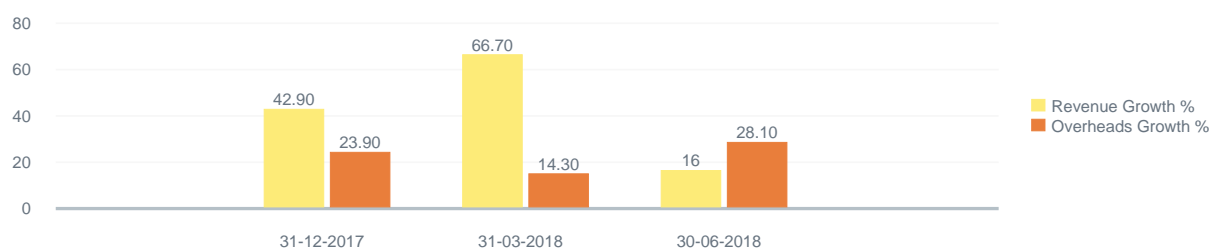
## Profitability Trends



## Revenue Growth vs COGS Growth



## Revenue Growth vs Overheads Growth



## Profitability Ratios

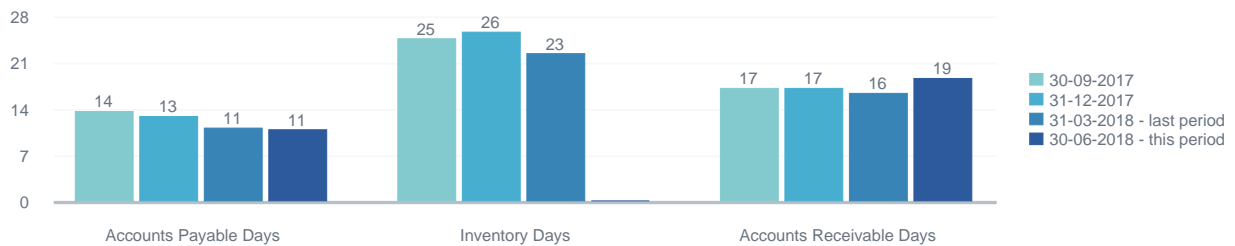
Chapter 1 - Profitability	31-03-2018 3 months	30-06-2018 3 months	Movement
Revenue	5,000,000	5,800,000	800,000
Revenue Growth %	66.67	16.00	-50.67
Gross Margin	1,300,000	1,650,000	350,000
Gross Margin %	26.00	28.45	2.45
Overheads	800,000	1,025,000	225,000
Overheads %	16.00	17.67	1.67
Operating Profit	500,000	625,000	125,000
Operating Profit %	10.00	10.78	0.78
EBITDA	600,000	725,000	125,000
Net Profit	280,000	350,000	70,000
Net Profit %	5.60	6.03	0.43
Retained Profit	280,000	350,000	70,000
Interest Cover	5.00	4.17	-0.83

# Chapter 2

## Working Capital

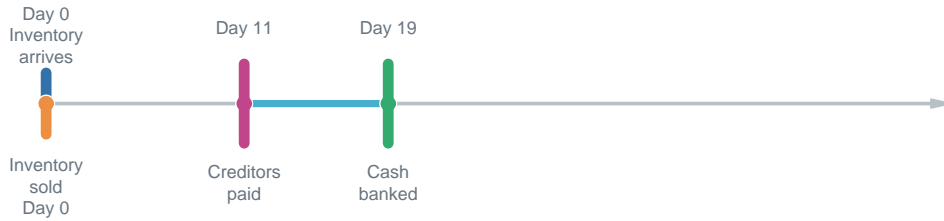
Accounts Receivable	Inventory	Accounts Payable	Working Capital
<b>1,200,000</b>	<b>1</b>	<b>500,000</b>	<b>700,001</b>
up by 300,000	down by 919,999	up by 50,000	down by 669,999

