

Choices Books

Overview

Choices Books and Choices Coaching has been developed following requests members for a business coaching and bookkeeping services. Choices Books and Choices Coaching work together to provide a bookkeeping and business coaching service that will assist you manage the administration in your store and develop strategies to grow sales and profitability.

Benefits

There are many benefits to Member for using the Choices Books which include:

- Low cost solution for Member to manage the bookkeeping function of their business.
- Less time managing the books, allowing a greater focus on generating sales.
- Accurate and timely reporting on business performance.
- Timely reports to enable member to easily lodge BAS / GST to ATO or NZD IRD
- Analysis for members on business performance by experienced team.
- Better management and identification of potential cash-flow issues before they occur.

Bookkeeping Service to Member

The following activities will be offered as part of Choice Books bookkeeping service:

- Provision of a complimentary rapid desktop scanner, store visit by Central Office team for the setup of the store systems to send data to Central Office.
- Complete overhaul and “clean up” of the stores MYOB file at commencement.
- Data entry of all Sundry purchases.
- Weekly report on debts to collect.
- Weekly reporting on creditors to pay.
- Weekly reconciliation with bank account.
- Payroll and Superannuation management.
- Monthly/Quarterly BAS reporting.
- Monthly performance reporting on P&L, Balance Sheet, WIP, Jobs Won, Cashflow.
- Monthly analysis of business performance

Rate for Service

Central Office will provide bookkeeping services at a rate based on the store turnover. This is because the level of turnover directly affects the amount of work required. You will be charged monthly via Central Billing.

Members Requirement

The member will need to do the following to make this service effective.

- Daily follow-up of debtors for final payment will be the stores responsibility.
- Management of the business bank account to receive payments and pay creditors. Newfurn will not have access to the business bank account.
- Bank transactions need to be electronically fed into MYOB for reconciliation.
- Must use the Business Operating System (RBOS)
- All paperwork must be submitted on a daily to Central Office to be entered.
- Members need to allow a current version of MYOB to be maintained.
- Members need to commit to using the service for an initial 12 month period.
- Be committed to working with us to achieve an up to date set of accounts for you and your Accountant.

Summary

This is an exciting service that has been requested by members for many years and is now available from Central Office. Many stores who use the Choices Books service have experienced exceptional results in sales and profit growth.

Choices Books Task List

Daily:

At the end of each day please scan and email;

- **Daily Banking Sheet** (Customer deposits and final payments)
- **Sundry, Supplier and Installer Tax Invoices**
- **Information Request** (Please respond within 24 hours of receiving email to enable Choices Books to provide accurate daily reports)

Weekly:

By the close of trade on Thursday each week please scan and email;

- **Bank Transaction Listing** (printed from bank website)
- **Supplier Payments** (Listing payments made to Suppliers)
- **Timesheets** (The ATO require timesheets for all employees)

Monthly:

By the 7th of the month please scan and email;

- **Bank Transaction Listing** (printed from bank website that shows all transactions for the last seven days)
- **Supplier Statements** (statements from suppliers of money owed)
- **ATO Liability Statement** (if monies owed to the ATO)
- **Loan and Credit Card Statements**

