



Monthly P&L Review (Franchisee / Head Office)

Department: Finance / Franchise Support

Applies To: All Franchise Owners, Centre Managers, and Head Office (HO) Finance Team

Purpose: To outline the process for reviewing, reconciling, and analyzing monthly Profit & Loss (P&L) statements through Xero Accounting for each UAC franchise location.

The goal is to ensure accurate financial reporting, identify performance trends, and support business improvement decisions.

Objectives

1. Maintain accurate and compliant monthly financial records in Xero.
2. Provide consistent financial visibility between Franchisees and HQ.
3. Identify areas for cost reduction, revenue improvement, and margin control.
4. Enable proactive decision-making through regular review cycles.

Scope

This procedure applies to:

- All UAC Franchise Clubs (domestic and international)
- UAC Head Office Finance Team
- Franchise Support Officers (FSOs) responsible for performance audits

Roles & Responsibilities

- Franchise Owner / Manager: Maintain daily financial accuracy, submit receipts/invoices, and review monthly P&L.
- HQ Finance Team: Generate consolidated P&L reports from Xero, reconcile key accounts, and review variances.
- Franchise Support Officer (FSO): Conduct monthly financial review calls with franchisees.
- CEO / Director: Monitor trends and identify financial risks or opportunities across the network.

Monthly P&L Review Process (Step-by-Step)

Step	Action	Responsible	Tool / System
1.Data Entry & Categorization	Enter all income and expense transactions in Xero under correct chart of accounts.	Franchise Owner / Manager	Xero
2.Bank Reconciliation	Reconcile all transactions against bank feeds and receipts.	Franchise Owner / Finance Team	Xero Reconciliation Tool
3.Invoice & Payroll Verification	Verify supplier invoices, staff wages, and expense claims have been posted correctly.	HQ Finance	Xero / Payroll Module
4.Generate P&L Report	Produce a Profit & Loss Statement for the previous month.	HQ Finance	Xero → Reports → Profit & Loss
5.Initial Review (Franchisee)	Franchise owner reviews report for accuracy and identifies unusual variances.	Franchise Owner	PDF/Xero Dashboard
6.Review Meeting with FSO	Conduct monthly 30-min review call to discuss performance insights.	Franchise Owner + FSO	Zoom / Teams
7.Adjustments & Approvals	HQ Finance applies final journal adjustments (if needed) and approves the report.	HQ Finance	Xero
8.Archive & Record	Final report stored in shared Google Drive: Finance → P&L → [ClubName_Month_Year]	HQ Finance	Google Drive

Key Review Areas

Category	Focus Points
Revenue	Membership sales, recovery sessions, basketball academy, PT revenue, merchandise sales
Cost of Goods Sold (COGS)	Product costs (merch, supplements, drinks)
Payroll Expenses	Staff wages, superannuation, PT commissions
Operational Expenses	Cleaning, maintenance, utilities, software, insurance
Marketing & Promotion	Kode0 fees, social media spend, local events
Rent & Lease Costs	Fixed and variable site costs
Net Profit Margin	Club's profitability and sustainability health

Financial Ratios & Benchmarks

The following metrics are reviewed during each monthly meeting:

Metric	Target / Benchmark
Revenue Growth (MoM)	≥ 5% positive growth
Payroll % of Revenue	≤ 45%
Marketing Spend %	5–8% of total revenue
Rent / Occupancy Cost %	≤ 25%
Net Profit Margin	Minimum 15%
Billing Collection Ratio	≥ 90% success rate
Attrition Rate	≤ 5% monthly

Reporting Schedule

Activity	Deadline	Responsible
Data Entry Completed	By 2nd of following month	Franchise Owner
Reconciliation Completed	By 5th	Franchise Owner / Finance
P&L Generated & Reviewed	By 7th	HQ Finance
Review Call with FSO	By 10th	Franchisee / FSO
Consolidated HQ Report	By 15th	HQ Finance / CEO

Variance Analysis

- Variances greater than $\pm 10\%$ month-on-month must be flagged.
- Common causes to check:
 - Unposted invoices
 - Incorrect expense categorization
 - Seasonal changes (promotions or holidays)
- All anomalies to be documented in the Monthly Variance Log (template provided by HQ).

Communication & Support

- FSO to hold monthly P&L performance meeting with franchisee (virtual or in-person).
- HQ Finance to provide quarterly financial performance dashboards summarizing network-wide trends.
- Franchisees may request 1:1 consultation for cost management or margin improvement.

Compliance & Audit

- Financial records must be retained for 7 years (per ATO compliance).
- Xero must remain up-to-date at all times with bank feed integration active.
- Random audits may be conducted by HQ Finance or external auditors.
- Any discrepancies must be corrected within 7 business days of notification.

Tools & Templates

Systems Used:

- Xero Accounting Software
- Google Drive – Finance Shared Folder
- UAC P&L Review Template (Excel / PDF)
- UAC Variance Log Template

Folder Path:

Google Drive → Finance → [Club Name] → Monthly Reports → P&L Reviews

Performance Actions

If a club's P&L performance falls below standard benchmarks:

- FSO to notify HQ within 3 days.
- Franchisee to submit a Performance Improvement Plan (PIP).
- Follow-up meeting scheduled within 30 days.
- HQ may implement financial mentoring or operational support.