# Report for Bill’s Groceries

As of 30 June 2022

# Statement of Profit or Loss

After examining the statement of profit or loos I have found the following information:

The business has a fine sales revenue for the period ($100,000). The business also has very little sales returns of only 1% of total sales ($1,000). The cost of goods sold is one quarter of the gross sales making have a high gross profit ($72,000).

Recommendations to reduce the cost of selling goods includes: sourcing different suppliers who ware cheaper without sacrificing the quality of the goods. The business should try to buy locally to save on transport costs. Bulk buying will also save costs. Better buying will reduce the problems of wastage.

Considering the sales of the business the advertising could be reduced. Other than that wall other expenses are extremely low

# Statement of Financial Position

The business is in an excellent financial position as it’s liabilities ($12,150) are only one tenth of it’s assets ($105,710). This means the business owns more than it owes. It was very little debt although it has a small amount of cash with most if it’s assets being not easily liquidated. The worth of the business was increased over the period ($28,360 to $89,160). The amount of drawings is very low ($1,000).

# Conclusion

This business is in good financial shape because it is earning high sales from goods. Costs are a low but should be examined for where savings can be made. There are plenty of assets to cover the money owned to liabilities. It is a business that is worth buying.