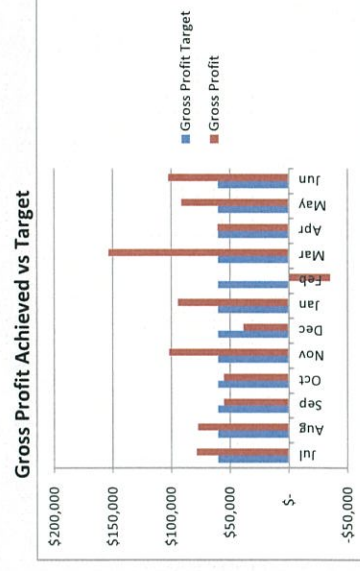
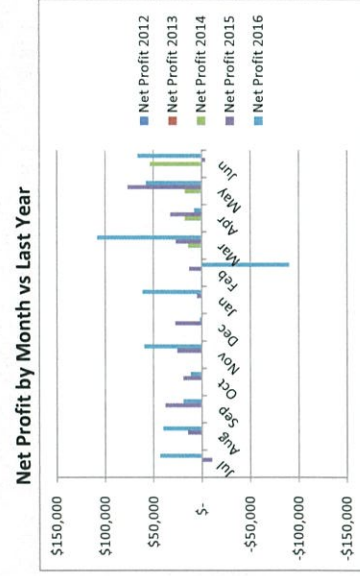
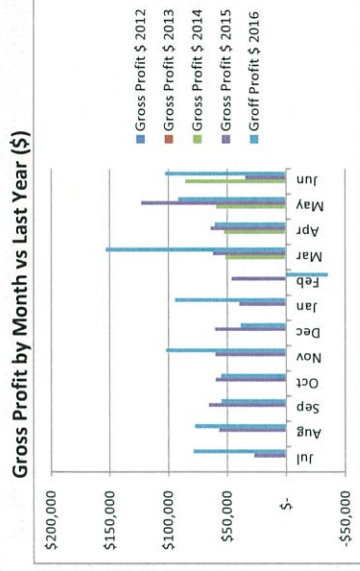
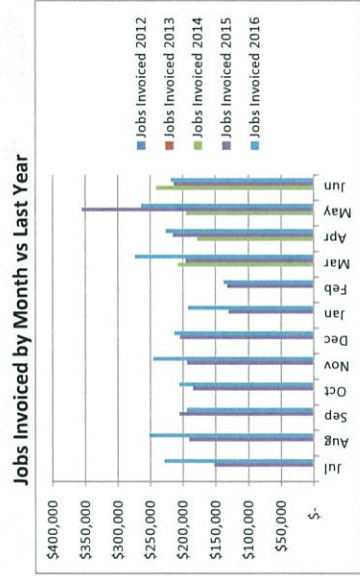
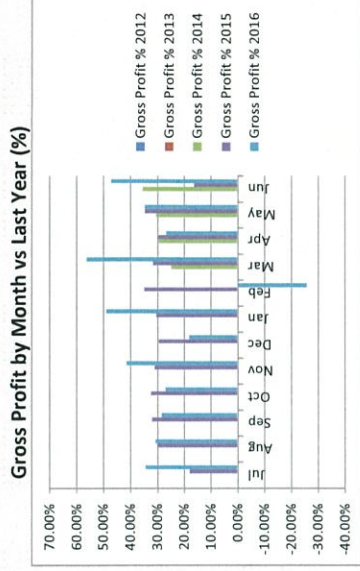
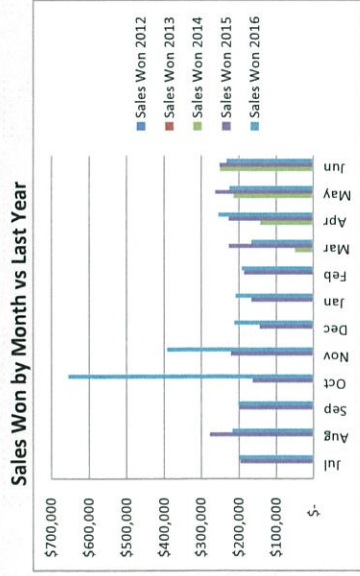
Email all documents to books@choicesflooring.com.au

Monthly Financial Report

Monthly Financial Snapshot		Jun
Sales Won \$		\$232,607
Same Month Previous Year		\$251,627
Prior Month		\$224,652
Jobs Invoiced		\$218,068
COGS		\$115,595
Gross Profit	46.99%	\$102,473
Expenses		\$37,642
EBITDA		\$64,830
Other Income	29.73%	\$2,238
Other Expenses		\$801
Net Profit		\$66,266
Debt Repayments & Owners Drawings		\$45,858
Profit after debt repayments		\$20,408

