***Driven Mastermind***

Going through Financial Balance Sheets, P&L and Cash Flow Statements of the company got the following dynamic analysis, variance analysis and insights:

* *Current Ratio:* Ratios are >1 so this means company can afford current liabilities.
* *Total Debt Ratio:* Ratios are <1 so this means the part of assets that is financed with liabilities is not material.
* *Financial Leverage Ratio:* This means how much of total assets are over equity. As higher this amount is, higher is financial leverage. As the graphic shows, this ratio decreased along months, so it is a good indicator.
* *Equity Ratio:* This means how much of total assets are financed by Equity. As high this value is, lower is dependence on liabilities. As the graphic shows, this ratio increased along months, so it is a good indicator.
* *Net Profit Margin:* This means which % of Total Revenue become Net profit after expenses and taxes. In March turned very low mainly due to referral fees and contractors increase, added to a decrease of revenue and in June, though revenue recovered, commissions hit for a high amount.
* *ROA (Return on Assets):* This means which % profit remains after direct costs. As this has a higher tendence, also is a good indicator.
* *Operating Profit Margin:* This means which % profit remains before interest and taxes. In this case explanation is same as Net profit margin since there is no variance between both.
* *Return on Equity:* This means how much efficient is equity generating income for the company.
* *Asset turnover:* This means how much assets have generated income. As higher this number is, more efficient is assets use.
* *ROI (Return on Investment):* Evaluates profitability of investment, in relationship to its original cost (Considering initial Cash flow of $235,306 as initial inversion).
* *Cash Flow Variance:* it is noted that since April it has started to generate more revenue but also in a significant amount this is used in Event Cost Payable with higher tendence on each month.
* *Net Cash provided by Operating Activities:* does not have a tendence but seem that the company’s activity can generate cash. Negative variations in this case were mainly due to Event Cost Payable and Due to Perry.

**Conclusion in relationship to financials:**

In general, the analysis suggests the company enjoys a good financial health and seems capable of generating income in the future.

Ratios indicate that the company has the right proportion of liabilities in relationship to equity and good liquidity to afford current debts.

Cash flow analysis proves that company is generating cash with operative activities enough to cover Events which are mainly cash outflow.

**Insights to consider on projections for the company:**

* In March revenue had a big decrease, would this be an isolated event, or may this be repeated? Also noted there are some referral fees in this month, will these repeat in the future?
* As company keeps on growing, contractor and commissions expenses should be considered increasingly or at least between $40 – $50k budget for both per month.
* Events cost is also prominent so would consider this also with a budget of $150-$200k for each month increasing it between 40-60% each month.
* Consider if in the future will make any inversion and if other capital would be needed since liabilities has decreased until now.