## Working Capital Trends



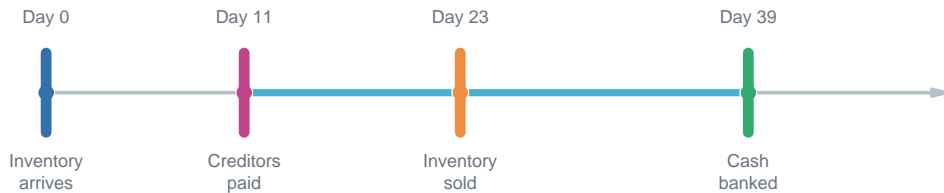
## Working Capital Timeline

### This Period



**8**  
Working Capital Days

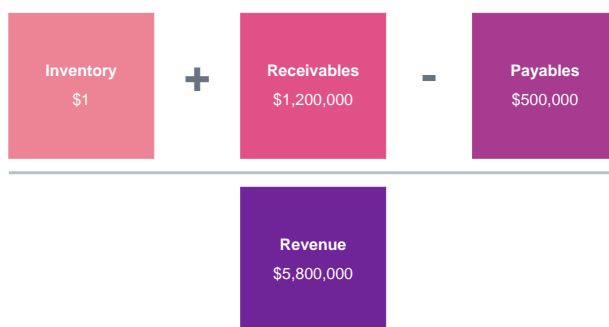
### Last Period



**871,161**  
Cash Impact

**28**  
Working Capital Days

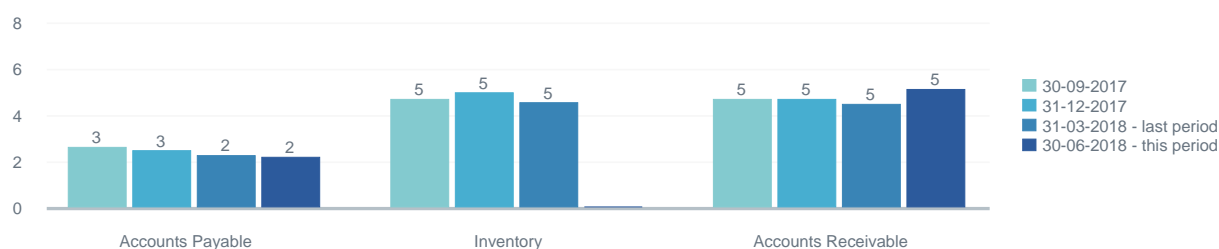
## Working Capital per \$100



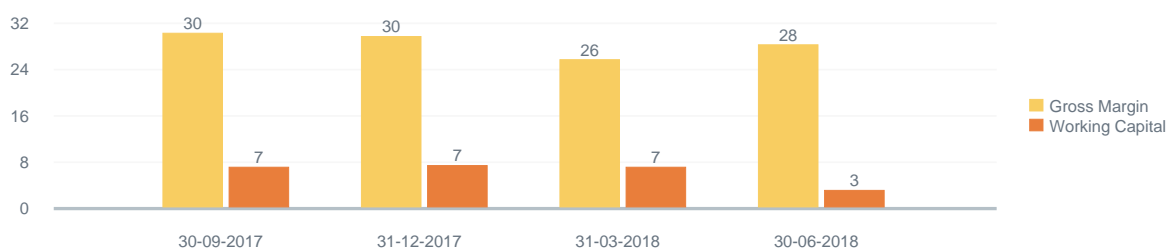
For each additional \$100 of annualised Revenue  
You invest \$3 in Working Capital



## Investment in Working Capital per \$100



## Gross Margin vs Working Capital per \$100



## Working Capital Ratios

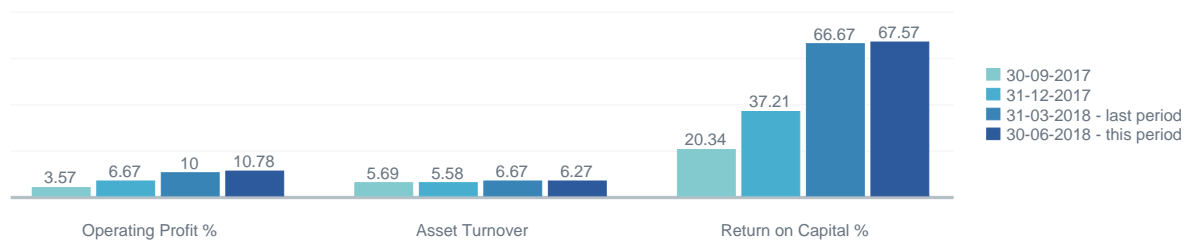
Chapter 2 - Working Capital	31-03-2018 3 months	30-06-2018 3 months	Movement
Accounts Receivable Days	16.43	18.88	2.45
Inventory Days	22.69	0.00	-22.69
Accounts Payable Days	11.10	10.99	-0.10
Working Capital Days	28.02	7.89	-20.13
Working Capital	1,370,000	700,001	-669,999
Working Capital per \$100	6.85	3.02	-3.83
Working Capital Turnover	14.60	33.14	18.54
Marginal Cash Flow	19.15	25.43	6.28
Current Ratio	1.31	1.16	-0.15