Year to Date Financial Snapshot		32.94%	13.79%
Sales Won \$		\$3,152,391	
Jobs Invoiced		\$2,648,134	
COGS		\$1,775,934	
Gross Profit	32.94%	\$872,200	
Expenses		\$507,015	
EBITDA		\$365,185	
Other Income		\$31,569	
Other Expenses		\$10,764	
Net Profit		\$385,990	
Debt Repayments & Owners Drawings		\$173,074	
Profit after debt repayments		\$212,916	

Other Measurables		
Debtors this month		\$161,558
Debtors previous month		\$167,131
Inventory this month		\$46,268
Inventory previous month		\$148,037
Work in Progress this month		\$0
Work in Progress last month		\$897,049
Cash at bank this month		\$271,251
Cash at bank previous month		\$272,529
Quick Ratio this month		2.49
Quick Ratio previous month		2.40



CHOICES FLOORING

FINANCIAL REPORTS

- **Financial Analysis**
- **Profit & Loss (Year to Date)**
- **Profit & Loss (Multi Period)**
- **Balance Sheet**
- **Bank Reconciliation**
- **Receivables Reconciliation (Debtors Report)**
- **Payables Reconciliation (Creditors Report)**
- **Newfurn Statement**
- **Written Sales**
- **Work In Progress (WIP)**

FINANCIAL ANALYSIS

Written Sales (Jobs Won)

Installed Jobs	= \$XXXXXX
Gross Profit	= \$XXXXXX
	= XX% GP

Invoiced Sales (Jobs Installed)

Written Sales	= \$XXXXXX
Gross Profit	= \$XXXXXX
	= XX% GP

Benchmarking (Your Store)

<u>Description</u>	<u>Group Benchmarks</u>	<u>Your Store/Month</u>	<u>Your Store/YTD</u>
Cost of Sales	= 70%	= XX%	= XX%
Gross Profit	= 30%	= XX%	= XX%
Staff Costs	= 10%	= XX%	= XX%
Rent	= 5%	= XX%	= XX%
Advertising	= 2%	= XX%	= XX%
Motor Vehicles	= 1%	= XX%	= XX%
Total Expenses	= 22%	= XX%	= XX%

Financial Performance (Profit & Loss)Month

Gross Profit	= \$XXXXXX
Other Income	= \$XXXXXX
Expenses	= \$XXXXXX
Other Expenditure	= \$XXXXXX
Net Profit/Loss	= \$XXXXXX
Debt Repayments	= \$XXXXXX
Owners Drawings	= \$XXXXXX
Net Profit/Loss	= \$XXXXXX

Year to Date

= \$XXXXXX
= \$XXXXXX
= \$XXXXXX
= \$XXXXXX
= \$XXXXXX
= \$XXXXXX
= \$XXXXXX
= \$XXXXXX

Financial Position (Balance Sheet)

The financial position of the business has improved/declined by \$XXXXXX

Work in Progress (WIP)

Work In Progress	= \$XXXXXX
Gross Profit	= \$XXXXXX
	= XX% GP


Debtors

\$XXXXXX of invoiced work is now outside of your agreed terms. It is critical that you contact each of these customers individually and request payment immediately

Additional Notes

It is recommended your GP Margin be increased to the 30% Benchmark in order to cover the running costs of the business and enable you to make a Profit on a Monthly basis.

Remember to always ensure Jobs are invoiced out in the month that they are completed in order to give a realistic picture of how the business is running.



It would be good practice, if you are ordering in Stock Flooring, that you bring it in early in the new month, where it can be allocated to a job within the month, with the possibility of Invoicing it out in the same month, as opposed to the end of the month when the product cannot be accrued for and reduces the profitability.

Important:

Always seek independent financial advice before making any decisions based on this analysis