# Chapter 3

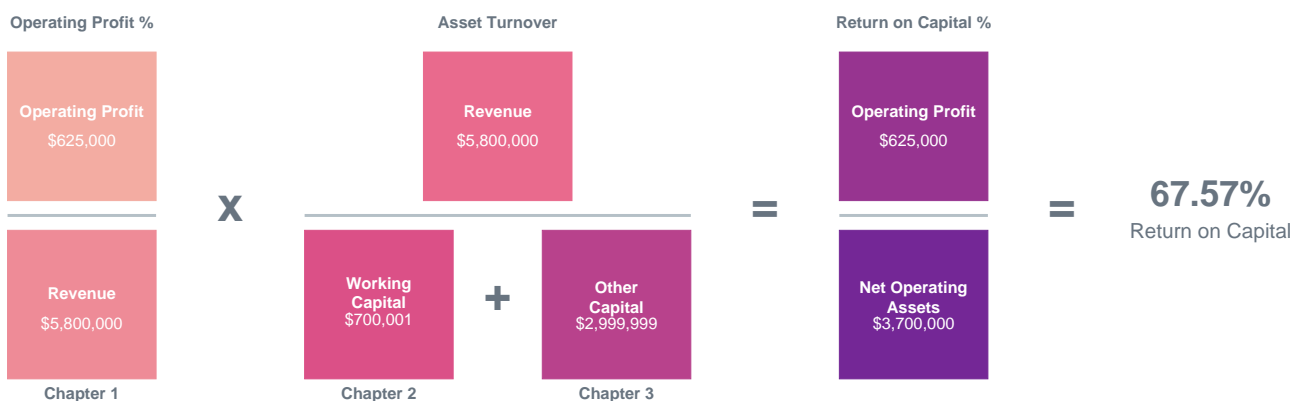
## Other Capital

Fixed Assets	Other Assets	Other Liabilities	Other Capital
<b>1,900,000</b>	<b>1,349,999</b>	<b>250,000</b>	<b>2,999,999</b>
up by 400,000	up by 1,069,999	up by 100,000	up by 1,369,999

## Return on Capital Trends



## Return on Capital %



## Other Capital Ratios

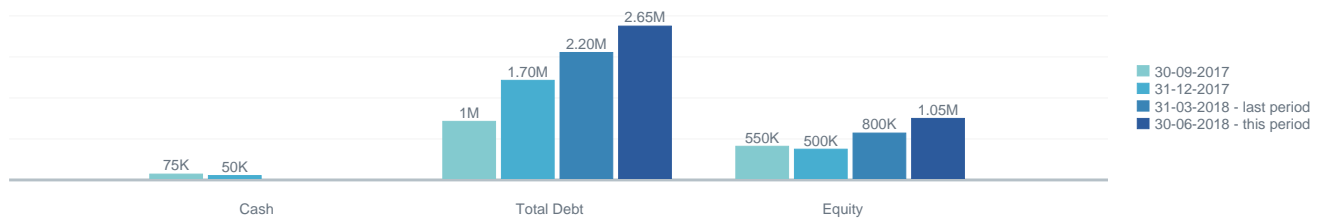
Chapter 3 - Other Capital	31-03-2018 3 months	30-06-2018 3 months	Movement
Other Capital	1,630,000	2,999,999	1,369,999
Other Capital %	8.15%	12.93%	4.78
Other Capital Turnover	12.27	7.73	-4.54
Net Operating Assets	3,000,000	3,700,000	700,000
Net Operating Assets %	15.00%	15.95%	0.95
Asset Turnover	6.67	6.27	-0.40
Return on Capital %	66.67%	67.57%	0.90
Return on Total Assets %	55.56%	56.18%	0.62
Return on Equity %	140.00%	133.33%	-6.67

# Chapter 4

## Funding

Cash	Total Debt	Equity	Total Funding
<b>0</b>	<b>2,650,000</b>	<b>1,050,000</b>	<b>3,700,000</b>
-	up by 450,000	up by 250,000	up by 700,000

## Funding Trends

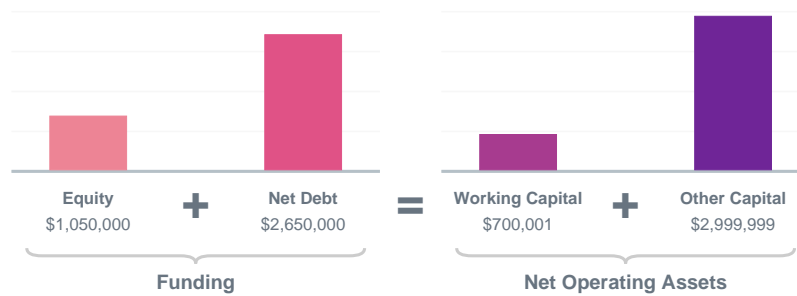


## Your Funding

		+ Cash Flow	- Cash Flow
<b>Chapter 1</b>	Profit	350,000	
<b>Chapter 2</b>	Working Capital Contributed	669,999	
<b>Chapter 3</b>	Other Capital Invested		1,369,999
	<b>Total</b>	<b>1,019,999</b>	<b>1,369,999</b>
	Shortfall		350,000
	Capital Withdrawn		100,000

Your business requires **\$ 450,000** of borrowings to fund the shortfall

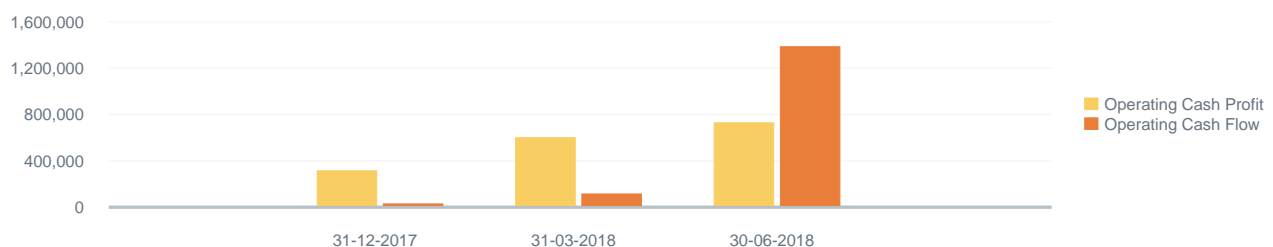
## Your Equation



## Profit vs Cash Flow

Profit		Cash Flow		Variance
Revenue	5,800,000	Cash from Customers	5,500,000	-300,000
COGS	4,150,000	Cash to Suppliers	3,180,001	969,999
<b>Gross Margin</b>	<b>1,650,000</b>	<b>Gross Cash Profit</b>	<b>2,319,999</b>	<b>669,999</b>
Overheads excl Depreciation	925,000	Overheads excl Depreciation	925,000	-
<b>Operating Cash Profit</b>	<b>725,000</b>	<b>Operating Cash Flow</b>	<b>1,394,999</b>	<b>669,999</b>
<b>Other Cash Outflow</b>				
Interest Paid	-150,000	Interest Paid	-150,000	
Tax Paid	-125,000	Tax Paid	-125,000	
Extraordinary Income	0	Extraordinary Income	0	
Distributions/Dividends Paid	0	Distributions/Dividends Paid	0	
Depreciation & Amortisation	-100,000	Fixed Assets Acquired	-500,000	
		Other Net Assets Increased	-969,999	
		Capital Withdrawn	-100,000	
<b>Retained Profit</b>	<b>350,000</b>	<b>Net Cash Flow</b>	<b>-450,000</b>	

## Operating Cash Profit vs Operating Cash Flow



## Funding Ratios

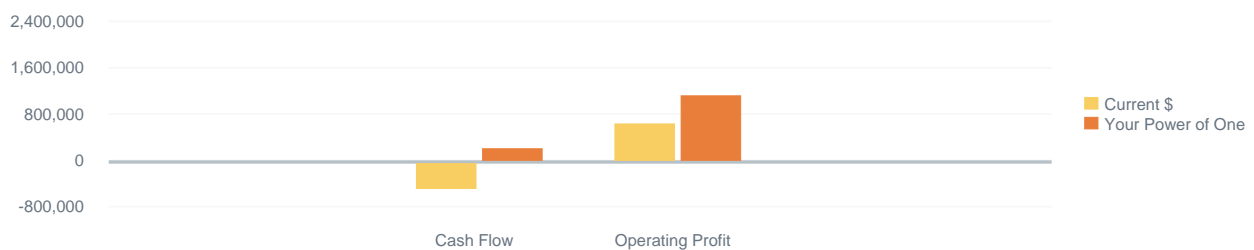
<b>Chapter 4 - Funding</b>	<b>31-03-2018 3 months</b>	<b>30-06-2018 3 months</b>	<b>Movement</b>
Marginal Cash Flow	19.15	25.43	6.28
Operating Cash Flow	100,000	1,394,999	1,294,999
Operating Cash Profit	600,000	725,000	125,000
Net Cash Flow	-550,000	-450,000	100,000
Net Debt	2,200,000	2,650,000	450,000
Debt to Equity	2.75	2.52	-0.23
Debt to Capital	0.73	0.72	-0.01
Interest Cover	5.00	4.17	-0.83
Debt Payback	3.67	3.66	-0.01

# Power of One

## Your Power of One

		Net Cash Flow	Operating Profit
Your Current Position		-450,000	625,000
<b>Your Power of One</b>		<b>Impact on Cash Flow</b>	<b>Impact on Operating Profit</b>
Price Increase %	1 %	220,000	232,000
Volume Increase %	1 %	59,000	66,000
COGS Reduction %	1 %	161,000	166,000
Overheads Reduction %	1 %	41,000	41,000
Reduction in Accounts Receivable Days	1 days	63,562	
Reduction in Inventory Days	1 days	45,479	
Increase in Accounts Payable Days	1 days	45,479	
<b>Your Power of One Impact</b>		<b>635,520</b>	<b>505,000</b>
		<b>Net Cash Flow</b>	<b>Operating Profit</b>
Your Adjusted Position		185,520	1,130,000

## Your Power of One Impact





## Results & Projections

	31-12-2017 3 months	31-03-2018 3 months	30-06-2018 3 months	30-09-2018 3 months
<b>Profit &amp; Loss</b>				
Revenue	3,000,000	5,000,000	5,800,000	7,471,505
Cost of Goods	2,100,000	3,700,000	4,150,000	5,345,991
<b>Gross Margin</b>	<b>900,000</b>	<b>1,300,000</b>	<b>1,650,000</b>	<b>2,125,514</b>
Overheads	700,000	800,000	1,025,000	1,280,573
<b>Operating Profit</b>	<b>200,000</b>	<b>500,000</b>	<b>625,000</b>	<b>844,941</b>
Extraordinary Income/Expenses	0	0	0	0
Interest Paid	60,000	100,000	150,000	151,256
<b>Net Profit Before Tax</b>	<b>140,000</b>	<b>400,000</b>	<b>475,000</b>	<b>693,685</b>
Tax Paid	40,000	120,000	125,000	182,549
<b>Net Profit</b>	<b>100,000</b>	<b>280,000</b>	<b>350,000</b>	<b>511,136</b>
Dividends Paid	0	0	0	0
<b>Retained Profit</b>	<b>100,000</b>	<b>280,000</b>	<b>350,000</b>	<b>511,136</b>
<b>Balance Sheet</b>				
Cash	50,000	0	0	0
Accounts Receivable	570,000	900,000	1,200,000	1,545,829
Inventory	600,000	920,000	1	1
Other Current Assets	280,000	280,000	1,299,999	1,299,999
<b>Current Assets</b>	<b>1,500,000</b>	<b>2,100,000</b>	<b>2,500,000</b>	<b>2,845,829</b>
Fixed Assets	1,000,000	1,500,000	1,900,000	1,800,000
Other Non Current Assets	0	0	50,000	50,000
<b>Non Current Assets</b>	<b>1,000,000</b>	<b>1,500,000</b>	<b>1,950,000</b>	<b>1,850,000</b>
<b>Total Assets</b>	<b>2,500,000</b>	<b>3,600,000</b>	<b>4,450,000</b>	<b>4,695,829</b>
Accounts Payable	300,000	450,000	500,000	644,095
Bank Loans - Current	500,000	1,000,000	1,450,000	1,040,597
Other Current Liabilities	-200,000	150,000	200,000	200,001
<b>Current Liabilities</b>	<b>600,000</b>	<b>1,600,000</b>	<b>2,150,000</b>	<b>1,884,693</b>
Bank Loans - Non Current	1,200,000	1,200,000	1,200,000	1,200,000
Other Non Current Liabilities	200,000	0	50,000	50,000
<b>Non Current Liabilities</b>	<b>1,400,000</b>	<b>1,200,000</b>	<b>1,250,000</b>	<b>1,250,000</b>
<b>Total Liabilities</b>	<b>2,000,000</b>	<b>2,800,000</b>	<b>3,400,000</b>	<b>3,134,693</b>
<b>Equity</b>	<b>500,000</b>	<b>800,000</b>	<b>1,050,000</b>	<b>1,561,136</b>

<b>Chapter 1 - Profitability</b>	<b>31-12-2017 3 months</b>	<b>31-03-2018 3 months</b>	<b>30-06-2018 3 months</b>	<b>30-09-2018 3 months</b>
Revenue	2,100,000	3,000,000	5,000,000	5,800,000
Revenue Growth %	42.86	66.67	16.00	28.82
Gross Margin	640,000	900,000	1,300,000	1,650,000
Gross Margin %	30.00	26.00	28.45	28.45
Overheads	565,000	700,000	800,000	1,025,000
Overheads %	23.33	16.00	17.67	17.14
Operating Profit	200,000	500,000	625,000	844,941
Operating Profit %	6.67	10.00	10.78	11.31
EBITDA	300,000	600,000	725,000	944,941
Net Profit	48,000	100,000	280,000	350,000
Net Profit %	3.33	5.60	6.03	6.84
Retained Profit	48,000	100,000	280,000	350,000
Interest Cover	3.33	5.00	4.17	5.59
<b>Chapter 2 - Working Capital</b>				
Accounts Receivable Days	17.34	16.43	18.88	18.88
Inventory Days	26.07	22.69	0.00	0.00
Accounts Payable Days	13.04	11.10	10.99	10.99
Working Capital Days	30.37	28.02	7.89	7.89
Working Capital	580,000	870,000	1,370,000	700,001
Working Capital per \$100	7.25	6.85	3.02	3.02
Working Capital Turnover	13.79	14.60	33.14	33.14
Marginal Cash Flow	22.75	19.15	25.43	25.43
Current Ratio	2.50	1.31	1.16	1.51
<b>Chapter 3 - Other Capital</b>				
Other Capital	895,000	1,280,000	1,630,000	2,999,999
Other Capital %	10.67%	8.15%	12.93%	9.70%
Other Capital Turnover	9.38	12.27	7.73	10.31
Net Operating Assets	1,475,000	2,150,000	3,000,000	3,700,000
Net Operating Assets %	17.92%	15.00%	15.95%	12.72%
Asset Turnover	5.58	6.67	6.27	7.86
Return on Capital %	37.21%	66.67%	67.57%	88.90%
Return on Total Assets %	32.00%	55.56%	56.18%	71.97%
Return on Equity %	80.00%	140.00%	133.33%	130.97%

<b>Chapter 4 - Funding</b>	<b>31-12-2017 3 months</b>	<b>31-03-2018 3 months</b>	<b>30-06-2018 3 months</b>	<b>30-09-2018 3 months</b>
Marginal Cash Flow	22.75	19.15	25.43	25.43
Operating Cash Flow	10,000	100,000	1,394,999	743,207
Operating Cash Profit	125,000	300,000	600,000	725,000
Net Cash Flow	-725,000	-550,000	-450,000	409,403
Net Debt	1,650,000	2,200,000	2,650,000	2,240,597
Debt to Equity	3.40	2.75	2.52	1.44
Debt to Capital	0.65	0.77	0.73	0.72
Interest Cover	3.33	5.00	4.17	5.59
Debt Payback	5.50	3.67	3.66	2.37